Mid-Term Evaluation of the AfDB’s Results Measurement Framework (2016–2025)

Executive Summary

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IDEV conducts different types of evaluations to achieve its strategic objectives.
Executive Summary

Background

Independent Development Evaluation (IDeV) at the African Development Bank Group (AfDB or “the Bank”) launched, in March 2020, a mid-term evaluation of the Bank’s Results Measurement Framework (RMF) for 2016–2025, as part of its 2020 work program.

The AfDB’s RMF for the period 2016–2025 is designed to measure and enhance development impact. The RMF aims to track progress towards the Bank’s twin goals of inclusive growth and green growth set out in its Ten-Year Strategy (TYS) for Africa’s Transformation (2013–2022). The RMF uses four levels to track the Bank’s performance in meeting its development objectives. Level 1 tracks development progress across Africa. Level 2 measures the Bank’s contributions towards development in all its operations. Level 3 assesses the quality of the Bank’s operations. And Level 4 monitors the Bank’s efficiency as an organization. With this RMF, the Bank is increasing its strategic focus on five priority areas of development, the “High 5s”: Light Up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the Quality of Life for the People of Africa. The Bank has also introduced the Development and Business Delivery Model (DBDM) to increase its effectiveness and efficiency. In total, the RMF identifies 14 objectives for the Bank that summarize the theory of change that guides the Bank’s actions and underpins the RMF.

Within the scope of the 2016–2025 RMF, the Bank decided to take five major actions to boost its impact on development, which are described in detail in this report: (i) increasing the Bank’s strategic focus on five of the TYS priority areas, the High 5s; (ii) supporting the implementation of a more effective delivery model; (iii) better measuring the Bank’s development impact; (iv) improving the way the Bank assesses the private sector’s contribution to development; and (v) increasing the Bank’s attention to gender equality.

Purpose and Scope of the Evaluation

This mid-term evaluation of the RMF (2016–2025) aims to provide evaluation knowledge that will contribute to a better understanding of the progress of RMF implementation so far and assist the Bank’s Management in improving the RMF execution for the rest of the period until 2025. It will inform a mid-term review of the RMF that Management intends to present to the Board in Q4 2021. The evaluation covered the period from 2016 to 2020. It assessed the relevance, effectiveness and efficiency of the Bank’s RMF, and provides evidence of the RMF’s strengths and weaknesses, as well as recommendations for Management to chart a course of action that will subsequently help the Bank to implement its strategies more effectively and efficiently.

The evaluation addressed the following overarching questions:

- To what extent is the design of the RMF robust in supporting the Bank’s development effectiveness?
- To what extent has the RMF achieved its strategic objectives of being an accountability, decision-making and learning tool for the Bank?
- To what extent and how has the RMF been optimal in achieving its objectives?
Methodology

An evaluation framework was prepared for this evaluation. The approach used is non-experimental and applies mixed methods, with a participatory characteristic. The evaluation approach is also utilisation-focused in that there is clarity from the onset as to who the evaluation is for, and how it will be disseminated and used. In particular, it will inform a review of the RMF by the Bank’s Delivery, Performance Management and Results Department (SNDR). The formative\(^1\) nature of the evaluation entails that the evaluation team examines whether the RMF approach is achieving efficiency and effectiveness expectations that were part of its initial raison d’être.

The evaluation methods applied are primarily qualitative, complemented by a review of the quantitative information reported on in the RMF. The evaluation benefitted from a substantial amount of relevant evaluation evidence generated by IDEV, and other internal and external reviews. The evaluation was informed by three main lines of evidence: (i) benchmarking with similar organisations; (ii) an assessment of the quality of the data reported in the Annual Development Effectiveness Review (ADER); and (iii) an assessment of the quality of the RMF’s design. Data collection and analysis for the evaluation were partly desk-based due to the COVID-19 pandemic situation, and interviews with key stakeholders were conducted remotely. The qualitative interviews were complemented by an evaluation survey of relevant Bank staff at Headquarters and in Regional and Country Offices. The low response rate for the online staff survey, and the inability to validate the accuracy of the actual results indicator values reported in Project Completion Reports (PCRs) and Expanded Supervision Reports (XSRs), were among the key limitations encountered. However, the use of triangulation helped to mitigate these limitations.

Findings

Relevance

The evaluation assessed to what extent the design of the Bank’s 2016–2025 RMF was robust enough to support the Bank’s development effectiveness.

The alignment of the RMF with the Bank’s TYS, the High 5s, other Bank policies and strategies, and the SDGs (strategic level): The Bank’s 2016–2025 RMF was found to be relevant in supporting the AfDB’s development effectiveness, demonstrable through its strategic alignment with the Bank’s corporate policies and strategies, as well as international goals. The RMF is strategically aligned with the Bank’s TYS (2013–2022) and new developments, including the High 5s agenda, other Bank policies and strategies, and the Sustainable Development Goals (SDGs). By placing the High 5s at the centre of Levels 1 and 2 of the RMF, the Bank made a conscious effort to realise two things: The first is to push towards the highest goals through indicators that measure progress towards results achievement regarding infrastructure development, regional integration, skills and technology, private sector development, and governance. The second is to concurrently realise the SDGs given the high level of congruence between them and the High 5s, at nearly 90 percent.

However, the evaluation found that specific adjustments are necessary to ensure the continued alignment of the RMF, especially given the multi-layered work ongoing at the Bank, namely a new private sector development strategy, cross-cutting strategies such as gender, green growth and fragility, and a proposal to increase the Bank’s selectivity, as well as new or updated sector and corporate policies and strategies that have direct causal linkages with the RMF. The Bank is also advised to re-visit its assumptions and the identified risks in the RMF’s Theory of Change, especially those related to: (i) the impacts of the COVID-19 pandemic; (ii) the climate crisis, in particular, drought- and flood-prone and
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water-challenged states, and related food scarcity; (iii) fragility and conflict; and (iv) the incentives required for private sector participation and Non-Sovereign Operations (NSOs) reporting.

Furthermore, the corporate results measurement framework, which has different names in different Multilateral Development Banks (MDBs), is the highest-level tool for monitoring performance and achievement of the corporate strategic objectives set out in the overall long-term corporate strategy. In line with the findings from the RMF evaluation benchmark study and emerging good practices in managing for development results, the corporate results measurement framework should be aligned, and the business cycle synchronised, to the long-term corporate strategy to ensure the RMF’s continued relevance and usefulness as a performance management tool. However, the evaluation pointed out that, unlike other MDBs, the Bank’s RMF business cycle (2016–2025) was not synchronised with the Bank’s long-term corporate strategy (2013–2022). To this end, the alignment and business cycle synchronisation of the RMF 2016–2025 with the Bank’s corporate strategic priorities of the TYS (2013–2022) and the Bank’s upcoming corporate strategy (2023–) is of paramount importance in ensuring that the Bank’s RMF continues its relevance and usefulness in terms of being an accountability, decision-making, and learning tool for the Bank.

The alignment of the RMF with the Bank’s country, sector, and project-level results frameworks (operational level): In theory, results should be aligned, underpinning the importance of the results chain hierarchy. In practice, however, the evaluation found that the strength of the causal links between Levels 1 and 2 of the RMF could be strengthened. It also observed some areas for improvement in the intervention logic and alignment among the long- and medium-term objectives, the organisation’s operations (programs/projects), and the Bank’s corporate set-up (i.e., the corporate RMF and sectoral results frameworks). This can be attributed to a number of factors: first, due to inadequate application of a standardised set of results and performance indicators that are cascaded at sector and project levels. Second, there is the issue of how to aggregate disparate results indicators at different RMF layers so as to provide a holistic but focused picture of results at the corporate layer. While alignment of the corporate results framework and the Bank’s country, sector, and project-level results frameworks has been challenging, more recent Bank strategies and initiatives demonstrate improvement in this area.

Robustness of the RMF design: The quality of the design of the Bank’s RMF is assessed as good, albeit with some weaknesses in indicator selection, target setting, and stakeholders’ consultation.

Design: The RMF was found to largely satisfy the characteristics of a good corporate results framework, as it encompasses an implicit logic model and results matrix with baseline, targets, assumptions/risks, and results tracking and reporting, as well as the inclusion of cross-cutting issues. For example, the Bank’s RMF undertook a thorough analysis of the continent and prioritized its actions, translating the 2013–2022 corporate strategy into the High 5s, with corresponding targets. Furthermore, the RMF design considered the cross-cutting issues of: (i) climate change and green growth; (ii) gender equality and women’s empowerment; (iii) fragility and resilience; and (iv) economic governance.

Indicator selection and target setting: By setting time-bound and quantified targets for all the indicators that the Bank tracks, the desired level of impact and service delivery has been established. However, the evaluation found that the Bank’s 2016–2025 RMF process of selecting indicators and targets did not sufficiently consider the need to match aspirations with the available resources. This is inherent in the limitations associated with the available approved sector strategies, as the RMF took targets from country and sector strategies that were aspirational rather than achievable during the RMF design stage. However, not all indicators need or are suited to having targets. The Bank is advised to consider how useful a proposed target is likely
to be, and who will use it and how. When setting a numerical target is not appropriate or possible, the indicators in the RMF could make greater use of the target type “monitor”. In addition, target setting at all four levels of the RMF needs to be reviewed and adjusted to facilitate tracking performance against the Bank’s corporate targets.

**Stakeholders’ consultation:** A review of the RMF design process indicated that, while internal consultations took place, a deeper stakeholder mapping and consultations with Regional Member Countries (RMCs) and donors would have enriched the RMF. Key stakeholders often have a perspective that is important to consider in order to improve accuracy, accountability, and shared commitment to targets. During the design of the RMF, no stakeholder mapping was conducted.

**Effectiveness**

The effectiveness of the RMF was assessed by examining to what extent it achieved its strategic objectives of being an accountability, decision-making, and learning tool for the Bank.

The Bank’s 2016–2025 RMF was found to be an effective tool for accountability, and it has improved the communication of corporate performance. However, learning and decision-making have to some extent taken a backseat. The AfDB systems’ focus on accountability drives the shape, scope, timing, and content of reporting, and limits the usefulness of the exercise for learning and decision-making. The evaluation found that the RMF contributes to some extent to decision-making, but the causal linkage is less in evidence in a way that follows a plan. The RMF is helping to promote learning, but not to the extent that lessons are used in future operations. Numerous references in Key Informant Interviews (KIIIs) to an “approval culture” and a “compliance focus” rooted in the completion of mandatory reports indicate a focus on short-term approaches that limit the attention for learning. KIIIs also confirm the view that the Bank’s RMF reporting is aimed mainly at an external stakeholder audience, rather than at the internal management process to improve performance and achieve better results. Nevertheless, other reporting processes (Annual Portfolio Performance Review, Dashboards) are aimed at the internal audience.

**Factors promoting or hindering the use (or non-use) of the RMF:** Among others, the evaluation highlighted the following key factors that enable or hinder the use (or non-use) of the RMF:

i. **The Bank’s strategic focus on the High 5s and greater attention to the drivers of operational performance enable the use of the RMF.** The Bank is introducing new methodologies that will: (i) allow it to better assess the development impacts of its operations; (ii) support the RMF with departmental incentives—including updated key performance indicators—that are better aligned with its corporate priorities; and (iii) strengthen business processes to increase its capacity to track and report on its development impact, including an approach for capturing and leveraging the development impact of its private sector operations. This is a key aspect of achieving the High 5s, and one that has been identified by KIIIs and surveys as being inadequately captured by the current monitoring and reporting approaches and tools.

ii. **Frequency of reporting of Level 1 indicators should be clear and consistent with the data source parameters.** The primary purpose of Level 1 indicators is to monitor the development progress of the RMCs. The existing AfDB RMF targets for these indicators are based on aspirational long-term targets linked to multiple strategies, guided by the High 5s. What has been established during the evaluation is that at Level 1, the AfDB (similar to all MDBs) selectively chooses what to report from the available evidence in order to demonstrate its performance and contribution to development in Africa at the highest levels. Accordingly, since 2020, the Bank stopped reporting targets for Level 1. In addition, given the reporting requirement to report on the
progress made on the RMF’s Level 1 indicators on an annual basis, it is extremely challenging (and not cost-effective) to report on long-term progress achieved annually and, instead, it is more effectively presented once or twice in the RMF cycle. For example, the Inter-American Development Bank (IDB) presented aggregated data on its achievements and progress in its 2020 Development Effectiveness Review for the 2017–2020 Corporate Results Framework.

iii. The current RMF indicators mainly capture results and performance that are measurable by quantitative metrics, and thus fail to capture the Bank’s full contribution to development in Africa, including the “soft” elements of the Bank’s support, such as non-lending operations. A case in point is the use of inadequate indicators or inadequate measurement of the results of the Bank’s non-lending operations, specifically policy dialogue, knowledge management, and Economic and Sector Work. Increased appreciation of the importance of reporting that captures progress and development, or reporting of the qualitative aspects of the Bank’s efforts and investments, is warranted. Also, the Bank’s RMF can be further enhanced by additional narrative reporting to ensure a complete statement on the Bank’s work program and achievements. The 2020 ADER has demonstrated marked improvements and progress in this area, and is consequentially much more informative.

iv. The AfDB’s corporate results reporting can be better complemented by proactive analysis and reporting on the regional/country and sector/High 5s results frameworks, to strengthen the effectiveness of Results-Based Management (RBM). As noted in multiple references, the existing corporate system is supported by thematic and country development effectiveness reviews. During 2016–2019, the Bank undertook a thematic review of agriculture and country reviews of Ethiopia, Sierra Leone, Cameroon, Tanzania, Egypt, Mozambique, Guinea and Morocco, with reviews of Niger, Uganda and Ghana ongoing. However, the themes and countries to be covered are not strategically planned, but rather based on responding to country requests. More systematic and detailed reporting of results at the country/regional/sector/High 5/thematic level, to complement the corporate-level RMF reporting, would strengthen the basis for learning and RBM.

v. Measuring the AfDB’s impact on certain indicators such as the support to job creation and regional corridors remains challenging, and the Bank is exploring an appropriate methodology for measuring impact. For instance, to measure support to job creation, the AfDB has introduced a new methodology that was finalised in early 2020 and is based on project approvals (ex-ante)-a different methodology from other RMF indicators. The objective is to include data on direct, indirect, induced and forward-effect jobs in the next ADERs, with adequate explanations on the methodology. Moreover, in the 2020 ADER, the Bank piloted the use of high-resolution impact mapping to assess the impact of regional corridors.

vi. Assessing the attribution of development results to the Bank’s efforts vs. the contribution of the Bank’s efforts to development results. Compared with other MDBs, the Bank’s approach to measuring the development impact of co-financed operations differs, even though some degree of harmonisation exists. Interactive discussions and collaboration among MDBs have contributed to the near-convergence of their corporate-level results frameworks and/or scorecards. MDBs’ tiers or levels cover both development results and performance, adjusted to the needs of each MDB based on its mandate and operational circumstances. Nonetheless, the AfDB is the only MDB that has chosen to report exclusively on its own contribution and the results that can be attributed to it, and not on the aggregate project contribution, which includes co-financiers (outputs are pro-rated according to the level of the Bank’s financial support against total project costs). The rationale behind the
AfDB’s choice to report exclusively on its own contribution is mainly due to the fact that the Bank’s interventions are increasingly co-financed with other development partners and reporting the total sum of outputs might not adequately reflect the financial inputs of the Bank and would lead to double counting. Outputs are therefore pro-rated according to the Bank’s share in the total project costs. That is, the AfDB is utilising an attribution approach whereas comparator institutions such as the World Bank Group and the Asian Development Bank are using the contribution approach. This choice by the AfDB is not aligned with the Paris Declaration principle of mutual accountability for development results and the partnership-driven nature of its main High 5s Strategies (New Deal on Energy for Africa and Feed Africa). By pro-rating its results, the Bank is reporting substantively fewer results than others.

Efficiency

The evaluation examined the RMF’s efficiency by assessing to what extent and how the RMF has been optimal in achieving its objectives.

The main findings of the evaluation are as follows:

i. Level 2 data reported in the ADER presented shortcomings that were linked with the quality of the self-evaluation (PCR/XSR) data used, for which evidence sourcing practices are inadequate, as well as with the quality of data management and analysis. The main issues concerned a lack of formal procedures and foundations for a strong data-driven culture at all levels (project/country/sector), insufficient evidence in the PCRs/XSRs, and the limited institutional use of the knowledge generated by self-evaluation. Also, the Data Quality Assessment (DQA) undertaken within this evaluation observed that the ADER-reported data were computed using the three-year moving average method for Level 2 data. The use of a moving average smoothens trends by eliminating outliers, particularly those due to seasonality or business cycles. Data reported in the 2017–2020 ADERs computed using a three-year moving average differed significantly from annually computed indicator values for the same years. What becomes apparent is that annual data tend to be better for assessing annual results, as they can be used to focus attention on problem areas, while three-year averages can be useful to identify trends. Thus, given that the ADER serves the twin purposes of accountability and facilitating decision-making through learning, the Bank is advised to carefully consider the most appropriate methodological approach for each indicator, depending on what it will be used for.

ii. The DQA observed substantial attention to data disaggregation, particularly for women, the African Development Fund (ADF), and transition situations. The evaluation found some data quality issues on gender-disaggregated data. The 2017–2020 ADERs provide a considerable level of detail for gender-sensitive indicators. Of the 49 items of data on women beneficiaries verified by the evaluation, it was confirmed that nine (or 18 percent) are the subject of further review. Of these nine, seven are proxies (national-level sex compositions or other methods) and two are data-entry errors.

iii. The relatively large number of RMF indicators has significant implications for cost-efficiency. While the average number of indicators for the five institutions compared (including the AfDB) is 84, the AfDB has 21 indicators more. For the AfDB, this means that more effort is required in terms of time and costs to collect, collate, process, and disseminate meaningful data and information. This calls for a streamlining of the current pool of indicators to a level that guarantees cost-efficiency without compromising the quality of the data and the reporting process. Indeed, the Bank in its 2016–2025 RMF reduced the number of its RMF indicators, bringing them down to the current 105, compared with 111 in the previous RMF. However, from a cost-efficiency perspective, it would be useful to consider further streamlining the current number of indicators.
iv. The Bank identified the Results Reporting System (RRS) as a potentially effective reporting tool linked with quality results data, although its implementation was delayed. The improvement of AfDB information systems is expected to enhance the RMF’s effectiveness and efficiency, but only if the quality of results data entered into the IT system are guaranteed.

v. Finally, the Bank is already aligning corporate incentives with corporate priorities, although this process needs further development. This is in line with the RMF expectations as indicated in its design document.

**Lessons**

The following are the key lessons from this evaluation.

**Lesson 1:** The robustness and credibility of the Bank’s self-evaluation system are critical for tracking RMF indicators.

The Bank’s RMF results reporting, especially in the case of Level 2 indicators, is only as good as the robustness and credibility of the self-evaluation system, which by extension includes its results reporting system and processes for generating quality results data.

**Lesson 2:** A sense of ownership among key stakeholders is essential for delivering the RMF.

Ensuring ownership of the RMF at all levels of the organisation is essential. RMF indicators and targets should be selected and set based on a good understanding of what areas are important to measure and what level of performance is both ambitious and achievable, considering accurate baseline data, where applicable. It is therefore important to continue drawing upon specialists who are most likely to have this knowledge and data early on in the indicator-selection and target-setting process. This will also ensure broad ownership by those responsible for successfully meeting the targets. The inclusion of the operations departments and staff in setting the targets was identified by the key stakeholders surveyed as particularly important to the results achieved. Their involvement will allow an ambitious yet attainable target to be agreed upon, effective monitoring to be put in place, and staff ownership to be fostered.

**Lesson 3:** Stretching to maintain flexibility is vital.

The RMF should remain sufficiently flexible to accommodate other indicators and refinements in the future. This is particularly important for areas where: (i) there is a changing development context in the RMCs and the Bank’s emerging new strategies; (ii) self- and independent evaluation studies are planned to generate lessons relevant to target setting; and (iii) provisional indicators need to be tested before they are formally integrated into the RMF.

**Lesson 4:** Finding the balance between realism and ambition is important.

To function as an effective management tool, the RMF should have targets that are ambitious yet realistic. Historical data and Management’s forecasts combined with staff assessments of expected Bank performance should guide the determination of target attainability. The extent of the Bank’s control over specific performance areas should also inform target setting.

**Recommendations**

IDEV makes the following recommendations:

**Recommendation 1:** Improve the RMF design.

Priority areas of action to consider include:

- Updating the theory of change and related indicators to align them with changes in Africa’s development context and the Bank’s emerging priorities.
Ensuring consistency and business cycle synchronisation between the RMF 2016–2025, the TYS (2013–2022), and the Bank’s upcoming Corporate Strategy (2023–). In line with other MDBs, the TYS and RMF should be the centrepiece of results measurement and reporting for both accountability and learning.

Reconciling the Bank’s ambitions with its resources by reviewing the targets set across the RMF levels to ensure that they are ambitious yet realistic.

**Recommendation 2: Enhance the Bank’s results reporting.**

Priority areas of action to consider include:

- Improving the reporting of outcomes and impacts at regional, country, sector/High 5 and thematic levels to ensure greater results orientation, with results brief at the country level, and clarity of responsibility for results reporting.

- Developing appropriate tools and guidance for measuring the results of the Bank’s non-lending operations such as policy dialogue, knowledge management, and Economic and Sector Work.

**Recommendation 3: Enhance the utility of the RMF for better RBM and evidence-based decision-making.**

Priority areas of action to consider include:

- Improving the aggregation at the RMF level and streamlining the number of core indicators at the project level by implementing core standard indicators and supporting staff in using them.

- Enhancing the capacity of Bank staff and project staff through ramping up awareness and training on results measurement, including the role of the RMF.

- Revising Bank guidance on PCRs and XSRs to provide clarity to teams on the level of supporting evidence expected to be included in these reports, and the results data quality assurance process.

- Collaboration between IDEV and Management to ensure that independent validations of PCRs and XSRs can take place in time to inform the ADER.
About this evaluation

This report presents the findings, lessons and recommendations of IDEV’s mid-term evaluation of the AfDB’s Results Measurement Framework (RMF) for 2016-2025. The evaluation covers the first five years of implementation of the RMF (2016-2020) and assesses how it has performed so far, to help the Bank to improve the execution of the Framework for the remaining period until 2025. The evaluation examined the robustness of the RMF’s design in supporting the Bank’s development effectiveness, and the extent to which it has achieved its strategic objectives of being an accountability, decision-making, and learning tool for the Bank. It also assessed how well the RMF has performed in achieving its strategic objectives.

The evaluation finds that the RMF is relevant in supporting the Bank’s development effectiveness. Design quality is assessed as good and in conformity with the characteristics of a good corporate results framework, albeit with some weaknesses in indicator selection, target setting, and stakeholders’ consultation. The evaluation also finds that the RMF is an effective tool for accountability, and that it has improved the communication of corporate performance. However, its use for learning and decision-making is not optimal. The evaluation further draws attention to the large number of RMF indicators, which has implications for cost efficiency.

The evaluation outlines lessons on the credibility of the Bank’s self-evaluation system, ownership among key stakeholders, the flexibility of the RMF to accommodate future indicators, and the need to balance realism and ambition in setting RMF targets. It recommends improvements to the RMF design and the Bank’s results reporting, with a view to better results-based management and evidence-based decision-making.