Evaluation **Highlight**

IDEV

Independent Development Evaluation
African Development Bank

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

An IDEV **Country Strategy Evaluation**

Zambia: Country Strategy and Program Evaluation 2002–2015

What did IDEV evaluate?

The evaluation covered the 2002-2015 period during which time the volume of Bank assistance to Zambia was about UA 947.84 million for 43 operations. The majority of the Bank's support by value was to the transport, power, water supply and sanitation, and agriculture sectors (31.7%, 19.3%, 14.3% and 10.9% respectively). Bank financing over the evaluation period was mainly through the ADF window (about 45%), closely followed by the ADB window at 43%.

What did IDEV find?

Relevance was assessed as satisfactory. Bank strategies were well aligned with the priorities set in the Government of the Republic of Zambia's national development plans over the evaluation period and have responded to changes in these priorities over time. The Bank's project portfolio has generally been aligned with country strategies over the period as well as with the needs of targeted beneficiaries.

Effectiveness was assessed as moderately unsatisfactory. Achievement of outputs for completed projects across each sector was fairly satisfactory, with 78% of outputs delivered successfully. But achievement of project outcomes fell below expectations. Whereas at the strategy level, the Bank's interventions have made a tangible contribution to the development of an enabling business environment and increasing access to basic infrastructure and services, limited progress has been achieved in strengthening public financial management and promoting agricultural productivity and diversity.

Sustainability was rated moderately unsatisfactory, with variability across sectors arising from financial, institutional capacity, technical unsustainability issues.

The efficiency of the Bank's portfolio is rated as unsatisfactory. This is due to considerable project implementation delays and portfolio disbursement ratios, which consistently fell below the Bank-wide average over the evaluation period. Economic Rate-of-Return for the Bank's projects was not rated due to the unavailability of adequate data.



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What did IDEV recommend for the new strategy?

The evaluation proposes the following nine recommendations to the Bank:

1. Continue to support private sector regulatory reform and build capacity among the accountability functions of government, particularly audit and procurement.
2. Strengthen the Bank's role in donor coordination, analytical work and policy dialogue.
3. Address constraints to private sector involvement in service delivery and address infrastructure bottlenecks.
4. Identify opportunities to scale up development outcomes from private sector investments.
5. Deepen the integration of gender in the Bank's operations and engage in policy dialogue on gender with the government in collaboration with development partners.
6. Promote synergies within the Bank program and in coordination with other donors between projects that improve the productivity of small businesses and increase access to finance.
7. Identify means of harmonizing project implementation approaches with other co-financing partners as well as within projects that possess both private and public sector components.
8. Develop the capacity of the Government of Zambia for project selection, design and engineering, particularly for infrastructure projects and Public-Private Partnerships.
9. Identify and mitigate operational issues surrounding multinational projects aimed at regional integration.

About IDEV

IDEV 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 activities to the highest possible standards.

What did Management respond?

Management welcomes the IDEV Evaluation of the African Development Bank's Country Strategy and Program for Zambia (2002–2015). The purpose of the evaluation was to assess, among others, the relevance, effectiveness, efficiency, and sustainability of the strategic interventions and to inform the preparation of the next Zambia Country Strategy. The evaluation revealed that the Bank's Country Strategies were relevant in terms of strategic focus and alignment in addressing Zambia's Development challenges. The projects supported by the Bank delivered most of the planned outputs while project outcomes did not always meet the targets. Project efficiency was rated moderately unsatisfactory largely due to the lags in preparing projects and the delays between loan approval and effectiveness for first disbursement. Sustainability was rated moderately unsatisfactory. This was due to low profitability of some private sector projects while issues of cost reflective pricing was lacking in water and energy supported projects.

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