Cluster Evaluation on the Management of Resources in African Development Fund (ADF)-Funded Projects

Executive Summary

December 2022
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Background

As part of its approved work program for 2021, the African Development Bank Group’s (AfDB or “the Bank”) Independent Development Evaluation (IDEV) function has evaluated the quality of the management of resources in projects funded by the African Development Fund (ADF). The evaluation focused on learning and drawing lessons on effective resource management to better inform the design and implementation of future ADF operations. This summary report presents its results.

The ADF is the concessional window of the AfDB. Established in 1972, it became operational in 1974. Administered by the Bank, it comprises, at present, 32 contributing countries and 37 beneficiary countries. The 37 ADF-eligible countries that are benefiting from the ADF include those that are increasing their economic capacities and heading toward becoming new emerging markets, as well as those that remain fragile and in need of special assistance for basic levels of service delivery. The ADF’s mandate is to contribute to poverty reduction, and economic and social development in the least-developed African countries by providing concessional funding for projects and programs, as well as Technical Assistance (TA) for studies and capacity-building activities. The Fund has cumulatively invested Units of Account (UA) 29.4 billion (USD 45 billion) across the African continent over its 44 years of operation. The Fund’s resources are replenished every three years by its 32 contributor countries, called State Participants. The contributor countries are represented by their ADF Deputies in the replenishment discussions.

Purpose and scope of the evaluation

As the Bank is about to embark upon the 16th ADF cycle (ADF-16), this project cluster evaluation aims to generate lessons that will enable the Bank to make informed decisions regarding the management of ADF-funded operations and allow it to respond more proactively to the needs of Regional Member Countries (RMCs). IDEV conducted a project cluster evaluation to assess the quality of resource management of 10 ADF-funded projects (henceforth collectively referred to as “the project cluster”). The evaluation assessed eight national and two multinational projects from an overall portfolio funded from the past two completed cycles of the ADF, i.e., ADF-13 and ADF-14, covering the period from 2014 to 2019. The net approval amount for this project cluster was UA 169 million. The resources come from various ADF envelopes: (i) the ADF Regional Operations envelope (two projects); (ii) the Performance-Based Allocations (seven projects); and (iii) the Project Preparation Facility (one project). In terms of ADF instrument type, there were six grants, two loans, and two blends of grants and loans.

The project cluster was purposely selected based on the following main criteria: (i) the date of signature; (ii) the representativeness of the High 5s (i.e., Feed Africa, Light Up Africa, Industrialize Africa, Integrate Africa, Improve the Quality of Life of Africans); (iii) AfDB regions (Northern, Western, Eastern, Southern, Central Africa); (iv) ADF country categories (ADF-only, ADF-Gap, Blend, Graduating to ADB, multinational); (v) ADF financing instruments (loan, grant, guarantee, etc.); and (vi) the project materiality. All selected projects have an audit and/or an evaluation report, as they have been independently evaluated or had their Project Completion Report.
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An IDEV Project Cluster Evaluation (PCR) validated by IDEV as of December 30, 2021. The project cluster includes completed projects, and one ongoing but almost completed project, as well as terminated and canceled projects that are part of the ADF cancellations’ residual envelope and are meaningful from a learning-oriented perspective.

The evaluation addressed the following specific questions:

Q1. To what extent did the utilization of ADF resources at entry, supervision, and exit of the selected projects reflect the ADF’s overall policy framework agreed by ADF Deputies, the ADF Board of Directors, and the ADF Board of Governors?

Q2. To what extent have the Bank and its implementation partners adopted sound project execution management practices in the selected ADF projects?

Q3. To what extent has compliance with the agreed ADF commitments and operational guidelines succeeded in: (i) driving the intended changes in the Bank’s project quality across the project cycle, and (ii) achieving the project objectives for the selected ADF projects?

Q4. To what extent was the project management process at entry, supervision, and exit efficient?

Q5. To what extent was managing for sustainability appropriately mainstreamed into the management process of the selected ADF projects at entry, supervision, and exit?

Q6. Which factors enhanced and/or undermined the effective management of resources in the selected ADF-funded projects?

Methodology

The evaluation was conducted following the AfDB’s Independent Evaluation Policy while adopting an approach for evaluating a group of projects implemented in different contexts (cluster evaluation) to strengthen the external validity of the findings. The evaluation was guided by the above evaluation questions.

The evaluation used a theory-based approach broken down into multiple lines of evidence to answer the main evaluation questions. These were: (i) a review of quality at entry, supervision, and exit; (ii) comparative case studies based on Project Performance Assessment Reports (PPARs); and (iii) previous ADF evaluations. The data collection methods used include: (i) desk review; (ii) interviews with key informants; and (iii) an online survey for stakeholders who could not be interviewed.

The evaluation faced the following limitations: (i) limited data availability, including a low response rate of key informants, and (ii) restrictions resulting from the COVID-19 pandemic. The complementary use of multiple lines of evidence, systematic triangulation, and validation of emerging conclusions ensured the robustness of the evaluation findings.

Main Findings

Relevance

EQ1. To what extent did the utilization of ADF resources at entry, supervision, and exit of the selected projects reflect the ADF’s overall policy framework agreed upon by ADF Deputies, the ADF Board of Directors, and the ADF Board of Governors?

Overall, the project cluster was found to meet the Bank’s standards in terms of rationale and justifications, although management of quality at entry presented challenges. The selection of the projects in the cluster and the use of ADF resources were conducted through a rigorous process. For each project, the process began with the submission of the funding application, followed by a joint development by the respective government and the Bank of the initial design of the intervention...
activities, according to the needs of the country. If the Bank or government felt that the choice of activities or instruments did not reflect their priorities, they opened further talks and negotiations. A case in point is the Ghana Engaging Local Communities in REDD+/Enhancing Carbon Stocks (ELCIR) project, in which the Government of Ghana clearly expressed its preference for budget support as a funding modality, but the Bank set a threshold for the proportion of budget support in the portfolio.

The management of quality at entry, as a state of preparedness that makes a project ready for implementation, likely to be efficiently implemented, and likely to achieve the expected development outcomes, was found to be limited and presented some challenges. The challenges identified include: (i) the quality and timeliness of readiness reviews and ensuring that all the standard criteria (strategic alignment and project selectivity, good design quality, and readiness for implementation) are examined; (ii) poor quality of the feasibility studies; (iii) insufficient analytical work (inadequate engineering estimates and household data); (iv) weak results-based logical frameworks; (v) missing key baseline data; (vi) ensuring that adequate resources are allocated to project preparation in terms of time and skillsets; (vii) limited stakeholder engagement; and (viii) insufficient risk assessment and/or response. In Kenya, for example, project quality at entry was undermined by calls for rushed or rapid implementation, which compromised proper stakeholder involvement, adequate long-term financial and technical sustainability assessment, and risk assessment and mitigation. On the positive side, since 2020, the Bank has been implementing its Integrated Quality Assurance Plan to address some of the issues raised.

An explicit, clear, and consistent link could not be established between ADF commitments, guidelines for ADF envelopes and applicable government rules and regulations, and the implementing agencies’ management practices. Some of the evaluated projects (e.g., Ghana ELCIR, Kenya Last Mile Connectivity Project (LMCP), Malawi Protection of Basic Services (PBS), Rwanda Scaling up Energy Access Project (SEAP)) reported having largely complied with the overall policy framework, while striving to implement the Paris Declaration on Aid Effectiveness (and its successors) in the project development phase. At the same time, neither the Bank’s staff nor the executing agencies were always aware of the ADF policy framework and various operational guidelines that could have assisted them in managing projects. Compliance with these policies and guidelines appeared largely coincidental. For example, the evaluations of the Liberia Economic Governance Reforms and Competitive Support Project (EGR CSP) and Tanzania Support to Vocational Education and Training and Teacher Education Project (STVET-TE) report that no operational guidelines were provided to the implementing agencies.

Effectiveness

EQ2. To what extent have the Bank and its implementation partners adopted sound project execution management practices in the selected ADF projects?

The Bank’s project management tools and practices throughout the ADF project cycle were found to be robust and comprehensive, and generally covered key factors that would help predict the achievement of project outputs and outcomes. The supervision missions, conducted at least twice a year to ensure the quality of project implementation, were described by stakeholders as effective (e.g., Ghana ELCIR, Collaborative Africa Budget Reform Initiative (CABRI) multinational project, Malawi PBS, Liberia EGR CSP, and Tanzania STVET-TE) by reporting progress, giving warning of problems, and identifying lessons from project implementation. Implementers reported that the Bank’s monitoring tools were very effective in helping them to clearly observe their progress and performance, enabling them to take the necessary actions.

Collaboration with development partners and other stakeholders was found to enhance project
implementation (Liberia EGR CSP, Mauritania Economic Reforms and Diversification Support Programme (PAREDE), Kenya LMCP, and CABRI multinational project). In general, the project cluster presented lessons from previous programs and phases (e.g., Statistics Capacity Building (SCB) Regional Program, Liberia EGR CSP, Ghana ELCIR, Kenya LMCP, and Mauritania PAREDE). In the case of the Ghana ELCIR project, the PCR identified lessons across key parameters. However, there was no clear evidence of whether and how the lessons should feed into ongoing or new projects.

There were different implementation modalities across the project cluster: Project Implementation Units (PIUs) embedded in public sector agencies staffed with officials, embedded PIUs staffed with external consultants, and independent PIUs. The evaluation found no evidence that one type of arrangement works better than others. However, the commitment, capacity, and resources of implementers, the use of qualified and experienced staff, and good coordination were found to be key to effective project execution. The Ghana ELCIR project, for example, assessed and put in place robust implementation arrangements using government ministries and agencies that had the mandate and capacity and were already implementing complementary activities. The Ghana ELCIR project also had an effective coordinating committee. In contrast, in the case of the Liberia EGR CSP, the Public Financial Management (PFM) Reform Coordination Unit which, given its experience and ability to manage and report on donor-funded governance and accountability programs, should coordinate implementation, was not involved. Instead, a PIU coordinator who lacked experience and knowledge was appointed, leading to major challenges in coordination with implementing agencies, monitoring, and reporting. Policy-Based Operations (PBOs) were implemented through national institutional structures, while regional projects were implemented through accredited regional organizations. In general, challenges were reported in certain aspects of project implementation, including limited human and financial resources, and weak project steering committees. For example, the evaluation of the Kenya LMCP project found that the responsible government agency had only limited human and financial resources, which impeded the effective implementation of project activities.

For results-oriented project management and performance measurement, the Bank was found to have strong performance measurement and Results-Based Management (RBM) tools and to strive to use its knowledge to continually improve projects. Shortcomings were identified regarding supervision and incentives related to commitments and disbursements. The ADF-13 commitments include a fully automated performance management dashboard and improved quality of portfolio performance assessment. In addition, the desk review found that the Bank’s results measurement framework has good results and operational delivery data that can be used for accountability, as well as management and learning. Several indicators are aligned with development outcomes, as encouraged during the ADF replenishment discussions. At the same time, shortcomings were identified in the baseline setting, poor indicator quality, and inadequate resources for monitoring and evaluation (M&E). The evaluation also revealed limitations in country-level M&E capacity and the promotion of a culture of results.

The Bank uses a compliance-based approach to supervising projects implemented in ADF-recipient countries, which focuses heavily on the extent to which rules, requirements, and directives are followed, including a focus on disbursement. Task Managers are evaluated on commitments and disbursements to ensure that they respond promptly to issues and challenges impacting project delivery. However, the evaluation found that the incentive system can result in a focus on approvals and volume rather than on quality and results. Especially since many ADF countries are in fragile situations, it may be advisable for the Bank to take a more risk-based approach.
In terms of prudent and sound resource management, the project cluster implementation was found to broadly follow the Bank’s fiduciary management procedures and business processes, with some shortcomings highlighted by audits. The Bank’s financial management requirements were found to have been met fairly well in the cluster projects, with a few exceptions. Generally, the Bank’s procurement guidelines were followed. However, compliance with audit requirements and audit findings was generally weak, with some inadequacies highlighted.

The use of budget support/PBOs provided the highest level of alignment with the Bank’s commitment to the Paris Declaration on Aid Effectiveness and the Accra Agenda of Action. The AfDB, the World Bank, and other development partners have contributed to strengthening countries’ capacities through institutional support projects. While implementers found the Bank’s rules and procedures burdensome in some cases, there was a consensus that learning and adaptation helped strengthen countries’ capacities (Ghana ELCIR, CABRI multinational project).

EQ3. To what extent has compliance with the agreed ADF commitments and operational guidelines succeeded in: (i) driving the intended changes in the Bank’s project quality across the project cycle, and (ii) achieving the project objectives for the selected ADF projects?

The ADF commitments and operational guidelines include quality assurance tools that, if adhered to, should help improve project quality. However, it was found that the tools and guidelines were not always applied diligently and, even where they were applied, challenges in the country and organizational context limited their effectiveness. The objectives and design of the project cluster were largely aligned with the Bank’s and governments’ development priorities and fulfilled certain of the agreed commitments (e.g., on managing for results, portfolio performance improvement, and delivering services effectively and efficiently) and operational guidelines for the ADF-13 and ADF-14 cycles. This led to projects and programs with accurate results measurement frameworks that built on lessons learned from previous projects or completed project/program phases. While project quality assurance tools remain relevant from the outset, the evaluation found limited engagement with all the relevant stakeholders within the sector, and insufficient documentation of specific interventions and key lessons learned from project development partners.

In terms of achieving the objectives of the selected ADF projects, the levels and quality of the project outputs and outcomes achieved were found to be uneven across the project cluster. For example, the Ghana ELCIR project achieved over 100 percent for all its three outcomes, but the CABRI multinational project reported that, while most of its outputs were achieved, there was slow progress on outcomes. For the Liberia ERGCP, only two out of the six outcome indicators were met. The Rwanda SEAP project achieved one of its two outcomes, but less than half the target on the other. Finally, some project implementers (Ghana ELCIR, Malawi PBS, Kenya LMCP) were found to have been innovative in implementing management initiatives that had not been foreseen, and in adapting to changing contexts and implementation challenges to achieve results.

Efficiency

EQ4. To what extent was the project management process at entry, supervision, and exit efficient?

At entry, cost-effective and cost-efficient measures were considered to improve project development across the project cluster, in line with the Bank’s efforts to improve portfolio performance and streamline its processes. However, inefficiencies were identified in several areas, including shortcomings in the timely fulfillment of conditions precedent, and the assessment of tradeoffs between administrative costs and implementation delays. Processes for project approval and effectiveness were typically...
found to be time-consuming, and some were found to be beyond the control of the Bank or the project team (e.g., parliamentary approvals, the opening of bank accounts, the release of counterpart funds, and tax exemption status and waivers for the use of Bank resources). Delays were, for example, experienced for the Rwanda SEAP project and the SCB Regional Program. The SCB Regional Program evaluation found that too much time elapsed between the signing of the projects at the regional level and the actual launch of the projects at the national level, with long waiting times in some countries for the respective Ministry of Finance to agree to adopt the ADF’s financing conditions. In contrast, the Malawi PBS process was efficient. For the Liberia EGRCSP, it took seven months for the project to be identified, prepared, negotiated, and approved by the Board. The development process included consultations with various internal stakeholders and the Bank, as well as other development partners such as the International Monetary Fund (IMF), the International Development Association (IDA), and the European Union (EU). This was found to streamline the various analyses, including macroeconomic, sectoral, and risk analyses, as well as the implementation of the necessary institutional arrangements for program management. It was observed within the regional projects that they can take some time in terms of approvals and effectiveness, as there are many more actors compared with the countries, where approval can simply come from the respective finance minister.

At supervision and exit, overall, project cluster management efficiency was found to lag behind the good practices in terms of management of development projects. The evaluation faced challenges to quantitatively assess the efficient use of ADF resources at the output level (e.g., the ratio of the median percentage physical implementation of project outputs to the commitment rate). In addition, it found insufficient information to calculate project efficiency at the final outcome level or value-for-money (VfM). In the absence of a clear action plan for mainstreaming VfM into the ADF management process, the evaluability of ADF resource optimization, particularly at the project level, was low. The evaluation also found that most of the projects assessed in this cluster evaluation experienced implementation challenges and delays (e.g., all investment projects evaluated), including slow implementation in the early years and frequent project extensions. During the project implementation phase, various factors were identified as limiting efficiency. These included delays in obtaining “no objections” and “no-cost extension” approvals from the Bank and high staff turnover. Feedback from interviewees was that the Bank would prefer to keep the project duration short for cost-effectiveness reasons, as project staff and other operational costs have to be paid during the entire implementation period.

VfM concerns striking the best balance between the “four Es”, namely, economy, efficiency, effectiveness, and equity. In general, the evaluation found insufficient data to calculate a meaningful approximation of the overall intervention cost-effectiveness, including the lack of a simple ratio of the rate of achievement of expected outputs to the rate of commitment of funds, together with the program results chain. However, some good examples of project economy, cost-efficiency, cost-effectiveness, and cost-equity were found in the project cluster. From an economic point of view, some evaluated projects proved to be good examples of reducing the cost of resources used for an activity while maintaining quality. There were some challenges with project budgeting due
to insufficient funding allocated for activities. In terms of cost-efficiency, some projects were found to perform well by delivering all or more outputs than expected within the available budget, or by adapting to the context and identifying innovative and less costly solutions compared with the original design options. Regarding cost-effectiveness, the available data showed mixed results. Finally, some examples of cost-equity were found in project cluster achievements expressed in terms of targeting the poor and disadvantaged, although that coverage sometimes led to difficult coordination, supervision, and follow-up.

**Sustainability**

EQ5. To what extent was managing for sustainability appropriately mainstreamed into the management process of the selected ADF projects at entry, supervision, and exit?

Overall, managing for sustainability was found to be one of the greatest challenges faced across the project cluster. Although the projects integrated some sustainability aspects in advance during the design phase, their monitoring during the implementation phase was found to be weak. At the design stage, the project cluster was found to have pre-planned sustainability issues and built them into the design. The selected projects attempted to consider responses that were deemed strong enough to ensure that operations and their positive impacts were technically sound and resilient to external shocks, realistically sized and resourced financially, and resilient to economic shocks. The Ghana ELCIR project, for example, was built on tested and proven technology through an earlier Bank project that was considered sound, as its long-term benefits could be assessed as a basis for justifying and estimating the benefit of the project. The Liberia EGRCSP and Rwanda SEAP developed mechanisms to ensure their sustainability according to the specific risks that they were likely to face. Project designs also included measures to ensure an increase in capacity in relevant institutions (relevant stakeholders involved, sense of ownership promoted, etc.).

Although the project cluster includes initiatives that have strengthened institutions, the evaluation found difficulties in attracting, developing, motivating, and retaining specialized human resources (e.g., Liberia EGRCSP and SCB Regional Program (Democratic Republic of Congo and Cameroon)), specifically where the supply of project area professionals’ skills remains very scarce at the project level. Accordingly, non-specialists fulfill the functions of qualified and certified technical and managerial professionals. The evaluation also found an over-emphasis on training and seminars rather than on the hard and soft technical aspects of project implementation and knowledge generation from experience, dissemination, and utilization, which limited sustainability. It was reported that some of the activities related to management and technical development were canceled even before the start of their implementation due to poor design and/or being replaced by training whose immediate and long-term effectiveness for the interested parties was questioned. Also, the evaluation found that workshops and seminars were deemed insufficient to develop project implementing agencies’ capacity to manage for sustainability.

Project designs covered possible adverse environmental impacts and social issues. When required, sufficient measures were found to have been taken throughout the project cluster to support the environmental and social (E&S) sustainability of the project management, as well as its results (e.g., Ghana ELCIR, SCB Regional Program).

At the execution stage, the project cluster was found to have insufficient capacity to ensure that adequate funding mechanisms and modalities were put in place for the activities initiated by the projects to ensure the continued flow of benefits after project completion. The beneficiaries, including RMCs, often failed to provide counterpart funding on time. As part of ensuring the continued flow of benefits after project completion, across the project cluster emphasis was placed on the adequate transfer of know-how, as much as possible focusing on specific project management areas. The project implementation arrangements were found, to some
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extent, to be successful in inculcating partnerships as a vehicle toward ownership and institutional sustainability. With a few exceptions (Ghana, Mauritania, and Rwanda), the project cluster forged valuable partnerships, although in general, the evaluation found that more could have been done in partnering and working effectively with development partners, for example, in addressing coordination issues that affected effectiveness and reduced the likelihood of high project impact.

Factors enhancing and/or undermining the effective management of resources

**EQ6. Which factors enhanced and/or undermined the effective management of resources in the selected ADF-funded projects?**

The evaluation found various factors that enhanced and/or undermined the effective management of resources in the selected ADF-funded projects, including:

**Budget and financial management.** The evaluation found that appropriate budget and financial management resulted in relatively efficient and effective use of resources (e.g., Malawi PBS, Mauritania PAREDE, and Rwanda SEAP). The project cluster implementation was found to broadly follow the Bank’s fiduciary management procedures and business processes. However, the evaluation noted some shortcomings highlighted by audits.

**Technical expertise of the implementing team.** The evaluation also found that the technical capacity of implementing teams was not always sufficient to ensure the successful implementation and management of the project (e.g., Senegal PPF, Tanzania STVET-TE, and the CABRI multinational project). The project implementation-specialized human resources, such as financial management and procurement experts, became exposed to work overload and diminishing productivity when they were shared across several projects (e.g., Rwanda SEAP).

**Effective risk management.** The evaluation found that the Bank did not adopt a risk-based approach for ADF-funded interventions (which can contribute to increasing the effectiveness of supervision through improved supervisory outcomes). Rather, the Bank is using a compliance-based approach, which focuses heavily on the extent to which rules, requirements, and directives are followed, including a focus on disbursement. The selected projects were implemented in ADF-recipient countries, many of which were in fragile situations with high risk and limited absorption capacity.

**Coordination between stakeholders.** The project cluster involves several stakeholders, such as the AfDB, the implementing agencies, the recipient countries, and the development partners. The evaluation found that poor coordination between these stakeholders resulted in delays in project implementation and misallocation of resources (e.g., Liberia EGRCS and Tanzania STVET-TE). In addition, the development of the implementation partners’ capacity was often not integrated into the partnership agreement and the design of individual partnership projects. The Ghana ELCIR project had an effective coordinating committee. In contrast, in the case of the Liberia EGRCS, the PFM Reform Coordination Unit was not involved, leading to major challenges in coordination with implementing agencies, monitoring, and reporting.

**Communication between all stakeholders.** The evaluation found that a lack of effective and adequate communication was a challenge in various stages of involvement. This hindered the effective use of resources and meaningful stakeholder engagement (e.g., Liberia EGRCS, Senegal PPF, Mauritania PAREDE). For example, the project launch did not create sufficient awareness and ownership among stakeholders in Liberia’s EGRCS. Stakeholders, including CSOs and private sector providers, expressed a lack of familiarity with ADF processes in Malawi’s PBS. The evaluation also found limited evidence of active stakeholder involvement in Mauritania’s PAREDE, with only government officials
and TFPs being actively involved in the budget support. Beneficiaries were supposed to be consulted but their active involvement at appraisal was not clearly described or evidenced.

**Political commitment.** The evaluation found that a lack of political commitment from governments negatively impacted the effectiveness of a number of ADF-funded interventions. The case in point is the multinational SCB Regional Program for which the evaluation noted that some political risks had materialized, leading to a lack of prioritization for funding statistical systems, distrust in statistics, and a failure to use them for policy formulation by the governments. Also, project cluster activities were implemented in several ADF-recipient countries that were in contexts characterized by political conflicts prevailing within and/or around the country. This had the effect of disrupting value chains and the (likely) achievement and sustainability of the project’s expected results. Moreover, the evaluation found shortcomings including lengthy “no-objection” processes and a loan/grant ratification process that was delayed due to delays in cabinet, and particularly parliamentary, meetings. A final issue was that government counterpart funding was not always honored by the Borrower (e.g., Tanzania STVET-TE), sometimes not until the end of the project.

**Lessons**

The following are the key lessons from this cluster evaluation.

**Lesson 1:** Strong stakeholder awareness and engagement throughout the entire process, through effective co-creation, is crucial for successful ADF project management.

Regular stakeholder participation through co-production was found to lead to cost-effective development results. The examples of more and less successful results in the project cluster (e.g., Malawi PBS and Rwanda SEAP vs Tanzania STVET-TE and Senegal PPF) highlight the need to use a combination of demand-driven and supply-driven approaches in project design and implementation.

**Lesson 2:** Effective supervision including a risk-based approach that identifies and promptly addresses critical bottlenecks can contribute to ensuring the quality of ADF project implementation, especially in recipient countries in fragile situations.

The mechanisms by which the implemented project activities would lead to the expected results have not always been sufficiently clarified, creating an obstacle to effective supervision, monitoring, and evaluation of program/project results.

The Bank uses a compliance-based approach to supervising projects implemented in ADF-recipient countries, which focuses heavily on the extent to which rules, requirements, and directives are followed, including a focus on disbursement. Since many ADF countries are in fragile situations, it may be advisable for the Bank to take a more risk-based approach.

**Lesson 3:** Successful project implementation depends on factors such as commitment, capacity, and resources of implementers, the use of qualified and experienced staff, and good coordination.

There were different implementation modalities across the project cluster (PIUs embedded in public sector agencies staffed with officials, embedded PIUs staffed with external consultants, and independent PIUs), and the evaluation found no evidence that one type of arrangement works better than others. However, the commitment, capacity, and resources of implementers, the use of qualified and experienced staff, and good coordination with implementing agencies were all found to be key to effective project execution. It is also important to note that project implementation-specialized human resources, such as financial management and procurement experts, may become exposed to overload and diminishing productivity when they are shared across several projects.
Lesson 4: The optimal use of economic assessment tools for ADF-funded interventions depends on the availability of rich data to assess VfM at the project level.

At the corporate level, as committed (in ADF-14 and to some extent ADF-13), the AfDB adopted and is implementing a VfM framework to improve the Bank’s effectiveness and cost-efficiency, and to guide its reforms. However, at the project level, the evaluation points to insufficient data to calculate a meaningful approximation of the overall cost-effectiveness of interventions.

Lesson 5: Focusing on the hard and soft technical aspects of project implementation and knowledge generation, dissemination, and utilization, rather than on training and seminars, is more appropriate to support the sustainable development of RBM and VfM projects in Africa.

The evaluation found that the risk of a project/program becoming ill-defined, and therefore producing unsustainable results, was increased by the fact that, without ex-ante and ex-post analyses of additionality and cost-effectiveness informed by lessons learned from best practice, most complex programs and projects were operated on a needs basis rather than on a sustainable business basis. In addition, over-emphasis on training and seminars, rather than on the hard and soft technical aspects of project implementation and knowledge generation from experience, dissemination, and utilization, limited sustainability.
About this evaluation

This report summarizes the findings and lessons of a cluster evaluation of the quality of resource management in 10 projects financed by the African Development Fund (ADF). The projects span the period 2014-2019, covering two ADF cycles (ADF-13 and ADF-14) and a portfolio of UA 169 million (USD 260 million).

The evaluation found that overall, the project cluster met the Bank’s standards in terms of rationale and justifications, although challenges were experienced during the management processes aimed at ensuring that projects are ready for efficient implementation to achieve the expected development outcomes. The Bank’s project management tools and practices throughout the ADF project cycle were found to be robust and comprehensive. The Bank also had good performance measurement and results-based management tools, but there were issues with supervision and incentives related to commitments and disbursements.

The implementation of the project cluster was found to be broadly in line with the Bank’s fiduciary management procedures and business processes, with some shortcomings highlighted by the audits. At entry, cost-effective and cost-efficient measures were considered to improve project development across the cluster in line with the Bank’s efforts to improve portfolio performance and streamline its processes, however, shortcomings were identified in trying to ensure the timely fulfilment of conditions precedent, and in assessing trade-offs between administrative costs and implementation delays. At supervision and exit, overall, the project cluster efficiency was found to lag behind good practices in terms of management of development projects, with challenges faced by the evaluation in quantitatively assessing the efficient use of ADF resources, in particular a lack of information to calculate project value-for-money (VfM). Managing for sustainability was found to be one of the greatest challenges faced across the project cluster.

The evaluation identified some factors that enhance or undermine the effective management of resources in the selected ADF-funded projects as; budget and financial management, technical expertise among the implementing team, effective risk management, poor coordination between stakeholders, communication between stakeholders, and political commitment.

Some of the key lessons drawn from the evaluation included the importance of relevant stakeholder awareness and engagement; supervision with a risk-based approach that identifies and promptly addresses critical bottlenecks; and use of economic assessment tools when rich data are available to implement a VfM framework. The evaluation also noted the importance of focusing on the hard and soft technical aspects of project implementation, and knowledge generation, dissemination, and utilization, rather than on training and seminars.