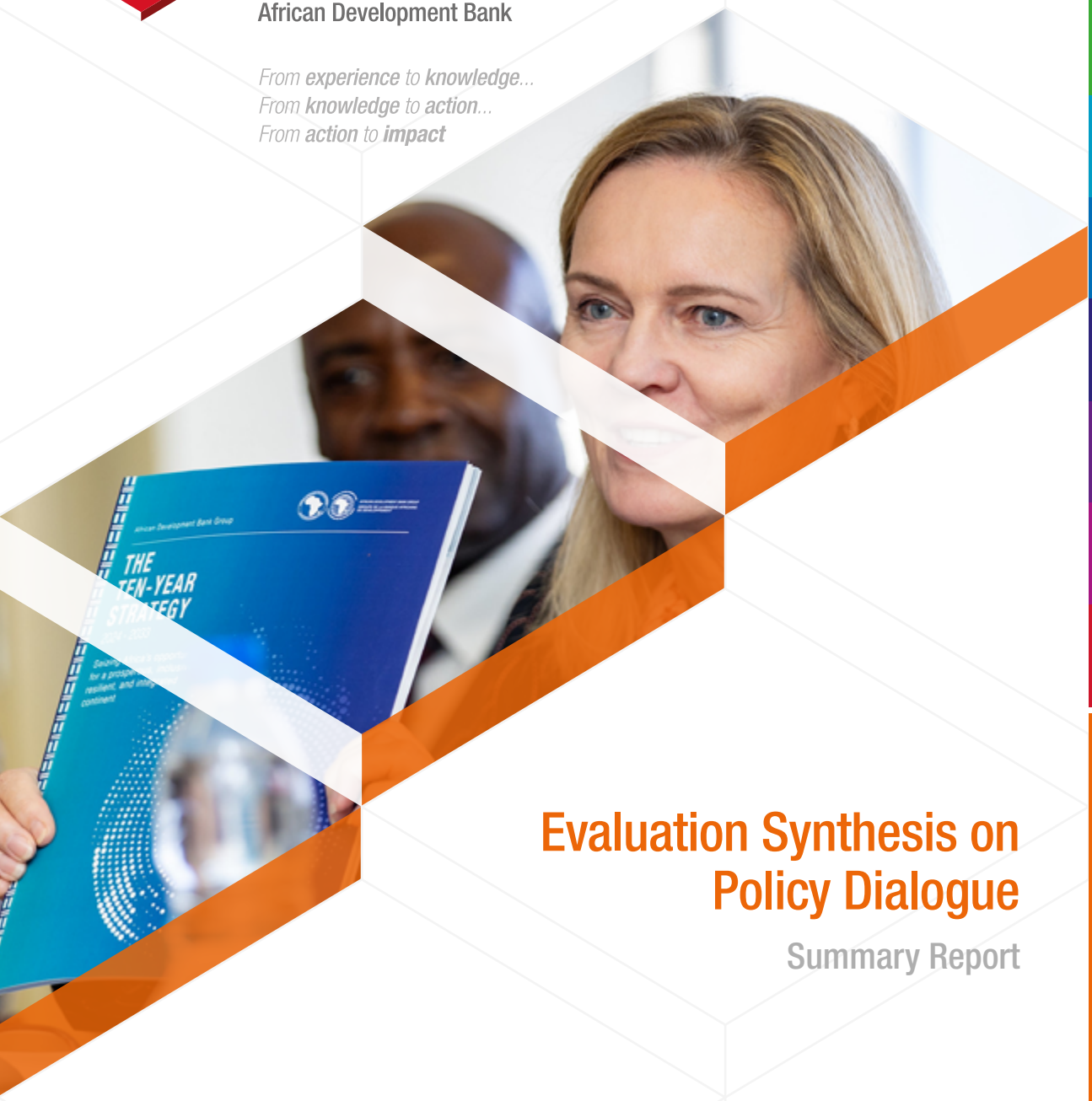
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Evaluation Synthesis on Policy Dialogue

Summary Report

AFRICAN DEVELOPMENT BANK GROUP

January 2026

An IDEV **Evaluation Synthesis**

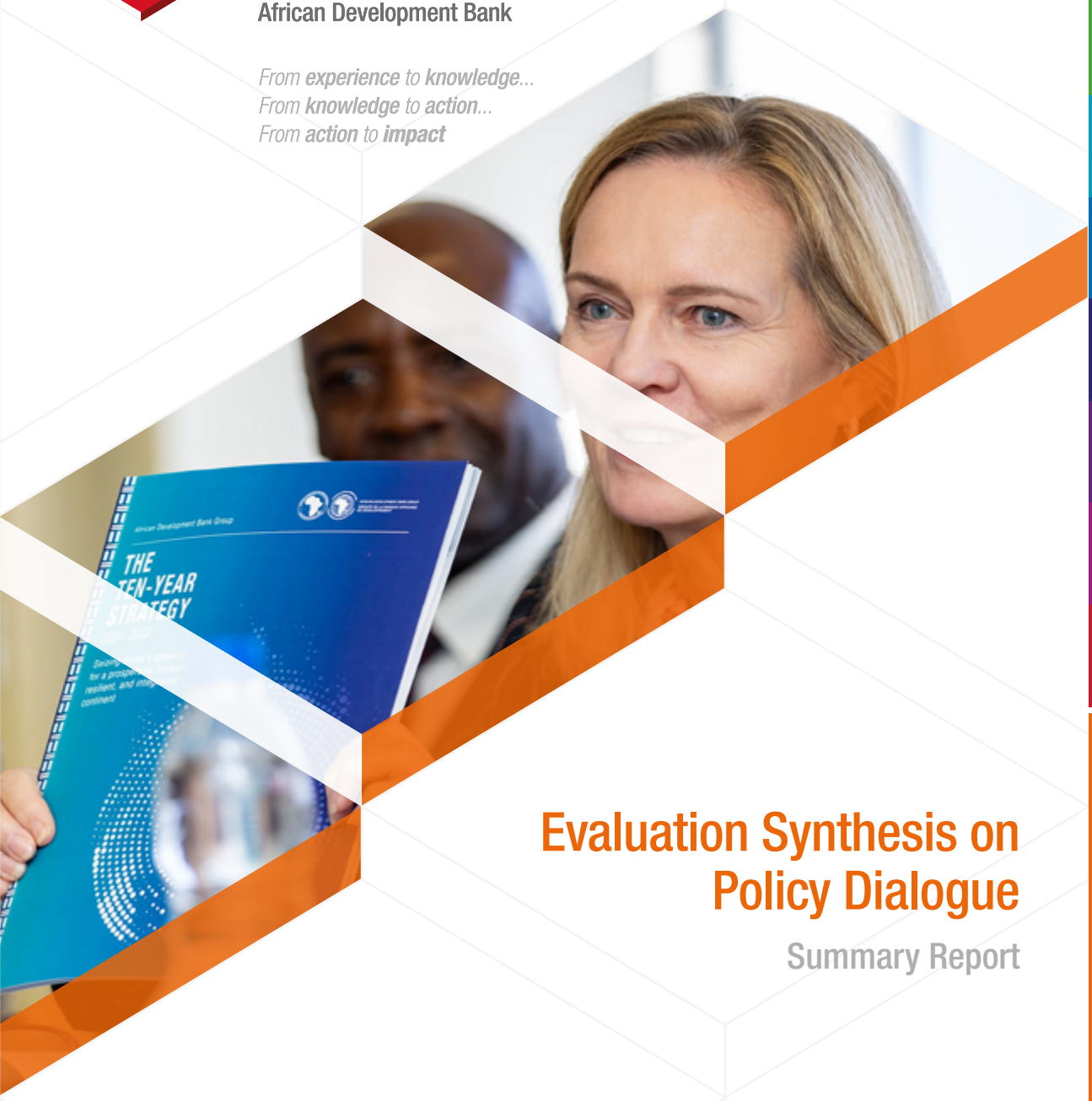
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AFRICAN DEVELOPMENT BANK GROUP

January 2026

An IDEV **Evaluation Synthesis**

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Evaluation Synthesis on Policy Dialogue – Summary Report
IDEV Evaluation Synthesis, January 2026

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The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

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The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness of the institution in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

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Abbreviations and Acronyms

ADF	African Development Fund
AFAWA	Affirmative Finance Action for Women in Africa
AfDB	African Development Bank Group
ARRI	Annual Report on Results and Impact (of IFAD operations)
AsDB	Asian Development Bank
AusAID	Australian Agency for International Development
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CPM	Country Program Manager
CPO	Country Program Officer
CSP	Country Strategy Paper
CSPE	Country Strategy and Program Evaluation
DAC	Development assistance committee
DAG	Development Assistance Group
DFAT	Australian Department of Foreign Affairs and Trade (formerly AusAID)
DP	Development Partner
DRC	Democratic Republic of Congo
EBRD	European Bank for Reconstruction and Development
ECG	Evaluation Cooperation Group
ECGF	Governance and Economic Reforms Department (AfDB)
EU	European Union
GPT	Generative Pretrained Transformer
IADB	Inter-American Development Bank
IDEV	Independent Development Evaluation
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
JBSF	Joint Strategic Evaluation of Budget Support
MBSG	Multi-Donor Budget Support Group
MDB	Multilateral Development Bank
MOPAN	Multilateral Organizations Performance Assessment Network
M&E	Monitoring and Evaluation
NLP	Natural Language Processing
OECD	Organisation for Economic Co-operation and Development
PBO	Program Based Operation
PD	Policy Dialogue
PDGN	Policy Dialogue Guidance Note
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
PRDM	Policy Reform Dialogue Matrix
PSD	Private Sector Development
PSIA	Poverty and Social Impact Analysis
RBM	Results-Based Management
RMC	Regional Member Country
RoBERTa	Robustly Optimized BERT Approach
SDC	Swiss Agency for Development and Cooperation
Sida	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprise
SOE	State-Owned Enterprise
SWG	Sector Working Group
TA	Technical Assistance
TYS	Ten-Year Strategy


African Development Bank Group
THE TEN-YEAR STRATEGY
2024 - 2033

Executive Summary

Background and Methodology

This evaluation synthesis on Policy Dialogue was undertaken by Independent Development Evaluation (IDEV) as part of its 2022-2024 Work Program approved by the African Development Bank Group's (AfDB or "the Bank") Board of Directors.

Policy dialogue is widely recognized as a tool to help countries develop and implement policies that foster economic growth and social progress. Through policy dialogue, development agencies seek to understand country reform priorities and identify and promote policies that foster sustainable and inclusive economic and social development.

The objective of this evaluation synthesis is to take stock of findings, lessons and good practices from evaluations of policy dialogue interventions undertaken by development agencies. These are drawn from evaluation evidence and studies produced between 2013 and 2023 by the AfDB, other Multilateral Development Banks (MDBs), bilateral and other development agencies, and AfDB Regional Member Countries (RMCs). The evaluation synthesis also provides lessons for strengthening engagement with RMCs and other development partners going forward. Ultimately, the synthesis is expected to inform the implementation of the new AfDB Ten-Year Strategy (2024 – 2033).

The evaluation synthesis focuses on priority areas as identified through an initial literature review and consultations with key departments within the Bank and external stakeholders. Synthesis questions were developed to elicit findings on what can be learned from existing evaluations of policy dialogue support interventions, extracting what works and doesn't work, and under what circumstances. Where possible, the synthesis draws from policy dialogue experiences in Africa, with particular attention to AfDB interventions.

The synthesis is based on a review of secondary data (evaluation reports and studies) obtained from an online search and from reaching out to other development partners. Forty-five evaluation reports and studies were selected from an initial pool of 243 documents based on criteria. The criteria considered (i) the type of document (evaluation report/ review/ issue paper); (ii) the topic covered, with a particular focus on policy dialogue, engagement, policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services and related themes; and (iii) the quality of the document, including whether it described the methodology and was conducted by independent evaluation entities within multilateral and bilateral agencies. Additionally, published strategies, policies, and guidance frameworks containing sound references were also considered eligible.

After the selection, the documents were coded to extract findings and lessons aligned with the four synthesis questions below. Where there were still gaps in information to answer specific questions, targeted interviews were conducted to address them. Additional documents providing contextual and background information on policy dialogue were also included as part of the review.

The synthesis set out to examine the following questions: (i) What are the common findings from existing evaluative evidence regarding the relevance, coherence, and effectiveness of policy dialogue interventions?; (ii) Which factors enabled the success of policy dialogue as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?; (iii) Which

factors hampered the success of the policy dialogue instrument, and how have these challenges and barriers been addressed or mitigated?; and (iv) What are the lessons and good practices drawn from the experience of the AfDB and other development agencies to improve the effectiveness of policy dialogue interventions?

Main Findings

What are the common findings from existing evaluative evidence regarding the relevance, coherence, and effectiveness of policy dialogue interventions?

Relevance

The evaluation reports and studies included in the synthesis found that development institutions generally aligned policy dialogue with national priorities, emphasizing partner engagement and context-based flexibility, despite mixed evidence on the robustness of policy dialogue design. The reviewed documents also revealed that the landscape for effective policy dialogue is complex, influenced by governance structures, institutional capacities, and resources available for policy dialogue support.

Country needs and priorities. The documents reviewed indicated that **development institutions generally aligned their policy dialogue with national priorities, adapting to country-specific contexts.** Development institutions such as the World Bank, Asian Development Bank (AsDB), and AfDB focused on capacity-building, flexible engagement, and tailoring dialogues to countries' strategic goals. For example, the World Bank's dialogue in Rwanda supported the government's Vision 2020, while the AfDB focused on fiscal management in Cabo Verde, aligning with national priorities between 2008 and 2017.

The synthesis highlighted the importance of designing adaptable policy dialogue interventions that can address evolving priorities, as demonstrated by flexibility during crises. For instance, the AfDB's approach to policy dialogue during the COVID-19 pandemic highlights its adaptability to evolving circumstances. In response to the pandemic, the Bank prioritized transparency and accountability of expenditures, expanding the scope of policy dialogue to address medium-term implications (IDEV, 2022).

Institutional policies and strategies. The studies included in the synthesis found that **development institutions aligned their policy dialogue with their corporate strategies to reinforce institutional goals.** For instance, the AsDB's dialogue in Sri Lanka on state-owned enterprise reform and macroeconomic stabilization was aligned with its Strategy 2030, which focused on resilience, inclusivity, and sustainable growth, reflecting both national priorities and the AsDB's broader institutional objectives. Similarly, the World Bank's dialogues in Rwanda and Mauritius were closely aligned with its broader institutional strategies, focused on poverty reduction and sustainable growth. The European Bank for Reconstruction and Development (EBRD)'s agribusiness dialogues in Tunisia, Egypt, and Turkey complemented its strategic investments. Additionally, the AfDB's energy sector dialogues in Kenya were in line with its "Light Up and Power Africa" High 5 priority while supporting the country's electrification needs and priorities.

Quality of design. With respect to the robustness of policy dialogue design, **the studies reviewed found both solid practices and persistent challenges in design and planning.** For instance, the World Bank's Poverty and Social Impact Analysis was found to be well-designed to inform policy reforms in Indonesia. The AfDB highlighted clear design parameters, including mechanisms, priorities, and responsibilities, in its policy dialogue interventions, although no clear evidence confirmed their systematic application or relevance in practice. However, the evaluations included in the synthesis also reported challenges, including unclear roles, insufficient staff capacity, and a lack of frameworks for disseminating guidelines and best practices on policy dialogue.

IFAD's policy dialogue interventions in countries like Bangladesh and Nepal integrated local project experiences with national policy advocacy, but faced challenges such as resource misalignment and fragmented efforts. Many interventions lacked detailed financial and human resource plans, weakening their continuity and overall effectiveness.

Adequacy of resources to support policy dialogue. The synthesis identified both strengths and challenges in the adequacy of institutional setups, tools, and resources for policy dialogue. The World Bank, for example, employed specialized teams of country economists and sector specialists to align its dialogues with national and institutional goals. However, the adequacy of the institutional setup for policy dialogue was compromised by several factors, including unclear role definitions and accountability frameworks, limited resources, inadequate training, and a lack of monitoring systems and incentives. For example, the AfDB's Policy Reform Dialogue Matrix was found to be underutilized due to significant data gaps and limited uptake among Bank staff, primarily because of a lack of incentives and unclear accountability. Similarly, the Swedish International Development Cooperation Agency (Sida) and the Australian Agency for International Development faced challenges such as gaps in systematic monitoring tools for policy dialogue and insufficient resources for meaningful engagement.

Coherence

The synthesis revealed that while development partners' levels of engagement and influence varied, evidence of sector-specific roles was sometimes limited. Policy dialogue interventions were often embedded within broader institutional support programs that typically included complementary investments and technical assistance, which are critical in fragile and conflict-affected situations. In such settings, active engagement and close collaboration with other development partners are essential.

Internal coherence. Regarding the coherence of policy dialogue interventions with other interventions by the same institution, the evaluations included in the synthesis found that **policy dialogue interventions by MDBs and the European Union (EU) aligned strongly with their broader institutional support programs.** These interventions integrated policy dialogue into budget support, focusing on macroeconomic stability, public financial management, and budget transparency. For example, the World Bank's Country Partnership Framework (CPF) for Mauritius (2017-2021) coordinated policy dialogue with broader support activities to ease government burdens. Similarly, the AfDB's Country Strategy Papers linked policy dialogues with national development goals and investment projects, leveraging government systems for sector-specific coherence. The synthesis also emphasized the value of complementary investments and technical assistance (TA), particularly in states facing fragility. For instance, the World Bank's Development Policy Financing in Madagascar combined policy dialogue with investments and TA to enhance implementation and monitoring. In Afghanistan, the Inclusive Growth Development Policy Grant supported reforms through ongoing investments. Similarly, the AfDB integrated financial instruments, such as budget support, and policy dialogue in almost all RMCs, (e.g., Côte d'Ivoire's Economic and Social Reform Support Program (PARES).

External coherence. The synthesis highlighted the **significance of collaborative frameworks and active development partner engagement in strengthening policy dialogue.** For instance, in Ethiopia, the Development Assistance Group (DAG), consisting of 27 bilateral and multilateral agencies, coordinated macroeconomic discussions and integrated Millennium Development Goals (MDGs) into national policies. The AfDB utilized the Multi-Donor Budget Support Groups in various countries to harmonize policy dialogue with national strategies, thereby reducing duplication and maximizing impact. Similarly, the EBRD collaborated with the International Finance Corporation and AsDB in Mongolia and Uzbekistan to ensure effective policy reforms.

The synthesis found that active engagement between development partners, as seen in Ethiopia and Cabo Verde, enhances responsiveness and strengthens policy dialogue. However, resource constraints, such as the absence of a dedicated specialized staff can limit influence, emphasizing the need for improved capacity-building and resource allocation to lead and engage in various dialogue opportunities.

The synthesis highlighted the **importance of coordinated engagement and clear division of roles among development partners for effective policy dialogue.** In Ethiopia, the AfDB, through its country office, co-chaired the DAG and played a leading role in establishing the Joint Task Force on Aid Effectiveness. The EBRD's coordinated approach in Uzbekistan, involving the World Bank and AsDB, demonstrated the benefits of a clear division of roles in the energy sector reforms, with each institution leading distinct initiatives to optimize effectiveness and achieve impactful results.

Effectiveness

Reviewed studies and evaluation reports found that pinpointing the effectiveness of policy dialogue was challenging, especially when these dialogues were not the primary focus of the evaluations. However, they identified multiple examples of policy dialogue contributing meaningfully to broader systemic changes, sectoral reforms, the achievement of development outcomes, and the integration of cross-cutting issues.

Broader systemic changes. Examples from the evaluation synthesis indicated that **policy dialogues influenced policy priorities, supported the development of policies, strategies, and programs, and contributed to decision-making and reforms in intervention countries.** For instance, the EU's policy dialogue under the EU-Morocco Association Agreement promoted economic liberalization, trade integration, and regulatory reforms, leading to policies that reduced trade barriers and modernized industries. Morocco, in turn, adopted strategies for better global integration, focusing on industrialization and infrastructure development. Additionally, the synthesis noted that the EBRD's extensive dialogue with key stakeholders facilitated the development of a Low Carbon Pathway in Uzbekistan's energy sector, promoting renewable energy investments, energy efficiency, and reduced fossil fuel dependence. Despite some delays, the initiative significantly influenced Uzbekistan's transition to cleaner energy. On the other hand, the synthesis highlighted the International Monetary Fund's policy dialogue on economic stabilization and energy sector reform in Jordan, particularly the restructuring the National Electric Power Company, where challenges such as limited reform expertise and weak collaboration with the World Bank hindered sustained progress.

Sector reforms. The synthesis found that **policy dialogue directly contributed to shaping reforms in various sectors.** For instance, in Argentina, IFAD effectively used policy dialogue to integrate smallholder farmers into national agricultural policymaking. Through sub-regional initiatives, project-level engagement, and direct collaboration with national institutions, IFAD influenced significant institutional reforms. These efforts led to policies that prioritized family farming and rural poverty reduction, resulting in improved access to markets, inputs, and resources for marginalized farmers. In addition, the EBRD and AfDB effectively used policy dialogue to support regional transport cooperation.

Achieving development outcomes. Despite challenges in identifying key indicators, the evidence reviewed showed that **policy dialogue interventions have proven instrumental in advancing development outcomes.** For instance, the Swiss Agency for Development and Cooperation (SDC)'s long-term engagement in countries like Mozambique and Tanzania strengthened governance, inclusion, and service delivery by integrating donor inputs into national reforms. Similarly, the World Bank's Public-Private Dialogue platforms, notably in fragile contexts like Liberia,

fostered trust, reduced reform barriers, and enabled key regulatory changes, demonstrating how structured dialogue can catalyze reforms and align stakeholder priorities. However, challenges persist. In some cases, donor-driven agendas and limited local ownership weakened the sustainability of outcomes. Misaligned priorities, resource constraints, and lack of follow-up mechanisms reduced impact. Additionally, poorly designed dialogue platforms or those dominated by powerful actors risked excluding key stakeholders, leading to reforms that reflected narrow interests rather than inclusive development goals.

Addressing cross-cutting issues. The evaluations reviewed indicated that **policy dialogue successfully tackled cross-cutting challenges.** For **gender mainstreaming**, Sida's policy dialogue contributed to significant policy changes. In Bosnia and Herzegovina, it helped review 150 laws from a gender perspective, with most recommendations adopted. In Guatemala, policy dialogue led to gender-specific laws on gender-based violence and influenced national policies. However, deeply rooted societal gender norms remained a challenge. On **climate change**, IFAD's dialogues in Cambodia and Nepal integrated climate resilience into rural development by engaging stakeholders in consultations that aligned macro-level policies with community needs. This approach led to the adoption of climate-smart agricultural practices and allocated resources to sustainable projects, fostering resilience in vulnerable farming communities. Regarding **private sector development**, the synthesis highlighted that the AsDB's dialogue in the Philippines and India advanced energy and infrastructure reforms, improving regulatory frameworks and fostering public-private partnerships (PPPs). Similarly, the EBRD's dialogue in Egypt streamlined small and medium enterprise registration and modernized business laws. However, regulatory inefficiencies, financial barriers, and resistance to tariff adjustments slowed progress in some countries. Finally, with regard to **youth employment**, the AfDB's Jobs for Youth in Africa (JfYA) Strategy utilized policy dialogue to address youth unemployment.

Which factors enabled the success of policy dialogue work as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?

The synthesis identified the following factors as contributing to the success of policy dialogue interventions: alignment with national priorities and needs, understanding political contexts, institutional commitment and leadership, collaboration among stakeholders, technical expertise and local knowledge, capacity building and resource mobilization, and evidence-based design. Success was reinforced by adaptive management, clear governance, and complementary tools. For instance, Sida showed that strong leadership commitment enhances local relevance and effectiveness, as seen in gender equality initiatives and national-level dialogues. Policy dialogues that align with national strategies and local realities also foster greater engagement and impact. For example, IFAD's support for Nepal's agricultural strategy highlights how alignment with government priorities enhances the success and relevance of policy dialogue.

Which factors hampered the success of the policy dialogue interventions instrument, and how have these challenges and barriers been addressed or mitigated?

The evaluations found the following hindering factors: resource constraints and limited staff capacity, lack of incentives to prioritize policy dialogue, (absence of encouragement for staff to engage in such discussions, lack of performance metrics, perception of policy dialogue as an add-on rather than a core responsibility), weak intervention design, absence of a consistent strategic framework, inadequate policy dialogue structures within donor agencies, misalignment of donor and recipient priorities, insufficient stakeholder engagement, challenges in monitoring systems and capacity to implement, and lack of coordination among development partners (DPs) and between DPs and government.

To mitigate these challenges, several development agencies implemented measures such as adopting digital tools, enhancing capacity building, and improving stakeholder engagement. For example, the World Bank and AsDB deployed mobile applications and training modules to overcome resource constraints, while the EBRD and EU reorganized to strengthen coordination and align priorities. These measures, including fostering local ownership and using real-time data, have improved the effectiveness, sustainability, and inclusivity of reforms.

Lessons and Good Practices

What are the lessons and good practices drawn from the experience of the AfDB and other development agencies to improve the effectiveness of policy dialogue interventions?

The synthesis identified the following lessons and good practices from the implementation of policy dialogue interventions.

Key Lessons

Lesson 1: To design an effective policy dialogue intervention, it is essential to incorporate robust and contextual analysis, ensure relevance and alignment with national priorities, and set realistic objectives. It should also consider risks and change management, define roles and ensure multidisciplinary coordination, implement adequate quality controls, and promote inclusiveness.

Lesson 2: A quality policy dialogue intervention requires mechanisms for adaptation and flexibility to be established from the outset and maintained throughout its implementation, particularly crucial for crisis response and dynamic contexts.

Lesson 3: Aligning policy dialogue with institutional strategies and support programs enhances the long-term impact and coherence of development initiatives.

Lesson 4: Supporting policy dialogue with complementary financial and technical support helps achieve desired results.

Lesson 5: Fostering synergy through multi-stakeholder coordination and partner alignment facilitates and contributes to an effective policy dialogue by reducing transaction costs and administrative burdens.

Lesson 6: Strategic policy dialogue within thematic sectors fosters alignment between national policies and sector-specific goals. By focusing on specific sectors, DPs can tailor their interventions to address unique challenges and opportunities, ensuring that reforms are relevant and impactful.

Lesson 7: Linking policy dialogue to measurable reform agendas contributes to systemic change. When anchored to specific reform agendas, policy dialogue has the potential to achieve systemic cross-sectoral change.

Lesson 8: Developing and implementing robust and continuous monitoring and evaluation mechanisms is crucial for gaining insights into the effectiveness of policy dialogue interventions and taking timely corrective measures to enhance their impact.

Good Practices

Energy Sector: The EBRD experience shows that policy dialogue on energy efficiency works best when supported by a conducive policy environment, alignment with regional standards, a multidisciplinary approach within the sector team, and the integration of policy initiatives with technical assistance and investments.

Gender Mainstreaming: Sida development cooperation efforts highlighted some good practices related to focusing policy dialogue on ensuring evaluability and contextual approaches,

balancing formal and informal dialogue, identifying key elements for success, including a strong commitment to gender equality, understanding gender dynamics, promoting gender equality, and recognizing enabling factors and constraints in policy dialogue effectiveness within a country.

Private Sector Development: The AsDB's experience in policy dialogue on private sector development (PSD) and SMEs revealed key practices for effective policy dialogue. These included aligning PSD strategies with institutional goals, assessing sector readiness for reform, fostering ongoing financial dialogue, enhancing PPP capacities, streamlining investment processes, promoting transparent governance, encouraging innovation, and maintaining regular evaluations and adjustments. ■



Context of the Evaluation Synthesis

The evaluation synthesis on Policy Dialogue is part of Independent Development Evaluation (IDEV)'s 2023 Work Program approved by the African Development Bank Group's (AfDB or "the Bank") Board of Directors. Through this synthesis, the Bank seeks to better understand how it and other development partners have used policy dialogue as an instrument to support development operations, drive policy reforms, and achieve sustainable development results.

Evaluation synthesis is a systematic procedure for collating, analyzing and organizing findings from multiple evaluation reports and other credible studies to address specific policy and/or program questions that can be satisfactorily answered with existing data and information. While it primarily relies on available evidence, additional data may be introduced where gaps exist.

In view of the above, this synthesis was drawn from documents prepared by the Bank and other development institutions, reviewing the experience of policy dialogues across a range of themes and sectors, mainly at the country level, while also considering regional contexts where applicable. It is intended to enhance the understanding of policy dialogue as an instrument and provide lessons for the Bank to strengthen its engagement strategies with Regional Member Countries (RMCs) during the implementation of its 2024 – 2033 Ten-Year Strategy (TYS) (AFDB, 2024). It is also the first in-depth review of policy-related support by the Bank after IDEV's evaluations of Program-Based Operations (PBOs) in 2010 and 2018.

Policy dialogue is widely recognized as a tool to help countries develop and implement policies that foster inclusive economic growth, social development and institutional resilience. The AfDB considers it an important platform to engage with RMCs in identifying reform priorities, aligning with development goals and supporting effective policies implementation across the continent (AfDB, 2013). In the context of PBOs, AfDB refers to Policy Dialogue as "a frank and constructive dialogue between donor partners and RMC governments on broad or sectoral policy reforms and general budget priorities". Other institutions approach policy dialogue similarly but with unique emphases. Table 1 provides a summary of how selected development partners define policy dialogue.

These definitions point to the multifaceted and contextual nature of policy dialogue. Policy dialogue can operate across different levels-continental, regional, national, sub-national or sectoral, and local-involving formal mechanisms-budget support consultations, technical assistance or joint missions-and regular informal interactions with organizations and governments, ministries and other stakeholders including civil society, private sector and development partners. In these various cases, it seeks to influence policies and their associated strategies, thus shaping reforms through negotiation, collaboration and evidence-based engagement.

For Multilateral Development Banks (MDBs), policy dialogue is central in responding to global development challenges. In April 2024, MDBs reaffirmed their commitment to using policy dialogue as a key driver for fostering collaboration among themselves, with country governments, and other stakeholders (AfDB et al., 2024). Often, dialogues extend beyond individual project impact to supporting the African Union's Agenda 2063 and the Agenda 2030 Sustainable Development Goals.

Table 1: Definition of Policy Dialogue by Selected Institutions

Institution	Definition/Approach to Policy Dialogue
World Bank	The World Bank, while lacking an official overall corporate definition, engages in "Economic Policy Dialogue" as a mechanism "to enable the various stakeholders in the selected themes to engage in a constructive, inclusive, and transparent debate to collectively address the country's economic and social reform challenges and propose practical and operational solutions to the difficulties identified".[1]
Asian Development Bank (AsDB, 2000)[2]	Policy dialogue is defined to mean working with the government and relevant developing member country agencies to improve the strategic and policy framework across a wide range of development issues. Policy dialogue will clearly be a dialogue between partners in development, and should not be perceived as synonymous with policy prescription.
Inter-American Development Bank (IADB)	IADB focuses on a "Regional Policy Dialogue" as a network to facilitate knowledge sharing among Latin America and the Caribbean high-level government officials and development experts, aiming to identify common solutions and enhance intellectual and institutional capital[3].
European Bank for Reconstruction and Development (EBRD, 2016)	Policy dialogue is a key tool for supporting operations in its countries of operations to achieve their transition objectives.
International Fund for Agricultural Development (IFAD, 2017)	Country-level policy dialogue can be considered as "a process to engage, directly and indirectly, with its partner governments and other country-level stakeholders, to influence policy priorities or the design, implementation and assessment of formal institutions policies and programs that shape the economic opportunities for large numbers of rural people to move out of poverty".
Swiss Agency for Development and Cooperation (SDC, 2022)	Policy dialogue "as a strategic tool to create an enabling environment for development interventions, emphasizing systematic engagement in policy processes to achieve outcomes beyond individual projects or programs. Policy dialogue is a well-planned effort to engage in a policy process aiming to reach policy outcomes."

At the African Development Bank Group, policy dialogue, recognized as an important tool for effective operations and engagement with RMCs (see African Development Fund (ADF)-13 to ADF-16 cycles and the 2019 Seventh General Capital Increase of the African Development Bank), has evolved significantly over the past decades. While the Bank engages in policy dialogue at global, continental, and regional levels-primarily through flagship events-, its strongest and most structured focus is at the country level, enabling tailored interventions that address each country's unique contexts. This approach fosters stronger national ownership, builds institutional capacity, and aligns national policies with both regional and global frameworks. The Bank's Ten-Year Strategy (TYS) 2013 – 2022 pinpointed policy dialogue as a critical area for reforms aimed at amplifying its development impact, through aligning with international commitments such as the Paris Declaration.

Since 2016, the AfDB has enhanced its policy dialogue approach through decentralization, training, and the development of guidance notes and strategies, including the launch of the Policy Reform Dialogue Matrix (PRDM) in 2020. Initiatives such as the Strategy for Economic Governance in Africa (2021-2025) and the Knowledge Management Strategy (2022-2031), as well as the adoption of the PRDM, reflect this commitment (AfDB, 2021; 2022). Specifically, the PRDM has provided a tool for better planning and monitoring of the Bank's policy dialogue and support to reforms across Africa (AfDB, 2020b). **The Bank provides different non-lending support embedded in PBOs and, in some cases, investment operations.** These include technical assistance and advisory support, capacity development, knowledge generation and fostering in-country and multi-country partnerships.

Regardless of these advances, evaluations highlight several areas for improvement in the Bank's policy dialogue, particularly in documenting and reporting both informal and structured policy discussions and resolving staff interpretation discrepancies of policy dialogue. To broaden the

understanding of policy dialogue and capture a wide range of lessons, this synthesis takes into account existing knowledge and lessons from within the AfDB, and externally from other MDBs and Development Partners (DPs).

Synthesis Objectives, Scope and Questions

Synthesis Objective

The objective of this evaluation synthesis was to take stock of key findings, lessons and good practices from 45 evaluation reports and studies of policy dialogue interventions undertaken by the Bank, MDBs and other DPs. It draws from existing evaluative evidence and studies, as well as from AfDB RMCs, produced between 2013 and 2023.

The evaluation synthesis provides lessons for strengthening engagement with RMCs and other development partners. Ultimately, the synthesis is expected to inform the implementation of the new AfDB Ten-Year Strategy (2024 – 2033).

Synthesis Scope

The evaluation synthesis focuses on priority areas as identified through an initial literature review and consultation with key departments within the Bank and external stakeholders. Synthesis questions were developed to elicit findings on what can be learned from existing evaluations of policy dialogue support interventions, extracting what works and doesn't work, and under what circumstances. The synthesis draws from policy dialogue experiences in Africa with particular attention to AfDB interventions where possible.

The synthesis focuses on the relevance, coherence, and effectiveness of policy dialogue interventions, drawing lessons and good practices from within the Bank and other MDBs and DPs. It also examines the

Table 2: Synthesis Questions

Evaluation Criteria	Synthesis Questions
1. What are the common findings from existing evaluative evidence regarding the relevance, coherence, and effectiveness of policy dialogue interventions?	
Relevance	▪ To what extent were policy dialogue interventions relevant and responsive to the needs, priorities, and context of the countries in which they took place? ▪ To what extent were policy dialogue interventions aligned with the corporate policies and strategies of the institutions undertaking them? ▪ How robust was the quality of design of the policy dialogue interventions? ▪ How adequate were the institutional setups, implementation arrangements, tools and resources for policy dialogue?
Coherence	▪ How coherent were the policy dialogue interventions with the broader program of support and the other interventions of the institution in the country, and with those of other development partners? ▪ How did the institution undertaking the interventions collaborate with other multilateral development agencies, bilateral donors, and other partners in its policy dialogue efforts? What role did various stakeholders play in shaping and participating in policy dialogue processes?
Effectiveness	▪ How well did policy dialogue complement and enhance the development of policies, strategies, frameworks and plans and the effectiveness of operations to achieve desired results?
2. Enabling Factors	▪ Which factors enabled the success of policy dialogue work as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?
3. Hindering Factors and Mitigation Measures	▪ Which factors hampered the success of the policy dialogue instrument, and how have these challenges and barriers been addressed or mitigated?
4. Lessons and Good Practices	▪ What are some of the good practices and lessons from the AfDB and other development partners to strengthen the effectiveness of policy dialogue interventions?

institutional setup, complementarity of policy dialogue with other instruments, and adequacy of design, implementation arrangements, tools, and resources for policy dialogue. Furthermore, it focuses on policy dialogue's role in catalyzing the achievement of desired results in supported operations, considering the diversity in regional and country contexts, as well as the enabling and impeding factors.

Synthesis Questions

To deliver on the above objectives, the evaluation synthesis addresses the following questions in Table 2. See Annex 1 for the Evaluation synthesis matrix.

Structure of the Report

This report presents findings, lessons and good practices drawn from 45 relevant documents. The first section outlines the context of the evaluation synthesis including its synthesis objectives, scope and questions. The second section describes the methodological approach, sources of evidence, and limitations. The third section highlights the main findings. ■

Methodology, Sources of Evidence and Limitations

To answer the evaluation synthesis questions, the team compiled a single evidence base, drawing on findings, lessons and good practices from document review, and where necessary discussions with stakeholders, without conducting field missions. The synthesis followed the following steps: (i) searching for and scrutinizing the evidence; (ii) extracting and synthesizing the evidence; and (iii) developing the narrative.

Document Selection and Synthesis of Findings

Search and Selection of Documents

The synthesis drew on evidence from a cross-section of documents to generate responses to the synthesis questions. These included **evaluations, evaluation synthesis reports and learning products** on policy dialogue published by the Bank and other key MDBs, bilateral institutions, and other global institutions, during the period 2013-2023.

The selection of documents was guided by predefined criteria to confirm their relevance for synthesis and minimize bias, focusing on parameters such as keywords, publication timeframe (2013-2023), quality standards, and institutional sources, as outlined in Table 3.

The selection process involved three key steps. First, an **initial search**, using policy dialogue and related terms, was conducted for documents across selected scholarly databases and institutional databases (i.e., the OECD-DAC Evaluation Resource Center, bilateral and multilateral institution evaluation websites). This initial document search yielded 243 documents with 41.7% from the Bank and 58.3% from other development institutions. These documents were organized by type: 66.7% evaluation reports, 19.3% related to strategies and guidelines, 10.7% other assessment reports, and 3.3% other documents. **In the second step**, documents were filtered based on a threshold of at least 10 mentions of "policy dialogue" and related terms, narrowing the selection to 128 documents.

Table 3: Selection Criteria for Documents Reviewed

Criteria	Description
Keywords	**Occurrence:** Various keywords in both English and French were used, with key ones being dialogue, policy dialogue, engagement, policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services.
	Co-occurrence: Policy, PBO, non-lending, reform, review, enabling environment, dialogue, consultation, ownership, inclusive, alignment, coordination, strategy, framework, plan, partnership, approved, enacted, domesticated, institutional, draft, validated, responsiveness, plan, hindering, lesson.[4]
Time	Publication period i.e., 2013-2023 to align with the reference period of the evaluation.
Quality	Adherence to the Development assistance committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) Quality Standards for Development Evaluation, particularly with the key principle of impartiality and independence, thus only evaluations conducted by independent evaluation functions in multilateral and bilateral agencies were considered. Published strategies, policies and guidance frameworks were included in the list of eligible documents.
Source of Publications	A decision was also made to limit the publications to selected institutions.

The third step involved co-occurrence analysis (10 co-occurrences), applying criteria to identify the most relevant documents, focusing on combinations of "policy dialogue" keywords and other "important keywords". This analysis refined the selection to 118 documents, with 39.8% from the Bank and 60.2% from other institutions, with 81.3% being evaluation reports, 10.2% of other assessment reports, 5.1% related to strategies, policies, and guidelines and 3.4% of other documents.

These 118 selected documents underwent further review using Natural Language Processing to extract key information to address synthesis questions, while analyzing the achievements and challenges of policy dialogue, adjusting to ensure the relevance and quality of the findings.

Extracting and Collation of Evidence

Natural Language Processing (NLP), powered by models such as Robustly Optimized BERT Approach (RoBERTa) and Generative Pretrained Transformer (GPT), and unsupervised machine learning (topic modeling) was employed to conduct a narrative synthesis and thematic analysis of the 118 evaluations and studies. This enabled automated, context-aware text analysis, allowing for accurate classification and extraction of relevant content while capturing semantic relationships.

Through this process, 45 documents containing key content were identified (Table 4), the evidence summarized and topic modeling applied to uncover key themes. Finally, the documents were coded to provide findings and lessons aligned with the three key synthesis questions.

Limitations and Challenges, and Mitigation Measures

The synthesis encountered several challenges and limitations, given the high number and variability of selected documents for evidence extraction. **One challenge was the variation in available data and evidence, making it challenging to make effective comparisons and consolidation of findings.** This variability stemmed from variations in the objectives and context of the source documents,

Table 4: Document Types and Sources for Evidence Extraction and Synthesis

Type of Documents	African Development Bank	Other IFIs	Bilateral Agencies	Other Multilateral Institutions	Other Agencies (Academic/ Research Institutions / Think Tanks)	Total	Share (%)
Evaluation Products	10	14	3	4	-	31	68.9
Other Reports/ Institutional Performance Assessment (MOPAN)	-	4	-	2	-	6	13.3
Strategy and Policies Guidelines/ Monitoring	3	-	-	-	-	3	6.7
Others including Information Note/ Issues Papers/ Discussion Papers/ Research Documents	4	-	-	-	1	5	11.1
Total	**17**	**18**	**3**	**6**	**1**	**45**	**100.00**
Share (%)	37.8	40.0	6.7	13.3	2.2	100.00	

Source: Desk research (internal and external)

time periods, methodologies, and available data depth and evidence across the documents, and coverage with a mix of country, sector, thematic, and corporate evaluations. The synthesis brought together evidence around common themes aligned with the synthesis evaluation questions while highlighting differences influencing the analysis. In addition, policy dialogue is usually not evaluated as a specific topic, but as part of other evaluations. Moreover, policy dialogue initiatives and their outcomes are not well documented in most institutions.

The robustness of evidence for some synthesis questions, especially concerning the quality of the design of policy dialogue and operational effectiveness in achieving desired results, was limited. To address this limitation, interviews were conducted with relevant technical staff, including economists and country managers, to supplement existing data.

Overall, the adoption of a mixed-methods approach-combining desk review, content analysis, and interviews-along with the use of NLP, enabled a comprehensive synthesis of policy dialogue despite the identified limitations. ■



Key Findings

This section presents the synthesized findings and supporting evidence in response to the synthesis questions, drawing on analyzed information extracted from the final 45 evaluation reports and studies. It assesses how policy dialogue interventions have responded to the needs, priorities, and context of countries, and examines the quality of their design, alignment with institutional strategies, partnerships, and coherence with other development interventions. The section addresses institutional setups, implementation arrangements, and the resources dedicated to these efforts, while also illustrating the effectiveness of stakeholder engagement and collaboration with other development partners. Finally, it provides insights into the effectiveness of policy dialogue on policy development, strategy formulation and operational performance, identifying both enabling and hindering factors.

Common Findings Regarding Relevance, Coherence, and Effectiveness of Policy Dialogue Interventions

Relevance and Appropriateness of Policy Dialogue Interventions

Relevance and Responsiveness of Policy Dialogue to Country Needs and Priorities

Finding 1: The reports included in the synthesis found that policy dialogue was broadly relevant and responsive, aligning with national priorities, engaging stakeholders, and adapting flexibly to crises. Although institutions strived for adaptability, structural limitations sometimes hindered their ability to fully address ad-hoc needs.

The studies reviewed found that policy dialogue interventions were broadly relevant and well-aligned with national government priorities across regions, as development institutions generally refined their dialogue to fit specific country contexts.

The synthesis found that development institutions tailored their policy dialogue to reinforce each country's strategic national objectives. For example, the World Bank policy dialogue interventions in Rwanda between 2008 and 2017 (World Bank, 2018) were closely aligned with the respective country's needs and priorities. These policy dialogue interventions covering urban policy, energy sector reform, public-private partnership, and social protection, were well aligned with the country's strategic objectives under Vision 2020. Through Advisory Services and Analytics and technical assistance, they addressed complex challenges such as agricultural modernization and energy access, which are central to Rwanda's structural transformation efforts.

Box 1: Relevance of AfDB's Policy Dialogue in Cabo Verde and Eswatini

Cabo Verde (CSPE 2008-2017): The AfDB's policy dialogue in Cabo Verde was judged as highly relevant, since it aligned with the country's national development priorities, particularly in the governance and infrastructure sectors. The Bank's efforts in supporting Public Financial Management reforms through PBOs and the private sector-enabling environment were well-suited to Cabo Verde's needs as a Small Island Developing State.

Eswatini (CSPE 2009-2018): In Eswatini, the AfDB's policy dialogue interventions were consistent with the country's needs, especially in addressing agricultural, infrastructure, and governance challenges. The Bank's portfolio aligned with the government's Poverty Reduction Strategy and Economic Recovery Strategy.

Similarly, the AsDB ensured its policy dialogue interventions in Sri Lanka reflected the country's national economic, social needs and reform priorities in macroeconomic stability and advancing structural reforms, infrastructure development and state-owned enterprise (SOE) reform (AsDB, 2016). These examples illustrate that targeted support for each country's strategic vision significantly increases policy dialogue relevance, an approach also reflected in selected AfDB interventions (Box 1).

Another shared approach was extensive engagement with local stakeholders, which allowed agencies to refine their alignment with specific needs within each country's priority areas. For instance, engagement by the International Fund for Agricultural Development (IFAD) in Zambia expanded beyond government bodies to include multiple stakeholders, from local rural organizations to other development partners, fostering greater alignment with Zambia's priorities for rural development (IFAD, 2014a). By broadening the scope of stakeholders, IFAD increased the likelihood of consensus on policy reforms, essential for rural communities' needs especially where the country was also pursuing a decentralization agenda. The World Bank adopted a similar approach in Mauritius by working closely with local agencies on economic competitiveness, regulatory reform, and small and medium enterprise (SME) development. These interventions were not only aligned with the government's reform agenda but also addressed external challenges, such as trade liberalization by partnering with private sector stakeholders (World Bank, 2021). The emphasis on a collaborative stakeholder model helped agencies to refine their interventions, addressing nuances in each national context and strengthening alignment with country-specific needs.

A third common finding was the institutions flexibility in adapting their policy dialogue to suit the unique constraints and contexts of each country, thereby enabling more impactful and context-sensitive engagement. The synthesis revealed that Sweden's development cooperation demonstrated this flexibility by focusing on democracy, human rights, and gender-based violence in Guatemala, while aligning with Cambodia's national priorities for democracy, accountability and governance (Sida, 2015). This approach allowed Sweden to support development values alongside specific country goals, ensuring alignment with local governance structures and societal needs (Box 2).

Further, the studies found that several avenues and strategies were used to match policy dialogue interventions with national needs and priorities. Specifically, to align with national priorities, IFAD (2017) pursued a variety of different

Box 2: Policy Dialogue Environment and Relevance to Country Context

The policy dialogues in the 11 countries surveyed were aligned with each country's development priorities and core Swedish values, presenting a coherent approach despite diverse environments. These countries face unique challenges, such as ongoing conflict in Colombia and Democratic Republic of Congo (DRC), European Union (EU) accession efforts in Bosnia and Herzegovina, Turkey, and Albania, natural disasters in Bangladesh, and socio-economic inequalities in Guatemala. Other countries like Cambodia, Ethiopia, and Rwanda are low-income nations, while Ukraine is dealing with a civil war and geopolitical alignment issues.

Sweden's policy dialogue adapts to these varying contexts, focusing on democracy, human rights, and gender-based violence (GBV) in Guatemala; democracy and accountability in Cambodia; and girls' education and ethical private sector development in Bangladesh. The policy dialogue strategies varied across different development cooperation environments (conflict, post-conflict, and development contexts). Conditionality in resource allocation to promote gender equality was notably effective in post-conflict countries. Overall, the dialogues were contextually relevant and responsive to local needs, shaping Sweden's development cooperation efforts effectively.

Source: Sida. (2015). Evaluation of Policy Dialogue as an Instrument in Swedish Development Cooperation -The case of Gender Equality. Swedish International Development Cooperation Agency.

approaches and/or activities that could legitimately be considered as country-level policy dialogue. These included: (i) the Country Program Manager (CPM) /Country Program Officer (CPO) engaging directly ('bilaterally') with the government on key policy issues affecting poor rural people; (ii) the in-country sector working group, in which the CPM or CPO participates, identifying key policy issues and pursuing these with government; (iii) strengthening the capacity of government agencies to formulate national policies; (iv) supporting organizations of rural people, to enable them to participate in policy dialogue; (v) promoting policy dialogue between national stakeholders; (vi) operationalizing a national policy, strategy or program at local level; (vii) creating opportunities for regional or south-south sharing of policy experience and approaches; (viii) conducting country-specific policy analysis work; and (ix) agreeing on policy reforms prior to project implementation.

Like IFAD, the AfDB's policy dialogue interventions at country level in recent years have been facilitated through at least four channels (Figure 1): (i) development of Country Strategy Papers (CSPs), preceded by Country

Figure 1: Channels illustrating the AfDB's Policy Dialogue Process



Source: IDEV (based on reviews and interviews)

Diagnostic Notes; (ii) use of country-specific African Economic Outlook reports; (iii) country briefs prepared by the country office; and (iv) dialogue missions conducted by the regional directorate. In addition, budget support operations and technical assistance were found to play substantial roles in advancing policy dialogue and implementing priorities. Such dialogue occurred through formal conversations based on budget support and technical assistance or other operations, or informal regular discussions and interactions with ministries and other stakeholders, including Technical and Financial Partners in the form of advice or partnering to address particular issues. This also happened through sector or thematic working groups with other DPs, which the Bank either led or was a member.

The studies reviewed also noted that development institutions such as the World Bank, AfDB, AusAID, and the EU have increasingly emphasized the importance of adaptable policy dialogue to support evolving country needs and priorities. The responsiveness of policy dialogue interventions to evolving needs and contexts is crucial for maintaining relevance and effectiveness. To be effective, policy interventions must remain responsive to immediate crises, emerging challenges, and shifting socio-economic contexts.

The World Bank, for instance, displayed this adaptability in Rwanda, where it recalibrated its dialogue over its policy financing amid the 2008 food price crisis to sustain agricultural and energy sector reforms despite funding cuts (World Bank, 2018). The World Bank also demonstrated this ability in Mauritius during the 2008 global financial crisis, where it provided timely economic advice and adjusted its support to help the country navigate emerging fiscal challenges (World Bank, 2021). Similarly, the AfDB's approach to policy dialogue underlined its responsiveness and adaptability to evolving situations during the Coronavirus disease 2019 (COVID-19) pandemic by prioritizing transparency and accountability of expenditures and broadening policy dialogue to address medium-term implications (IDEV, 2022a). The Bank's policy dialogue was centered around the formulation and the subsequent implementation of national COVID-19 response plans that addressed both health and socio-economic fallout. In Kenya, Ghana, and Somalia, the AfDB quickly engaged with the governments and other stakeholders, through policy dialogue, to repurpose existing projects, redirect resources and adjust operations to address new priority areas (IDEV, 2021; IDEV, 2022a).

The synthesis also found that embedding flexibility directly into programs enhances responsiveness to evolving priorities. For instance, the Australian Agency for International Development (AusAID)'s Governance for Growth program in Vanuatu exemplified a built-in adaptability model, where high levels of delegated authority allowed the program to quickly support government-led initiatives, sometimes within days of a request (AusAID, 2013). The EU's Joint Budget Support in Uganda further illustrated policy dialogue flexibility and responsiveness by initially focusing on service expansion, but then shifting towards enhancing budget efficiency and implementing legal reforms to enhance public service management and accountability as priorities evolved (European Commission, 2015). This shift allowed for meaningful discussions on public service reform and decentralization. However, some challenges emerged, including divergence between the Uganda government's and development partners' priorities, leading to tensions over budgetary priorities, particularly in defense and public administration, thereby weakening the partnership. Nonetheless, these examples show that embedding flexibility from the outset facilitates more proactive responses to partner governments' evolving needs.

At the same time, evidence from the reviewed documents demonstrated that, although institutions strived for adaptability, structural limitations sometimes hindered their ability to fully address ad-hoc needs. For example, during the COVID-19 crisis, it was observed that AfDB Country Offices already engaged in police dialogue

before the crisis, were more able to engage in policy dialogue throughout the crisis period. However, different contexts also led to different outcomes. For instance, the AfDB engaged in policy dialogues with the governments of Côte d'Ivoire and Senegal on reallocating resources to address urgent needs. However, in Cote d'Ivoire, the audit of the COVID-19 support was an ongoing point of discussion, while in Senegal, the dialogue focus shifted from COVID-19 to broader issues such as health infrastructure and social protection (from targeted interviews with Bank Staff, June 2024 AfDB).

Alignment with Institutional Policies and Strategies

Finding 2: The synthesis found that development institutions aligned policy dialogue with corporate strategies and investment priorities, reinforcing institutional objectives.

The synthesis found evidence that the AsDB, World Bank, EBRD and AfDB have ensured alignment of their policy dialogue interventions with corporate policies and overarching objectives. These dialogues were often found to complement strategic initiatives, reinforcing institutional goals.

In particular, the AsDB and World Bank tended to consistently align policy dialogue interventions with their overarching corporate strategies, ensuring that initiatives complement their long-term goals. For example, the AsDB's policy dialogue interventions in Sri Lanka-focused on state-owned enterprise reform and macroeconomic stabilization-aligned closely with its Strategy 2030, which emphasizes resilience, inclusivity, and sustainable growth. By addressing macroeconomic stability and structural reforms, including infrastructure development, these dialogues reflected both national priorities and AsDB's broader institutional objectives (AsDB, 2016). Likewise, the World Bank integrated policy dialogue within its broader institutional strategies, especially in Mauritius and Rwanda, focusing on poverty reduction and sustainable growth. In Mauritius, policy dialogues aimed at enhancing economic competitiveness and resilience to external shocks were consistent with the Bank's strategy of promoting macroeconomic stability and private sector growth, particularly in middle-income countries.

The evidence reviewed in this synthesis found that policy dialogue interventions are sometimes linked with investment strategies to enhance synergies, as demonstrated in the cases of EBRD and AfDB. The EBRD's focus on agribusiness in Tunisia, Egypt, and Turkey asserted this approach, with policy dialogues in these regions emphasizing areas such as olive oil production and grain trade, while harmonizing with EBRD's strategic investments in agribusiness (EBRD, 2023a). This alignment of dialogue and investment fostered sectoral growth while ensuring alignment with EBRD's institutional objectives. Likewise, the AfDB also promoted alignment of policy dialogues with its long-term strategies, as reaffirmed in the recent Ten-Year Strategy (2024-2033). The AfDB's sectoral dialogues, particularly in energy, supported its "High 5" priorities, notably "Light Up and Power Africa". For example, AfDB's energy sector policy dialogues in Kenya aligned with this priority, as well as, the country's electrification needs and goals. Particularly, through sustained dialogue, the AfDB became the first development partner to fund the Kenya Last Mile Connectivity Project, launched in 2015 to expand electricity access. This sectoral alignment illustrated a strategy of institutional focus that is both responsive to country needs, while supporting Kenya's flagship mass electrification initiative and AfDB's corporate objectives.

Quality of Policy Dialogue Design and Planning

Finding 3: Where information was available, policy dialogue interventions were found to be broadly well-designed, evidence-based, and context-adapted with structured frameworks, though unclear distribution of roles, capacity gaps, and weak integration challenged their design quality.

Regarding the robustness of the quality of design of policy dialogue interventions across international development agencies, the synthesis found both solid practices and persistent challenges in design and planning.

Institutions like the World Bank, the EU and the AfDB highlighted the importance of strong policy dialogue design supported by evidence and analysis. For example, under the World Bank's Poverty and Social Impact Analysis (PSIA) Multi Donor Trust Fund, policy dialogue interventions were well-designed and evidence-based. They equipped policymakers with quantitative insights into distributional and budgetary impacts of policy reforms (World Bank, 2016). In particular, in Indonesia, a PSIA analysis of energy subsidies revealed that affluent groups disproportionately benefited more than the poor in absolute terms. This finding served as a critical input for the World Bank's policy dialogue (design) with the Indonesian government, ultimately influencing the redesign of the subsidy system, replacing them with targeted cash transfer programs and revised rice subsidy program.

At the same time, the World Bank's Country Partnership Framework (CPF) for Mauritius (2017-2021) also stressed programmatic approaches that streamlined dialogue processes, decreased transaction costs, and harmonized efforts among partners (World Bank, 2021). Similarly, the European Commission's evaluation of budget support in Uganda also underlined the importance of structured dialogue design through Sector Working Groups (SWGs) and joint government-donor frameworks in facilitating alignment and monitoring (European Commission, 2015).

The AfDB also stressed robust policy dialogue design through structured frameworks and evidence-based approaches. The evaluation of the Bank's Program-Based Operations (2012-2017) (IDEV, 2018a) recommended that, it should be made: " unequivocally clear, at design stage, what the policy dialogue will entail, what mechanisms will be used, what will be the priorities, how it will be underscored by relevant technical expertise, and who will be responsible for conducting and reporting it." To operationalize this, the Bank introduced a standard annex on policy dialogue within PBOs, in line with the PRDM and Operations Guidance Note. This approach was aimed at aligning dialogue with emerging policy needs by establishing clear objectives, specifying priorities, defining mechanisms and responsibilities, ensuring technical expertise, and conducting targeted analytical work to inform dialogue notes and Country Strategy Papers (IDEV, 2018a). However, evidence from documents reviewed and interviews with Bank staff did not confirm whether this approach was systematically applied or was relevant.

Further, the synthesis showed that the AfDB's policy dialogue design benefited from evidence-based support, stakeholder engagement and adaptability to diverse country contexts and internal processes, notably in countries in fragile situations where political and developmental issues are also critical (IDEV, 2014; AfDB, 2020a). In this context, platforms such as Multi-Donor Budget Support Groups and thematic or sector working groups enhance the selection of appropriate instruments to address key challenges. In the same vein, IFAD (2017) underlined that its dialogue efforts were designed to create enabling environments for rural poverty alleviation by influencing national policy priorities and supporting institutional reforms in countries such as Bangladesh, Nepal, and Argentina. The design of these dialogues leveraged local project experiences to inform broader national policy processes, particularly in forestry in Nepal and microfinance in Bangladesh, linking local implementation with national policy advocacy, and promoting evidence-based policy change and smallholder-focused policies through grants and regional platforms.

Nonetheless, **the documents reviewed also revealed persisting challenges, including unclear roles and responsibilities, insufficient staff capacity, and lack of a framework for the dissemination of guidelines and best practices.** IFAD's policy dialogue interventions in countries

like Bangladesh and Nepal integrated local project experiences with national policy advocacy, but faced challenges such as resource misalignment and fragmented efforts. Many interventions lacked detailed financial and human resource plans, weakening their continuity and overall effectiveness. The AfDB sector evaluations, like the evaluation of the Bank support to the transport sector, also revealed gaps, such as the absence of clear action plans for prioritizing dialogue themes and weak integration of non-lending activities into sector strategies (IDEV, 2014).

Institutional Set-Ups and Resource Adequacy for Policy Dialogue

Finding 4: The synthesis revealed that institutional setups and resources, structured frameworks, specialized teams, and partnerships support effective policy dialogue and enhance engagement, though limited capacity and weak monitoring constrain overall effectiveness.

With respect to specific aspects of institutional setups and resources for policy dialogue, the evidence showed that the governance structures and institutional capacities of development agencies contributed to fostering effective policy dialogue. However, some challenges linked to unclear accountability, staff shortages, and lack of systematic tools for monitoring and reporting were noted.

At the World Bank, specialized teams comprising country economists and sector specialists who lead dialogues, ensure alignment with both national and institutional objectives. These teams were supported by robust governance frameworks and accountability and transparency mechanisms (World Bank, 2021, 2022a and 2022b), which enabled them to sustain engagement even in the absence of concrete requests for new Reimbursable Advisory Services in the pipeline. Building on policy recommendations from the Country Economic Memorandum, these continued dialogues of the World Bank country team around key Country Partnership Framework priority areas, supported potentially high impact reforms, in areas such as innovation support, export diversification, skills and inclusive education, social protection efficiency, monitoring and evaluation, and financial sector supervision (World Bank, 2021).

While the European Commission's Joint Strategic Evaluation of Budget Support in Uganda (2015) praised institutional setups, utilizing platforms like SWGs and government coordination frameworks, differing priorities between the Government of Uganda and development partners at times hindered the quality of dialogue (European Commission, 2015). In the evaluation reviewed, **it was noted that policy dialogue requires significant human, financial, and technological resources for effective implementation at the design stage.** Institutions have invested in advanced tools, such as data analytics platforms and monitoring systems, to enhance the quality and timeliness of policy dialogue interventions. These institutions also prioritize capacity-building initiatives for local governments and stakeholders, ensuring sustainable outcomes from policy dialogue efforts.

The evaluation of the Australian Agency for International Development found that well-resourced posts for policy dialogue had clear agendas and were able to engage effectively, showcasing the importance of dedicated resources in Indonesia (AusAID, 2013). However, AusAiD faced challenges in providing adequate resources for policy dialogue (Box 3) in the Pacific region. Staff surveys indicated that there was often insufficient time, space, and flexibility to engage meaningfully in dialogue. For organizations such as IFAD and the European Commission, their experiences illustrated the importance of structured dialogue mechanisms and sustained financial and technical support through partnerships with local governments, civil society, and the private sector. These partnerships not only facilitated the implementation of policy reforms, but also ensured their adaptability to changing circumstances, thereby enhancing their long-term relevance (IFAD, 2017; European Commission, 2017).

Box 3: Resources and Support for Policy Dialogue in Australian Agency for International Development

1. Resources and Support for Policy Dialogue

- In the staff survey, respondents were least likely to agree that AusAID provided the necessary resources and support for policy dialogue.
- Under one-third of respondents agreed that AusAID provided the time, space and flexibility to work effectively in policy dialogue, or that the agency's systems and structures supported the staff's ability to seize opportunities for dialogue.
- Counsellors (as opposed to Advisers and First Secretaries) recorded particularly low ratings for the support they receive for policy dialogue, with only 17 percent agreeing that AusAID provides the time, space and flexibility for good policy dialogue.
- Staff based in the Pacific region were the least likely to indicate that policy dialogue is appropriately resourced.

2. Time, Space and Resources Can Be Provided

- In Indonesia, which is a comparatively well-resourced Post, staff explicitly said they saw policy dialogue as core work. They were provided with the space, time and mandate to engage in policy dialogue through the AusAID Head of Post's direction and configuration of staffing. The agenda was clear to both parties and, importantly, was seen as integral to the Australian Department of Foreign Affairs and Trade (DFAT)'s broader political dialogue in-country.
- Likewise, in the Solomon Islands bilateral program, although a less well-resourced Post overall, the policy dialogue agenda is supported by a dedicated Economic Policy and Performance Unit within the AusAID bilateral program. Both the DFAT Head of Mission and the AusAID Minister Counsellor see and support the economic policy work as central to Australia's presence and efforts in the country. The economic policy work constitutes one of the Priority Outcome areas of the Solomon Islands – Australia Partnership for Development.

Source: AusAID (2013) Thinking and Working Politically: An Evaluation of Policy Dialogue in AusAiD. Australian Agency for International Development (AusAID)

Regarding the AfDB, while the Policy Dialogue Guidance Note (PDGN) aimed to support Program-Based Operations by providing principles for effective dialogue, setting clear roles, and emphasizing government ownership, the PRDM and its e-platform were found to be underutilized due to significant data gaps and limited uptake among Bank staff, primarily because of a lack of incentives and unclear accountability (from targeted interviews with Bank Staff, June 2024 AfDB). Relevance was further constrained by overlap with existing tools, limited mechanisms for non-PBO dialogues, and sectoral imbalances, particularly in agriculture and infrastructure.

Furthermore, the evaluations highlighted the challenges of integrating policy dialogue into institutional step-ups, as well as the limited resources available to implement it. The Swedish International Development Cooperation Agency (Sida) evaluation on gender equality policy dialogue found that lack of systematic tools for monitoring and reporting led to inadequate documentation of progress (Sida, 2015). The absence of tested indicators for measuring policy dialogue effectiveness, coupled with insufficient training for embassy staff, resulted in suboptimal engagement and monitoring. In Guatemala, for instance, although policy dialogue plans had clear objectives and strategies, they lacked mechanisms to monitor and assess their impact on gender equality and other thematic areas (Box 4), reducing the overall effectiveness of dialogue efforts (Sida, 2015). Similarly, the EBRD's experience in Ukraine's power sector revealed a lack of regular tracking, reporting and evaluation of policy dialogue outcomes and impact. Assessments focused mainly on outputs (laws, regulations, institutional changes), making it difficult to evaluate the broader policy dialogue (EBRD, 2014).

The various evaluations and studies reviewed also indicated that broadly, the AfDB's institutional and financing mechanisms converged with those of other DPs. For example, the AfDB's decentralization and country office presence under the Development and Business Delivery Model setting have contributed to

Box 4: Sida Ensuring Quality of Policy Dialogue Processes

The Swedish Ministry of Foreign Affairs (MFA) initially provided guidelines for drafting dialogue plans in 2010, but these were limited, and the MFA later removed the requirement to develop such plans. Despite this change, there remained a need to coordinate dialogue strategies with other embassy development activities to maximize their effectiveness. The two policy dialogue plans available to the Sida evaluation team lacked consistency in their approach and content, and neither included monitoring plans. Furthermore, policy dialogue was rarely mentioned in country progress reports, and when it was, it lacked specifics about the approaches used, their success, or any related evidence.

The absence of consistent guidelines for monitoring and reporting policy dialogue resulted in a lack of systematic collection, processing, and documentation of information, making it difficult to assess progress on policy dialogue objectives. There is a need for a strategic mechanism to coordinate policy dialogue efforts with broader development goals.

Measuring the results of policy dialogue presents several challenges. Multiple actors often participate in dialogue processes, making it difficult to attribute changes to specific contributors. Moreover, measuring attitudinal changes is expensive and difficult, and few well-established indicators exist to measure contextual changes. As a result, embassy staff were unclear about how to assess the effectiveness of policy dialogue.

The measurement of policy dialogue impact is still in its early stages, with no clear understanding of the short, medium, or long-term results. Effective policy dialogue requires specialized skills, but only three embassy staff had received relevant training. Most learned through trial and error, and the lack of clear guidance has limited their ability to engage in and monitor policy dialogue effectively.

Source: Sida (2015). Evaluation of Policy Dialogue as an Instrument in Swedish Development Cooperation -the case of Gender Equality Main report. Swedish International Development Cooperation Agency.

improving proximity and maintaining a continuous dialogue with RMCs, allowing it to stay responsive to evolving needs and ensuring well-coordinated interventions (AfDB, 2020a). Evaluations and feedback from staff indicated that this approach, combined with cultural affinity, has positioned the AfDB as a key knowledge broker in Africa, and "the partner of choice and trusted advisor" (Multilateral Organizations Performance Assessment Network [MOPAN], 2016a; MOPAN, 2022). With regional platforms embedded in regional offices, the Bank uses the Regional Integration Strategy Papers , to engage in structured policy dialogue and investments within a regional dimension.

Yet, challenges have emerged regarding the clarity of roles and responsibilities within these institutional setups regarding policy dialogue processes. While in IFAD and the World Bank,[5] the roles of actors in policy dialogue were defined and the channels to be followed clearly identified (IFAD, 2017), in the AfDB, the roles were not always clearly defined, as revealed by evaluations (AfDB, 2020a). Contextualization discussions with some Bank staff indicated that while some staff believe that the country manager leads high-level dialogues, with the country economist providing technical input and sector experts addressing specific issues, others noted that this structure can be limiting, leading to performance limitations and unclear accountability. To address this, the PDGN was further introduced to enhance clarity in institutional roles and responsibilities, streamline reporting arrangements, and reinforce the principles of ownership and good governance within the Bank's policy dialogue processes (AfDB, 2020a).

Despite the above adaptive efforts at the Bank level, in certain circumstances, resource constraints limited the Bank's ability to dialogue and respond to other critical requests, such as urgent project cost evaluations in Madagascar, due to the lack of rapid-response tools to support dialogue (from targeted interviews with Bank Staff, June 2024 AfDB). In contrast, the World Bank often leveraged pre-existing rapid-response tools, enabling faster response times and consistent dialogue with the government. This structural advantage allowed them to engage more dynamically and maintain consistent support for their policy dialogue objectives, especially under unpredictable circumstances.

Coherence of Policy Dialogue Interventions

Internal Coherence

Finding 5: Policy dialogue was generally found to be coherent with broader institutional support programs, ensuring alignment with strategic priorities and development goals, strengthened by complementary investments.

The synthesis noted that policy dialogue interventions by MDBs and the European Union demonstrated strong coherence with their broader institutional support programs, ensuring alignment with strategic priorities and development goals. The synthesis highlighted the emphasis of the European Commission's Policy-Based Lending Guidelines on the integration of policy dialogue within the EU's budget support programs. These guidelines facilitated the connection of policy dialogue frameworks to key conditions such as macroeconomic stability, public financial management, and budget transparency, helping governments build robust fiscal frameworks without undermining domestic resource mobilization (Evaluation Cooperation Group [ECG], 2023).

Similarly, the AfDB and the World Bank have demonstrated coherence through programmatic alignment. The World Bank's Country CPF for Mauritius (2017-2021) reflected a well-coordinated programmatic approach where policy dialogue was aligned with broader support activities. This approach enhanced coherence by streamlining joint actions, unified missions, and consolidated reporting among development partners, significantly reducing the administrative burden on government institutions and ensuring that development goals were addressed holistically (World Bank, 2021). The AfDB's Country Strategy Papers integrate policy dialogues within PBOs, investment projects, and technical assistance frameworks, aligning with both AfDB's goals and the RMCs' national development agendas (MOPAN, 2023). Prepared through consultations with national stakeholders, CSPs ensure alignment with both the Bank's strategic priorities and the government's development agenda (MOPAN, 2023). This strategy enabled the Bank to engage in sector-specific or economy-wide discussions as required by each country's development needs, enhancing coherence across the Bank's support and fostering progress toward shared objectives (AfDB, 2013).

However, the synthesis revealed that the strategic use of complementary investments and technical assistance (TA), alongside policy dialogue to bolster development efforts, particularly in fragile and conflict-affected states, with capacity constraints requires more coordinated and sustained interventions. In such contexts, MDBs often integrated concurrent investment projects and technical assistance initiatives to strengthen policy goals and facilitate policy implementation. For example, the World Bank's Public Finance Sustainability and Investment Development Policy Financing in Madagascar was supported by seven concurrent World Bank Group investment and TA projects, as well as two International Monetary Fund (IMF) programs (World Bank, 2022). This complementary approach enriched policy dialogue, facilitated the implementation of prior actions, and strengthened monitoring and evaluation (M&E) processes. Similarly, in Afghanistan, the Inclusive Growth Development Policy Grant leveraged ongoing investment projects and advisory services to incentivize critical reforms, underscoring the importance of complementary actions in maximizing policy dialogue effectiveness (World Bank, 2022).

Similarly, the AfDB emphasizes the use of financial instruments, such as budget support and institutional support, to complement policy dialogue interventions. For instance, the dialogue surrounding Côte d'Ivoire's Economic and Social Reform Support Program was critical in defining the program's three phases. However, the availability of budget support mechanisms significantly improved the program's effectiveness by backing policy dialogue with financial resources. This illustrated the need for complementary financial interventions alongside policy dialogue to achieve substantial results (from

targeted interviews with Bank Staff, June 2024 AfDB). The Bank also employed a multidisciplinary approach during the appraisal of its investment and lending programs in its RMCs, engaging experts from sectors such as Economic Governance, Financial Management, and Regional Integration. This cross-sectoral collaboration ensured that policy dialogue interventions were well-informed and aligned with broader development projects.

External Coherence

Finding 6: The reports included in the synthesis found that collaborative DP frameworks and active stakeholder engagement enhanced and shaped policy dialogue processes, while variability in engagement and limited evidence on sector-specific roles constrained overall effectiveness.

The synthesis highlighted that the coherence of policy dialogue interventions was strengthened through close coordination with the support programs of other development partners, fostering a unified approach to development challenges. IFAD engaged in Zambia's sector working groups and the African, Caribbean, and Pacific Group of States, tailoring its approach to local contexts while contributing to joint initiatives like the UN Country Team (IFAD, 2014a). These partnerships created platforms for unified action and alleviated administrative burdens on local governments through coordinated missions and shared reporting, as evidenced by the World Bank's collaboration with other development partners in Mauritius (World Bank, 2021). Like IFAD, Sida engaged in SWGs, especially in countries such as Guatemala and Cambodia, where joint platforms provided opportunities for coordinated dialogue on gender equality and governance (Sida, 2015). These platforms allowed Sida to advance gender equality and human rights, amplifying its influence despite resource constraints. The synthesis evaluation highlighted that SDC often engaged in joint donor platforms, leveraging collective influence in national policy dialogue processes (SDC, 2022).

In addition, the synthesis uncovered the importance of collaborative frameworks among development institutions in strengthening policy dialogue. For instance, the Development Assistance Group (DAG) in Ethiopia, consisting of 27 agencies, played a pivotal role in coordinating policy dialogue and facilitating macroeconomic discussions, integrating the Millennium Development Goals into national policies (IDEV, 2016b). The AfDB utilized the Multi-Donor Budget Support Group) to engage in joint dialogue, ensuring alignment with recipient countries' national strategies (AfDB, 2013). This unified approach reduced duplication of efforts and amplified overall impact. Other organizations, like the EBRD, emphasized its partnerships in Mongolia, where it coordinated with the International Finance Corporation and other financial institutions to align investment activities and policy dialogue (EBRD, 2019).

Further, the synthesis emphasized the active engagement of various stakeholders as crucial in shaping and participating in policy dialogue processes. The AfDB's role as co-chair of Ethiopia's DAG exemplifies how collaboration among development partners can yield significant outcomes, such as enhancing the One-Stop Service facility for investors (AfDB, 2013) (Box 5). In Cabo Verde, the Bank's partnerships with other donors were essential in aligning investments and governance operations, furthering the effectiveness of policy dialogue amidst resource constraints (IDEV, 2018b). This highlighted the necessity of including diverse donors to create a more responsive and context-specific dialogue process, as illustrated by the IFAD's engagement in sector working groups in Zambia, where it collaborated with the Advisory Council for Partnerships Group and the UN Country Team to develop policy papers and the Joint Assistance Strategy for Zambia, thus enhancing collaboration among donors (IFAD, 2014a). This partnership approach has facilitated coordinated efforts and strengthened the policy dialogue landscape across various sectors.

Box 5: AfDB's Engagement and Role in Policy Dialogue and Coordination

A few evaluation documents reviewed further illuminate the AfDB's specified role. The AfDB's active engagement in policy dialogue and aid coordination was evident in Ethiopia, according to the paper "AfDB ADF 13 The African Development Bank Group's Role in Policy dialogue with ADF Countries (AfDB, ADF 13)". The Bank's Ethiopia Country Office played a pivotal role in the Development Assistance Group, co-chairing and leading development partners in high-level forums. Based on dialogue, this involvement has led to regular reviews of Ethiopia's Growth and Transformation Plan, resulting in tangible outcomes such as accelerated private sector development and improved access to finance. In addition, the Bank's contribution to the creation of the Joint Task Force on Aid Effectiveness underlined its commitment to strengthening aid coordination and policy dialogue, as seen through its support for the Protection of Basic Services program in the country.

Conversely, the independent evaluation of the Bank's intervention in the transport sector (AfDB Transport Sector, IDEV, 2014) pointed to the Bank's low profile in reform agendas and limited involvement in transport sector policy dialogue due to its division of labor among donors. Despite some donor coordination, the Bank's participation in policy dialogue platforms for the transport sector had long been minimal. Recent efforts, including establishing country offices as part of decentralization, have improved the Bank's presence and authority. This has contributed to improving donor coordination and positively impacted the management and implementation of new regional projects in countries such as Rwanda and Burundi, resulting in better local understanding and personal connections.

Interviews with Bank staff outlined a few examples confirming the Bank's commitment and the leading role it tends to play in some countries. In Cabo Verde, the Bank, through the Governance and Economic Reforms Department (ECGF) and the Country Economist, is co-chairing the PBO Coordination and Dialogue Group. In Senegal, the Bank, through its country office, leads the thematic group on energy and has been Vice-President of the Group of 15 (G15) for two years. The Bank has utilized this G15 platform to foster dialogue, including at the embassy level, thereby elevating discussions to the government level.

However, variability in engagement and influence among stakeholders was evident in the evaluation reports. EBRD maintained coherence with other IFIs but showed mixed engagement with civil society, leaving potential gaps in inclusivity (EBRD, 2023b). Sida's influence also varied, often amplified in contexts where gender equality was prioritized by partners, but weakened where it was not (Sida, 2015). SDC sometimes struggled in joint platforms when donor priorities diverged, which diluted its influence (SDC, 2022).

Furthermore, it was revealed that the delineation of roles among stakeholders is a critical factor influencing the effectiveness of policy dialogue (Box 6). EBRD's energy sector reforms in Uzbekistan demonstrated the benefits of a well-coordinated role allocation among institutions. EBRD's approach entailed both financing and policy dialogue, carefully coordinated with IFIs like the World Bank Group and the AsDB. To optimize effectiveness, the Government of Uzbekistan and IFIs agreed on an informal division of roles. This coordination facilitated a coherent approach to energy sector reforms, which prevented duplication and maximized collective impact (EBRD, 2023b), while demonstrating the benefits of a clear division of roles in the reforms. The World Bank led work on the 2017 Renewable Energy Law, the EBRD on the 2019 Public Private Partnership (PPP) Law and draft Electricity Law, and the AsDB on tariff reforms.

While collaboration is widely recognized as essential, evidence on stakeholder roles in shaping sector-specific policy dialogues remains limited, while in some cases levels of coordination differ among agencies. AfDB's initiatives in Ethiopia and Cabo Verde adopted a more integrated approach, actively engaging a broader range of stakeholders and fostering more comprehensive policy dialogue. However, resource constraints, such as the absence of specialized staff like a dedicated Country Manager and a shortage of human resources in Côte d'Ivoire, can limit influence, emphasizing the need for improved capacity-building and resource allocation to lead and engage in various dialogue opportunities (Targeted interviews with Bank's Staff, June 2024). This contrast highlights the importance of balancing

Box 6: Frameworks for Policy Dialogue: EU Joint Strategic Evaluation of Budget Support to Uganda

In Uganda, the pre-EU Joint Strategic Evaluation of Budget Support (JBSF) period was marked by an articulated structure for policy dialogue largely based on pre-existing sector and budgetary forums (Sector Working Groups - SWGs), and the Poverty Reduction Support Credit Steering Committee. It also included various other dialogue fora such as the Public Expenditure Review; the Partnership for Democratic Governance/Donor Democracy and Governance Group; and the EU's Political Dialogue with Uganda under the Cotonou Partnership Agreement. With the JBSF, structures for dialogue have become more articulated and managed through the existing government coordination framework at different levels (Prime Minister; Head of Public Service/Secretary to Cabinet; Permanent Secretary in the Office of the Prime Minister (OPM); and in SWGs). In addition, JBSF DPs meet through both Heads of Mission, and technical and policy dialogue taskforce meetings. Below the monitoring level by the OPM and Ministry of Finance, Planning, and Economic Development, sector performance is also tracked through the SWGs, which coordinate closely with the JBSF technical and policy dialogue taskforce. These structures remain unchanged under the High-Level Action Matrix.

Source: European Commission (2015). Joint Strategic Evaluation of Budget Support to Uganda (2004-2013): Final Report. European Commission.

institutional coherence with inclusive stakeholder participation to enhance the effectiveness of policy dialogue efforts.

Effectiveness of Policy Dialogue Interventions

Measuring the Effectiveness of Policy Dialogue Interventions

The synthesis found that measuring the effectiveness of policy dialogue interventions was challenging, especially when most of the documents reviewed lacked "policy dialogue" as their primary focus. The complex and iterative nature of the dialogue process makes it difficult to isolate its specific contributions to operational results. It requires a robust framework that links inputs and activities to outputs and outcomes. This process involves evaluating the constituents of policy dialogue, alignment of policy outcomes with original goals, and assessing the extent to which dialogues influence national strategies, policy reforms and development outcomes. When such evaluations are not integrated from the outset, reconstructing the causal pathways becomes essential, from dialogue design, including its goals, to expected outputs and outcomes. Despite these challenges, international development institutions including MDBs and bilateral agencies were found to employ various methods to evaluate the effectiveness of policy dialogue (see details in annex 3).

Nonetheless, the reports included in the synthesis identified multiple examples of policy dialogue contributing meaningfully to broader systemic changes, sectoral reforms, the achievement of development outcomes, and the integration of cross-cutting issues.

Policy Dialogue's Contribution to Broader Systemic Changes

Finding 7: The evaluations reviewed found that policy dialogue was central in driving systemic reforms by aligning national priorities with international frameworks, fostering trade integration and fiscal stability, though sustainability faced challenges from limited expertise, weak collaboration, and institutional constraints.

A number of studies and evaluations reviewed found that policy dialogue played a central role in shaping systemic reforms by aligning national priorities with international frameworks, addressing structural challenges, and ensuring the sustainability of reforms. For instance, the EU's policy dialogue under the EU-Morocco Association Agreement promoted economic liberalization, trade integration, and regulatory reforms, leading to policies that reduced trade barriers and modernized industries. Morocco also adopted strategies for better global integration, focusing on industrialization and infrastructure development.

Additionally, the review noted that EBRD's extensive dialogue with key stakeholders facilitated the development of a Low Carbon Pathway in Uzbekistan's energy sector, promoting renewable energy investments, energy efficiency, and reduced fossil fuel dependency. Despite some delays, the initiative significantly influenced Uzbekistan's transition to cleaner energy. Similarly, studies highlighted the IMF's policy dialogue on economic stabilization and energy sector reform in Jordan, particularly restructuring the National Electric Power Company, where challenges such as limited reform expertise and weak collaboration with the World Bank hindered sustained progress.

Policy Dialogue's Contribution to Sector Reforms

Finding 8: The synthesis found that policy dialogue has directly contributed to shaping sector reforms in agriculture and transport, empowering smallholders in Argentina and advancing regional transport cooperation in Central and East Africa and the Western Balkans, though outcomes varied with government ownership and institutional capacity.

The synthesis found that policy dialogue directly influenced sector reforms in agriculture, energy, transport, and water, with varying degrees of success depending on government ownership and institutional capacity. These engagements often translated into concrete policy changes that enhanced sector performance and resilience.

In Argentina, **IFAD's engagement with smallholder farmers led to their active involvement in shaping agricultural policies, addressing rural poverty, and strengthening family farming policy frameworks (IFAD, 2017).** In particular, IFAD employed policy dialogue to integrate smallholder farmers into national agricultural policy discussions in Argentina. By combining sub-regional initiatives, IFAD-funded projects, and direct national engagement, the institution influenced profound institutional changes. These efforts led to the development of policies that prioritized family farming and rural poverty reduction, ensuring marginalized farmers' voices were reflected in national strategies. The dialogue resulted in targeted programs that improved access to markets, inputs, and resources for smallholder farmers (IFAD, 2017).

The evaluations reviewed found that policy dialogue in transport advanced institutional reforms and regional cooperation. For example, EBRD's policy dialogue in Russia's railway sector contributed to advancing institutional reforms and market-driven transitions, particularly through its sustained engagement with Russian Railways (RZD) (EBRD, 2016). In the same vein, the AfDB's transport sector evaluations in Africa emphasized policy dialogue as critical for regional coordination initiatives in Central and East Africa (IDEV, 2014). The EBRD also demonstrated the effectiveness of policy dialogue in informing regional integration strategies. In the Western Balkans, projects like the Corridor Vc highway in Bosnia and Herzegovina harmonized trade policies with infrastructure investments, enhancing connectivity by aligning with international trade standards (EBRD, 2020). Likewise, the Southern Gas Corridor project (Azerbaijan to Georgia and to the Turkish) showcased how policy dialogue facilitated alignment between participating countries, ensuring infrastructure development was coordinated and supported cross-border collaboration (EBRD, 2020).

Policy Dialogue's Contribution to Achieving Development Outcomes

Finding 9: The synthesis found that policy dialogue contributed to strengthening governance, social inclusion, and private sector reforms, improving service delivery and alignment with government priorities. However, limited resources and local ownership constrained full impact.

Despite challenges in identifying key indicators of development outcomes, the evidence reviewed showed that policy dialogue played a key role in influencing priorities. It contributed to the achievement of some development outcomes by strengthening governance and aligning reforms with national priorities.

For instance, reports reviewed underscored the significant contribution of SDC's policy dialogue to advancing development outcomes, particularly in governance, social inclusion, and decentralization (SDC, 2022). Specifically, SDC's role in national education reforms in Mozambique and health sector dialogues in Tanzania helped strengthen government systems, promote inclusiveness, and improve service delivery by embedding donor inputs into national policies and strategies (SDC, 2022). In contexts where SDC engaged consistently and over the long term, policy dialogue created enabling conditions for reforms, capacity development, and stronger alignment between donor support and government priorities.

The review also found that the World Bank's engagement in Public-Private Dialogue (PPD) demonstrated how structured dialogue mechanisms yielded concrete results in competitiveness, private sector development, and regulatory reforms. Successful PPD platforms, such as those in post-conflict Liberia and fragile states, helped rebuild trust, reduce reform bottlenecks, and facilitate laws on investment and SME development (World Bank, 2016a). These outcomes underline how policy dialogue can catalyze reforms by fostering trust among stakeholders, aligning public and private priorities, and strengthening accountability.

Nonetheless, evidence pointed to challenges that limited the contribution of policy dialogue to development outcomes. In the case of SDC dialogue, it was found that sometimes, donor-driven agendas and insufficient local ownership constrained the sustainability of outcomes. Diverging donor and government priorities sometimes diluted the influence of dialogue, while limited resources and lack of follow-up mechanisms constrained its transformative impact. Reports reviewed also gave knowledge of similar challenges at the World Bank (2016a), where poorly designed or dominated PPD processes risked capture by powerful actors, thereby marginalizing SMEs, civil society, or less influential stakeholders. In such cases, dialogue platforms became less inclusive and generated reforms that reflected narrow interests rather than broader development goals.

Policy Dialogue's Contribution to Addressing Cross-Cutting Issues

Finding 10: Policy dialogue was found to have contributed to promoting gender equality, financial inclusion, climate resilience, private sector growth, and youth employment by aligning policies, building institutional capacity, and fostering stakeholder engagement, despite persistent regulatory and coordination challenges.

The synthesis found that policy dialogue addressed cross-cutting challenges like gender equality, climate resilience, youth employment, and private sector development by fostering inclusive strategies.

Regarding gender mainstreaming, the synthesis found that Sida's policy dialogue efforts have significantly contributed to policy changes related to gender equality in partner countries, particularly in terms of policy development and reform (Sida, 2015). For example, in Bosnia and Herzegovina, 150 laws were comprehensively reviewed from a gender perspective, providing evidence-based recommendations. The dialogue process was carried out in collaboration with local stakeholders and reform institutions, ensuring ownership and credibility. This systematic, participatory approach led to 70% of the recommendations being adopted into national legislation. In Guatemala, Sida's long-term engagement in national policy processes allowed it to influence the creation of gender-specific laws addressing violence, femicide, and trafficking, as well as improvements in government reporting on gender-based violence (Sida, 2015). Sida actively participated in policy dialogue with government ministries and civil society organizations (CSOs), ensuring that gender perspectives were integrated into the national gender policy and the national plan on family violence and gender-based violence. Its convening power and emphasis on inclusive

platforms strengthened the legitimacy of these reforms.

From the AfDB perspective, the synthesis revealed that through its initiative "Affirmative Finance Action for Women in Africa" (AFAWA), the Bank leveraged policy dialogue to mobilize resources for women entrepreneurs, enhancing their access to finance (AfDB, 2023a). Through regional ministerial dialogues and consultations with financial institutions, the Bank addressed systemic barriers such as high collateral requirements and limited financial products tailored to women entrepreneurs. As a result, several countries adopted reforms to promote gender-sensitive lending practices, contributing to increased financial inclusion and economic empowerment for women.

On climate change, the EBRD's policy dialogue in Uzbekistan paved the way for sustainable energy practices through the Low Carbon Pathway (EBRD, 2023b), while IFAD's targeted dialogues in Cambodia and Nepal aligned national policies with community needs in rural development (IFAD, 2014b). IFAD's policy dialogues in the two countries emphasized integrating climate resilience into rural development strategies. Through sector-specific consultations, stakeholders aligned macro-level policies with community needs, leading to the adoption of climate-smart agricultural practices. These dialogues influenced the allocation of resources to sustainable projects, such as watershed management and reforestation programs, fostering resilience among vulnerable farming communities.

Evidence from the reviewed documents highlighted how the AsDB and EBRD effectively leveraged policy dialogue to **promote private sector development** in their respective regions. The AsDB made significant progress in sectors such as energy and PPPs, particularly in countries like the Philippines and India (AsDB, 2013). In the Philippines, AsDB's dialogues with the government, contributed to reforming the regulatory frameworks for energy, including measures to attract private sector investment in power generation and distribution. This engagement supported infrastructure development, the unbundling of tariffs, restructuring of the power sector, and establishment of competitive electricity markets. In India, AsDB's policy dialogue facilitated the adoption of PPP frameworks that attracted private capital for large-scale infrastructure, especially in energy and transport. By strengthening institutional capacity and clarifying risk-sharing arrangements, dialogue created conditions that mobilized private participation and accelerated project implementation. However, challenges persisted, particularly in terms of regulatory inefficiencies and financial barriers that slowed progress in some countries. Resistance to tariff adjustments and weak institutional coordination hindered reform efforts (AsDB, 2013).

These challenges underscored the importance of overcoming structural barriers for long-term, sustainable private sector growth. The synthesis found that this was reflected in the EBRD's policy dialogue efforts in Egypt, which contributed to improving the investment climate by addressing regulatory inefficiencies, such as complex business registration and outdated investment laws, thus supporting SME growth and job creation (EBRD, 2020) (Box 7). The EBRD recognized the complex challenges facing small businesses and went beyond traditional work with firms and financial institutions[6]. It actively engaged with policymakers, sharing its economic and legal expertise to improve the business environment in its countries of operation. This policy dialogue complemented financing and advisory activities, which included large-scale business surveys, setting up asset registries, and developing legal standards for collateral, venture capital, corporate governance, and business licensing. By lowering barriers and building stronger institutions to support SMEs, the EBRD promoted systemic change for long-term economic growth.

With regard to youth employment, the synthesis found that the AfDB, under its Jobs for Youth in Africa Strategy, used regional platforms and high-level forums to promote youth employment, but also emphasized the need for systematic approaches and follow-up mechanisms for impactful results (AfDB,

Box 7: EBRD's Policy Dialogue Achievements: Egypt Case Study, 2018

The EBRD's policy dialogue efforts have achieved results within the short time of its presence in Egypt, successfully delivering on the country strategy. This achievement is particularly commendable given the complex context in which it operates and the challenges it faces.

This case study found a need for policy dialogue with the authorities to close the gaps and improve the legal and regulatory framework. EBRD was able to play an innovative role and maintain a hands-on approach in connecting key stakeholders. Its managing Director, Deputy head, senior bankers and economists represent EBRD in policy dialogue with main government counterparts. This is where the impact has been most with positive feedback from counterparts reaffirming the strong brand the EBRD has built in the country.

Key challenges encountered in engaging in policy dialogue in Egypt included: (i) frequent changes in leadership and management within key public agencies (and to a lesser extent within EBRD), resulting in a lack of continuity in relationships with counterparts at all levels; (ii) high centralization of government decision making and; (iii) limited human resources and need for more local staff, compounded by a difficult recruitment process.

Source: EBRD (2020). EBRD Policy Work in Southern and Eastern Mediterranean Region (SEMED). European Bank for Reconstruction and Development

2023b). High-level ministerial dialogues and regional conferences emphasized the integration of youth employment considerations into national policies. The AfDB worked with governments to design youth-focused entrepreneurship programs, informed by operational research and market assessments. Although challenges remain in systematically measuring dialogue outcomes, the initiative spurred action on youth employment and inspired innovative approaches to job creation across member countries (Box 8).

Enabling and Hindering Factors

Enabling Factors for the Success of Policy Dialogue Interventions

The synthesis noted that policy dialogue served as a crucial mechanism for fostering sustainable development outcomes in countries. The effectiveness of such dialogues is influenced by several interrelated success factors identified through various evaluations and studies. The following key factors emerged:

Box 8: Influence of Policy Dialogue on Elevating Youth Employment Considerations

The influence of policy dialogue on elevating youth employment considerations within RMCs is difficult to establish. Since the launch of the Jobs for Youth in Africa Strategy in 2016, the Bank has used various fora and publications to highlight and garner action from both public and private sector actors on addressing youth employment. These have included regional ministerial dialogues held in 2017, Bank annual meetings, African Development Fund (ADF) replenishment meetings and signature events such as the annual Africa Economic Conference, the Africa Investment Forum and other regional platforms such as the Africa Union–European Union Summit and Youth Connect.

The synthesis found that dialogue on youth employment continues to occur at the country level through country and regional office teams. While there are some examples of outcomes from the high-level dialogues, the evaluation was inconclusive on the extent to which these efforts have been systematic and impactful due to the absence of a specific policy agenda, clear follow-up mechanisms and adequate documentation. This links back to whether commitments on policy dialogue on youth employment have been made in CSPs. In addition, the Bank has produced a series of reports sharing research and evidence through its Economic and Sector Work publications. There are examples where operational research and market assessments have been used in the design of high-employment projects and other innovative programs. However, the evaluation found no information on how the broader knowledge products, such as the African Economic Outlook and other research products are being used to inform the policy dialogue, reforms, and action on youth employment at the country level.

Source: IDEV (2023b) Mid-Term Evaluation of the Jobs for Youth in Africa Strategy 2016–2025

Strategic Alignment, Coherence and Governance

- **Alignment with national priorities:** Dialogues aligned with national strategies foster ownership and uptake. For instance, IFAD's support in Nepal's agricultural strategy highlights how alignment with government priorities can enhance the success and relevance of policy dialogues (IFAD, 2014b).
- **Institutional coherence:** Aligning with internal strategies ensures consistency and long-term impact. AsDB in Sri Lanka aligned dialogue on SOE reforms with its Strategy 2030, supporting sustainable institutional objectives (AsDB, 2016).
- **Clear governance:** Clearly defined roles and accountability improve coordination. In Zambia, IFAD's clarification of stakeholder roles within multi-level agricultural dialogue platforms improved efficiency (IFAD, 2014a).

Local Context and Political Insight

- **Political economic analysis:** Understanding political contexts improves engagement strategies. The World Bank's integration of political economy analysis supports better navigation of political landscapes, enhancing engagement outcomes (World Bank, 2016).
- **Context responsiveness:** Adapting to changing conditions maintains relevance. AusAID in Vanuatu adapted dialogue to shifting government priorities, facilitating rapid reform support (AusAID, 2013).
- **Strategic timing:** Leveraging reform windows enhances impact. Ukraine's energy sector reform after subsidy reductions illustrates how strategic timing can increase policy dialogue impact (EBRD, 2014).

Stakeholder Engagement and Focused Themes

- **Inclusive engagement:** Involving diverse stakeholders boosts legitimacy and sustainability. Sida and SDC in Guatemala involved government and civil society in gender dialogues, thus increasing adoption of reforms (Sida, 2015; SDC, 2022).
- **Focused themes:** Sector-specific dialogues lead to actionable reforms. EBRD in Uzbekistan focused dialogue on energy sector reforms, promoting renewable energy policies and efficiency standards (EBRD, 2023b).

Implementation and Adaptation

- **Capacity and resources:** Adequate support enables sustained quality engagement. SDC deployed specialized teams to support gender-focused dialogue, enabling effective and consistent technical engagement (SDC, 2022).
- **Evidence-based design:** Dialogue grounded in analytical work and structured processes builds credibility and strengthens influence on policy reforms. The World Bank's PSIA informed energy subsidy reforms in Indonesia, anchoring dialogue in evidence (World Bank, 2016).
- **Monitoring and learning:** Evaluation frameworks support adaptive management. Sida's current contribution management system (TRAC) monitored gender-focused dialogue objectives and outcomes, facilitating adjustments and supporting continuous improvement (Sida, 2015).
- **Complementary tools:** Linking dialogue with financing and TA facilitates implementation. AsDB's PPP dialogue in India was supported by technical advisory and financing instruments, enabling tangible infrastructure reforms (AsDB, 2013).

Hindering Factors and Mitigation Measures

The synthesis highlights that policy dialogue, a key tool for reform, faces several challenges: political, institutional, organizational, resource-related, and coordination-based.

Political and Institutional Challenges

- **Frequent turnover:** Changes in government and agency staff disrupt continuity, as seen in Egypt, where reform momentum was lost due to leadership changes (EBRD, 2020).
- **Political instability and centralized power:** Shifting political dynamics or entrenched elites can delay or derail reforms, with Russia as a notable example (EBRD, 2014; EBRD, 2016).
- **Donor-recipient priority misalignment:** Tensions arise when donor agendas clash with national priorities, such as in Uganda, weakening dialogue effectiveness. (European Commission, 2015).
- **Power imbalances:** Dominant actors, whether political elites or private sector lobbyists can capture the dialogue, marginalizing less powerful stakeholders and reducing inclusiveness (World Bank, 2016a).
- **Institutional weaknesses:** Weak institutions, entrenched governance deficits, and regulatory inefficiencies limit the adoption and sustainability of reforms promoted through dialogue. EBRD's support for SME reforms in Egypt was constrained by complex regulations and institutional bottlenecks (EBRD, 2020).

Organizational Inefficiencies

- **Lack of internal incentives:** Staff often lack motivation to engage in policy dialogue due to performance systems that do not recognize and reward such efforts. This leads to a perception of policy dialogue as an add-on rather than a core responsibility, diminishing its impact on achieving substantive reforms (IDEV, 2018).
- **Weak strategic framework:** The absence of a consistent, well-coordinated strategic framework for policy dialogue often leads to fragmented, reactive interventions, rather than structured, goal-oriented engagement. Institutions like the AfDB and EBRD have been criticized for lacking clear frameworks, which limit their influence and results (EBRD, 2020).
- **Limited stakeholder engagement:** Failure to adequately engage civil society, private sector, and marginalized groups reduce legitimacy and weaken reform ownership. EBRD's engagement in some contexts lacked meaningful civil society involvement, limiting inclusiveness (EBRD, 2023b).
- **Insufficient staff skills:** Lack of training and incentives reduces staff capacity to conduct effective dialogue. IDEV found that in several MDBs, staff lacked both incentives and capacity to pursue deep policy engagement (IDEV, 2018).

Resource Constraints

- **Resource constraints and limited staff capacity:** Limited financial resources and human capital significantly hinder the effectiveness of policy dialogue efforts. Donor funding limitations, along with recruitment challenges-reduce the ability of institutions such as the AfDB and EBRD to engage meaningfully in policy dialogues. Shortages of experienced staff, especially in country offices, further undermines the institutions' capacity to influence policy decisions and foster meaningful reforms (EBRD, 2020; IFAD, 2014b).
- **Weak analytical foundation:** Poor data quality and limited analytical work undermines credibility and reduces influence on policy decisions. World Bank's PSIA in some sectors highlighted how weak data limited the ability of dialogues to drive reform (World Bank, 2016).

Coordination and Learning Challenges

- **Weak governance, roles, and accountability structures:** Ambiguities in responsibilities between donors and governments, or across institutions, created duplication and slow reform processes. SDC platforms showed that unclear

partner roles diluted influence and delayed outcomes (SDC, 2022).

- **Challenges in monitoring and data-driven decision making:** The absence of systematic monitoring, insufficient data capture, and weak feedback mechanisms hinder the ability to track progress and measure the impact of policy dialogues. Without robust feedback loops, evaluating the effectiveness of reforms and adjusting becomes difficult. Inconsistent documentation, poor evaluation practices, and a lack of continuous monitoring prevent valuable insights from past experiences, limiting learning and adaptation. This lack of data-driven decision-making weakens development institutions' ability to refine their approach and improve the impact of policy dialogues (EBRD, 2020b; IFAD, 2014a).

In response to these challenges, several measures have been introduced to mitigate these barriers, leveraging institutional reforms, capacity building, and improved coordination:

Strengthening Political and Institutional Resilience

- **To overcome local political economy and socio-economic constraints**, development agencies employed diagnostic tools and local partnerships to identify politically feasible entry points, ensuring that interventions were context-specific and realistic (European Commission, 2017; ECG, 2023).

- **To address misalignment between donors and recipient priorities**, which has in some cases diluted the effectiveness of dialogue efforts, Sida leveraged continuous dialogue with civil society and local stakeholders to ensure better alignment of donor and recipient priorities (Sida, 2015). The EBRD used inclusion-focused policy dialogues to address structural and regulatory challenges, bridging gaps between donor and recipient objectives (EBRD, 2023b).

- **To address the lack of local ownership** hindering the sustainability of reforms, Sida fostered ownership and accountability by involving civil society and private stakeholders in inclusive approaches, thus improving the sustainability of reforms (SDC, 2022; Sida, 2015; ECG, 2023).

- **To address structural and regulatory barriers** that have also constrained reform uptake, the EBRD adopted targeted policy dialogues that supported SME regulatory reform in Egypt, thus improving access to finance (EBRD, 2020). Similarly, the European Union coupled dialogue with legal and administrative reforms under its Association Agreements, notably in Morocco, to facilitate gradual alignment with EU standards (European Commission, 2018).

Enhancing Organizational Effectiveness

- **Weak intervention design, characterized by static approaches that fail to respond to evolving contexts and priorities, was another challenge.** To overcome this, the AsDB's strategy 2030 emphasized adaptive programming, iterative stakeholder engagement, and real-time data integration to refine interventions and enhance their relevance (AsDB, 2018). The World Bank similarly used programmatic approaches to allow for mid-course adjustments in fragile and conflict-affected settings, ensuring responsiveness to shifting priorities (World Bank, 2018).

- **Inconsistent strategic frameworks undermined the long-term alignment and coherence of policy dialogues.** The World Bank used tools like the balanced scorecard to ensure strategic alignment with institutional goals and facilitate continuous monitoring of policy dialogue outcomes (World Bank, 2018). Through its strategy 2030, the AsDB offered a cohesive framework, guiding its operations with clear and measurable objectives (AsDB, 2018).

- **Inadequate internal structures and unclear roles within donor agencies contributed to inefficiencies and inconsistent engagement.** The EBRD addressed this by restructuring internal teams, clarifying mandates, and integrating policy dialogue more directly into its investment operations, leading to more coordinated interventions (EBRD, 2023a). Likewise, the European Commission introduced structured policy dialogue mechanisms with partner countries to align engagement with its broader strategic frameworks, thereby improving coherence and accountability (European Commission, 2017).

- **Insufficient stakeholder engagement reduced ownership and buy-in for reforms.** The AfDB addressed this by engaging local communities through the global community of practice (G-CoP), incorporating their feedback to adjust programs dynamically (IDEV, 2022b). Likewise, the AsDB facilitated inclusive discussions on recovery strategies with diverse stakeholders through the policy actions for COVID-19 economic recovery (PACER) dialogues (AsDB, 2021).

<u>Optimizing Resources and Collaborative Coordination</u>

- **To address resource constraints and limited staff capacity,** which hindered effective policy dialogue, the World Bank adopted digital tools like mobile applications and online training modules to extend its reach and enhance operational efficiency, reducing the need for on-ground staff (World Bank, 2021). The AsDB, through capacity-building initiatives equipped local staff and community members with skills to monitor and implement reforms effectively, addressing resource and expertise gaps (AsDB, 2022c).

- **A lack of tangible benefits often made stakeholders reluctant to engage in reform efforts.** The World Bank facilitated structured public-private dialogues which provided platforms for incentivizing reform discussions, notably improving the investment climate in Cambodia (World Bank, 2016b).

- **With respect to poor monitoring systems and weak outcome indicators**, the world bank enhanced monitoring through mobile applications and cloud-based platforms for real-time data collection and analysis, while AsDB empowered local stakeholders with comprehensive monitoring frameworks and training initiatives to be able to evaluate and implement projects effectively.

- **Coordination among development partners and governments was sometimes fragmented,** leading to inefficiencies. To improve this, the EBRD integrated financing and advisory activities into country-specific policy dialogues to ensure coordinated efforts (EBRD, 2023a), while the European Commission promoted better resource utilization and streamlined policy reform through joint working groups and harmonized objectives (European Commission, 2018). ■



Lessons and Good Practices

This section highlights good practices and lessons learned from AfDB and other development partners to strengthen the effectiveness of policy dialogue interventions.

Key Lessons

Based on the findings synthesized from the Bank's and other institutions' policy dialogue efforts, some lessons were derived as outlined below:

- **Designing effective policy dialogue interventions involves applying key principles and best practices for success.** This includes robust and contextual analysis, ensuring relevance and alignment with national priorities, setting realistic objectives, considering risks and change management, inclusiveness, and quality control. Clarity in roles and multidisciplinary collaboration are essential for successful implementation. Collaborative efforts across departments and external partners ensure alignment with national priorities, enhance institutional governance, and contribute to impactful, sustainable outcomes.

- **A quality policy dialogue intervention requires mechanisms for adaptation and flexibility to be established from the outset and maintained throughout implementation. This aspect is particularly crucial for crisis response and dynamic contexts.** In crisis situations, such as the COVID-19 pandemic, institutions like the AfDB demonstrated flexibility by reallocating resources and adapting interventions in Kenya, Ghana, and Somalia to address emerging socio-economic challenges. Similarly, the World Bank's rapid-response mechanisms enabled timely adjustments during economic downturns in Rwanda and Mauritius. Embedding flexibility through adaptive tools and processes enhances the relevance of dialogues, ensuring interventions remain effective while safeguarding long-term development objectives amidst evolving circumstances.

- **Aligning policy dialogue with institutional strategies and support programs, and country priorities ensures its effectiveness by enhancing the long-term impact and coherence of development initiatives.** Tailoring dialogue to country-specific contexts, as seen in the World Bank's initiatives in Rwanda and Mauritius, ensures that interventions address real needs and foster ownership among stakeholders. At the same time, embedding dialogues within institutional strategies-like the AfDB's alignment with its "High 5" priorities-promotes coherence across operations, reinforcing sector-wide impact and ensuring that reforms contribute to broader institutional goals. This dual alignment enhances relevance, sustainability, and the likelihood of achieving transformative development outcomes.

- **Supporting policy dialogue with complementary financial and technical support helps achieve desired results.** Linking budget support or investment programs to reform agendas motivates governments to enact meaningful changes. For instance, the World Bank's technical assistance in Madagascar and Afghanistan highlighted how capacity-building can bridge implementation gaps, ensuring reforms are both feasible and sustainable. These integrated efforts address capacity gaps, ensuring that reforms introduced through dialogue are practical, sustainable, and aligned with long-term development goals.

- **Fostering synergy through multi-stakeholder coordination and partner alignment facilitates and contributes to an effective policy dialogue by reducing transaction costs and**

administrative burdens. Policy dialogue benefits from inclusive approaches that engage a wide range of stakeholders, governments, development partners, civil society, and the private sector. This inclusivity enriches the dialogue process, aligning reforms with diverse perspectives and fostering local ownership. Coordination with other development partners, such as the World Bank's joint initiatives in Mauritius and the AfDB's collaboration during Country Strategy Paper preparation, reduces duplication, lowers transaction costs, and amplifies collective impact. Platforms like the Multi-Donor Budget Support Groups further illustrate how harmonized efforts can streamline interventions and enhance their effectiveness.

- **Strategic policy dialogue within thematic sectors fosters alignment between national policies and sector-specific goals.** By focusing on specific sectors, MDBs can tailor their interventions to address unique challenges and opportunities, ensuring that reforms are relevant and impactful.

- **Linking policy dialogue to measurable reform agendas contributes to systemic change. When anchored to specific reform agendas, policy dialogue can lead to systemic cross-sectoral change.** Structured policy frameworks, such as program-based operations (PBOs), provide a mechanism for linking financial support with reform accountability. The AsDB' s facilitation of Sri Lanka's energy sector reforms through PBOs exemplifies how measurable linkages enhance the accountability and effectiveness of policy reforms. These structured approaches ensure that reforms are not only strategic but also embedded in broader governance and development frameworks.

- **Developing and implementing robust, continuous M&E mechanisms strengthens accountability and provides critical insights into the effectiveness of policy dialogue interventions.** These systems enable timely corrective actions to enhance impact. Robust M&E systems are essential to track the progress and effectiveness of policy dialogue interventions. Institutions like the World Bank and AfDB emphasize the role of M&E in fostering learning, transparency, and adaptability. For example, the AfDB's monitoring of policy dialogues on financial inclusion in Kenya enabled the identification of barriers and real-time policy adjustments, thus improving outcomes for marginalized communities. Embedding M&E frameworks into policy dialogue processes ensures that interventions remain relevant, responsive, and aligned with national priorities while enabling institutions to build on successful approaches and refine their strategies over time.

Effective Practices in Policy Dialogue Across Selected Sectors and Cross-Cutting Priorities

This review of the AfDB and other development partners' policy dialogue interventions identified some good practices. These are structured in alignment with some key thematic areas from the Bank's TYS 2024-2033. Drawing on these experiences, the Bank may improve its policy dialogue interventions to foster sustainable development across its member countries. It is important to note that a good practice in a specific sector may also be applicable in other sectors. Additional examples of good practices in specific sectors are presented in annexes 4, 5 and 6.

Energy Sector

The EBRD's 2017 report underscored the success of energy efficiency reforms by linking policy dialogue with technical assistance and investment programs, particularly in Ukraine. Evaluating EBRD's approach in transition countries, the report highlights that this combined strategy effectively overcame sectoral barriers. Key factors included EBRD's multidisciplinary energy efficiency and climate change (E2C2) team, which brought together financial, policy, and technical expertise for comprehensive support, enhancing the effectiveness of policy dialogue (Box 9).

Box 9: Policy Dialogue Good Practices for Energy Efficiency: EBRD's Experience

The EBRD's policy dialogue on energy efficiency underlines valuable practices, especially in Ukraine, where collaboration yielded insights for successful policy impact. The 2017 evaluation by EBRD's Evaluation Department emphasized several factors that contributed to the success of these dialogues:

- **Regional Pressure and Compliance:** Ukraine's involvement in regional organizations, particularly the European Energy Community, encouraged alignment with EU energy directives. This international pressure kept energy reform as a high priority on Ukraine's agenda, reinforcing the policy dialogue outcomes.
- **Multidisciplinary Expertise:** EBRD's internal structure significantly supported policy dialogue. The Energy Efficiency and Climate Change team, which combined finance, policy, and technical expertise, was instrumental in guiding and implementing energy efficiency policies. This unique, in-house capability enhanced EBRD's influence and enabled comprehensive policy support.
- **Integration with Technical Assistance and Investments:** A critical lesson was linking policy dialogue with technical assistance and financing programs. By connecting policy efforts with investments, EBRD could directly address barriers to energy efficiency. For example, in Ukraine's residential energy efficiency sector, EBRD introduced the IQ credit line to finance home energy upgrades alongside relevant policy reforms, fostering policy and investment alignment. This strategy enhanced the policies' sustainability, impact, and applicability in the market.

Source: EBRD. (2017). Policy dialogue programmes on energy efficiency in transition countries: How to make it a success. EBRD.

Gender Mainstreaming

Sida considers policy dialogue as a development tool aimed at fostering long-term, open-ended change, distinct from projects with defined timelines and measurable milestones (Sida, 2015). This makes immediate progress less visible, posing challenges for embassy staff to recognize success. Therefore, monitoring with short- and intermediate-term indicators is essential to capture incremental achievements. Policy dialogue complements other development tools, yet adds complexity to assessing overall impact, requiring nuanced evaluation approaches to gauge combined effectiveness. Key good practices are outlined in Box 10.

Box 10: Policy Dialogue Good Practices in the Context of Gender Mainstreaming (Sida)

The evaluation conducted by the Swedish International Development Cooperation Agency (Sida) in 2015 delves into the effectiveness of policy dialogue as a tool in Swedish development cooperation, focusing specifically on gender equality. The evaluation highlights several key good practices:

- **Evaluability and Contextual Approach:** The importance of ensuring that policy dialogue initiatives are evaluable and adopting pragmatic approaches tailored to specific contexts.
- **Emphasis on Informal and Formal Dialogue:** Recognizing the value of both informal and formal dialogue, emphasizing their complementary nature, and stressing the need for monitoring their effectiveness.
- **Elements for Successful Policy Dialogue:** Identifying critical elements for successful policy dialogue, including a strong commitment to gender equality, understanding gender dynamics, and strategically identifying areas for change.
- **Role of Policy Dialogue in Promoting Gender Equality:** Emphasizing the role of policy dialogue in promoting gender equality through raising awareness, advocating for equality, fostering accountability, and enhancing donor coordination.
- **Enabling Factors and Constraints:** Recognizing enabling factors such as Sida's commitment to gender equality, good relationships with national CSOs and governments, and adherence to international agreements on gender equality, while acknowledging constraints that limit effectiveness.

Swedish International Development Cooperation Agency (2015). Evaluation of Policy Dialogue as an Instrument in Swedish Development Cooperation: The case of Gender Equality. Sida.

Box 11: Policy Dialogue Good Practices for Strengthening the Enabling Environment for Private Sector Development (AsDB and AfDB)

- **Goal Alignment and Cohesion:** A strong private sector development (PSD) strategy can harmonize closely with institutional and country-specific priorities. AsDB's approach of integrating PSD objectives within overarching strategies demonstrated how internal coordination and resource optimization lead to coherence across sectors (AsDB, 2013). Similarly, AfDB's PBOs advanced SME reforms by aligning policy dialogue with institutional goals (IDEV, 2015).
- **Sector-Specific Readiness and Incentives:** Assessing each sector's readiness for reform, especially in regulatory-sensitive areas like energy and water, can increase the likelihood of success. AsDB noted that tailored incentives, such as policy-based grants, encouraged reform participation even in sectors traditionally resistant to change, such as tariff adjustments (AsDB, 2013).
- **Financial Market Development Through Dialogue:** Sustained dialogue in financial reform builds stability, governance, and trust, all essential for reducing investment barriers. In Indonesia, AsDB's policy dialogue facilitated governance improvements, attracting investment and decreasing risk (AsDB, 2013).
- **Public-Private Partnership Capacity Building:** Effective PPPs depend on the institutional capability to manage projects. As seen in Pakistan and Indonesia, aligning PPP projects with local institutional maturity helped manage risk and facilitated project success (AsDB, 2013).
- **Investment and Competition Reforms with Tailored Support:** Streamlining investment processes via one-stop service centers and custom competition frameworks can improve the regulatory environment. In the Laos People's Democratic Republic, these mechanisms reduced barriers, fostering a more attractive business climate for investors (AsDB, 2013).
- **Governance and Procurement Reforms:** Transparent procurement practices and strong governance contribute to economic stability. AsDB's policy dialogue in the Philippines helped strengthen procurement standards, fiscal discipline, and revenue management, boosting macroeconomic stability (AsDB, 2013; IDEV, 2020a).
- **Continuous Evaluation and Adaptation:** Regular assessment and refinement of interventions help maintain relevance. AfDB's non-sovereign operations from 2014-2020 demonstrated the effectiveness of adaptive strategies for mobilizing resources, attracting investment, and addressing evolving private sector challenges (IDEV, 2023).

Source: AsDB (2013); IDEV (2015; 2020; 2023) Asian Development Bank. (2013). AsDB Support for Strengthening the Enabling Environment for Private Sector Development. Asian Development Bank.

Private Sector Development

Findings from the AsDB and AfDB experiences highlight key policy dialogue practices that foster an enabling environment for private sector development and SMEs. These include focusing on financial sector stability, strengthening institutional capacity, promoting competition reforms, and enhancing governance and procurement transparency. Additionally, practices such as aligning goals, assessing sector readiness, providing tailored investment support, fostering public-private partnerships, and ensuring continuous evaluation contribute to sustainable, long-term private sector growth (Box 11). ■


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Annex 1: Evaluation Synthesis Matrix

Synthesis Questions	Indicators/Measures	Sources					Sources
		Evaluation	Other Research and Knowledge Products	Policy/ Guideline	Other	Interview	
ESQ1. What are the common findings from existing evaluative evidence regarding the relevance, coherence, and effectiveness of policy dialogue interventions.							
1.1 Relevance 1.1.1 To what extent were policy dialogue interventions relevant and responsive to the needs, priorities, and context of the countries in which they took place?	▪ Existence of evidence of the alignment of the objectives of the policy dialogue with the needs and priority of the country in which they took place as articulated in national and sector vision or development plans and strategies. ▪ Existence of evidence of relevance responsiveness of the policy dialogue interventions to evolving policies, needs, priorities and context of the country.	X X	X	X	X X		Screening and content analysis of available documents Relevant ratings of operations with a significant focus on policy dialogue
1.1.2 To what extent were policy dialogue interventions aligned to the corporate policies and strategies of the institutions undertaking them?	▪ Existence of evidence of policy dialogue interventions alignment with the corporate policies and strategies of the institutions undertaking them.	X	X				Screening of available documents
1.1.3 How was the quality of design of the policy dialogue interventions?	▪ Existence of evidence on the Bank's policy dialogue interventions clear objectives in the short and medium term, clear definition of actor role. ▪ Existence of guidelines for conducting policy dialogue at strategic and sectoral levels. ▪ Existence of evidence of adequate training, incentives and accountability mechanisms for actors to play their roles effectively. ▪ Existence of a reporting system for policy dialogue interventions.	X X X X	 X	X X	X X X X		Screening and content analysis of available documents Ratings of the design of operations with a significant focus on policy dialogue where applicable Review of systems and platforms for guiding the design, implementation and reporting on policy dialogue.
1.1.4 How adequate were the institutional setups, implementation arrangements, tools and resources for policy dialogue?	▪ Availability of evidence on the adequacy of the institutional setups, implementation arrangements, tools and resources for policy dialogue	X	X	X			Screening of available documents

Synthesis Questions	Indicators/Measures	Sources					Sources
		Evaluation	Other Research and Knowledge Products	Policy/ Guideline	Other	Interview	
1.2 Coherence 1.2.1 How internally coherent were policy dialogue interventions with the broader program of support and the other interventions of the Bank or other development partners institution in the country, and with those of other development partners?	▪ Existence of evidence on the use of policy dialogue jointly with other instruments. ▪ Existence of evidence of linkages between policy dialogue interventions and the broader program of support and the other interventions of the institution in the country, and with those of other development partners.	X X	X X	X X	X X		Screening and content analysis of available documents Review of policies, guiding frameworks and job descriptions that integrate policy dialogue into management, program management and other technical roles of the Organisation. Review of systems and platforms for guiding the design, implementation and reporting on policy dialogue.
1.2.2 How did the institution undertaking the interventions collaborate with other multilateral development agencies, bilateral donors, and other development partners in its policy dialogue efforts? What role did various stakeholders play in shaping and participating in policy dialogue processes?	▪ Existence of formal or informal framework for synergizing and coordination of policy dialogue ▪ Existence of evidence of the Bank's effective participation in coordination frameworks for development partners at country level. ▪ Existence of evidence on the role played by the Bank and other development partners.	X X X			X		Screening and content analysis of available documents Review of joint programmes and processes for policy dialogue Review of existing agreements and platforms for coordination policy dialogue and guidelines for coordination frameworks

Synthesis Questions	Indicators/Measures	Sources					Sources
		Evaluation	Other Research and Knowledge Products	Policy/ Guideline	Other	Interview	
1.3 Effectiveness 1.3.1 How well did the policy dialogue interventions complement and influence the development of policies, strategies, action plans and the effectiveness of operations to achieve desired results?	▪ Existence of evidence on the influence of policy dialogue setting up partnership framework; Strengthening RMCs capacities, design and implementation of reforms to strengthen public sector institutions and public financial management, ▪ Existence of evidence on the contribution of policy dialogue in stabilizing RMC' macroeconomic framework, Structural transformation, Private sector development, public service delivery, improve the quality of life of people. ▪ Evidence of policy dialogue contributing to strengthen of support provided by the Bank and other institutions	X X X	X X X		X X X	X X	Screening and content analysis of available documents Review of Project Completion Reports and Project Completion Report Evaluation Notes or equivalent reports in other organisations of selected operations with a significant focus on policy dialogue such as PBOs, TA and Knowledge Generation Programmes in the Bank. Review of CPIA reports, other flagship reports for the Bank and other development partners
ESQ2. Which factors enabled the success of policy dialogue work as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?							
2.1 Which factors enabled the success of policy dialogue work as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?	▪ Enabling factors for policy dialogue identified and measures to sustain outlined	X				X	Screening and content analysis of available documents
ESQ3. Which factors hampered the success of the policy dialogue Interventions, and how have these challenges and barriers been addressed or mitigated?							
3.1 Which factors hampered the success of the policy dialogue instrument, and how have these challenges and barriers been addressed or mitigated?	▪ Barriers and hindering factors for policy dialogue and their mitigation measures identified	X		X		X	Screening and content analysis of available documents
ESQ4. What are some of the good practices and lessons from the AfDB and other agencies to strengthen the effectiveness of policy dialogue interventions?							
4.1 What are some of the good practices and lessons from the AfDB and other agencies to strengthen the effectiveness of policy dialogue interventions?	▪ Lessons learnt from the Bank's and other donors ▪ Good practices from the Bank's other donors	X X		X X	X X	X	Screening and content analysis of available documents Analysis of interview findings

Annex 2: Topics and Keywords by Evaluation Synthesis Question

Synthesis Questions	Topics or Categories Related to Synthesis Questions	Keywords Related to Synthesis Questions	Sources of Documents
Synthesis Question 1.1.1: To what extent were policy dialogue interventions relevant and responsive to the needs, priorities, and context of the countries in which they took place?	policy dialogue & relevance, responsiveness	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), relevance, policy, strategy, responsiveness, context, RMCs, needs, priorities, objectives,	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 1.1.2: To what extent were policy dialogue interventions aligned to the corporate policies and strategies of the institutions undertaking them?	policy dialogue & corporate, policies, strategies	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), corporate policies and strategies	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 1.1.3: How adequate were the institutional setups, implementation arrangements, tools and resources for policy dialogue?	policy dialogue & institutional setups, implementation arrangements, tools and resources	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), adequacy, , institutional setups, implementation arrangements, tools and resources	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 1.1.4: How robust was the quality of design of the policy dialogue interventions?	policy dialogue & quality of design over time	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), effectiveness, relevance, coherence, interventions, consistency, quality of design, robustness, flexibility, adaptability, changing circumstances, context, challenges,	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 1.2.1 How coherent were the policy dialogue interventions with the broader program of support and the other interventions of the institution in the country, and with those of other development partners?	policy dialogue & broader program, development partners	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), broader program, support, other interventions, other development partners	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions

Synthesis Questions	Topics or Categories Related to Synthesis Questions	Keywords Related to Synthesis Questions	Sources of Documents
Synthesis Question 1.2.2: How did the institution undertaking the interventions collaborate with other multilateral development agencies, bilateral donors, and other partners in its policy dialogue efforts? What role did various stakeholders play in shaping and participating in policy dialogue processes?	policy dialogue & collaboration, role, African Development Bank (AfDB), development partners	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), AfDB/IDEV, collaboration, role, development partners, stakeholders, partnership, coordination, World Bank, Asian Development Bank, International Monetary Fund (IMF), Agence Française de Développement , International Fund for Agricultural Development , United Nations Development Programme (UNDP), European Bank for Reconstruction and Development (EBRD), AusAID, Swedish International Development Cooperation Agency (Sida), FAO, Japan International Cooperation Agency (JICA),	Bank and IDEV's different evaluations, reports, and studies, Other Development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 1.3.1: How well did policy dialogue complement and enhance the development of policies, strategies, frameworks and plans and the effectiveness of operations to achieve desired results?	policy dialogue & instruments, frameworks and cross-cutting issues	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), effectiveness, efficiency, sustainability, Programmatic Based Operation (PBO), Economic and Sector Work (ESW), investment projects (IP), Institutional Support Project (ISP), Technical Assistance (TA), Result Based Financing (RBF), Regional integration, Gender, fragility, Climate change, Youth employment, private sector, partnership, framework; capacities, public policies, public sector institutions, Business environment, public finance management, macroeconomic framework, Structural transformation, Private sector development, public service delivery,	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 2.1: Which factors enabled the success of policy dialogue work as a mechanism to facilitate and enhance contributions to achieving sustainable development outcomes?	policy dialogue & enabling factors of successful policy dialogue work, Sustainable development	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), sustainable development, policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services, factors of success, success factors, enabling factors	Bank and IDEV's different evaluations, reports, and studies Other development partners evaluation documents, reports, and studies documents from other institutions
Synthesis Question 3.1: Which factors hampered the success of the policy dialogue instrument, and how have these challenges and barriers been addressed or mitigated?	policy dialogue & success, hampering factors, impeding factors	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), effectiveness, relevance, coherence, sustainability, challenges, barriers, hampering factors, impeding factors, hindering factors, mitigating measures	Bank and IDEV's different evaluations, reports, and studies

Synthesis Questions	Topics or Categories Related to Synthesis Questions	Keywords Related to Synthesis Questions	Sources of Documents
Synthesis Question 4.1: What are some of the good practices and lessons from the AfDB and other development partners to strengthen the effectiveness of policy dialogue interventions?	policy dialogue & good practices, lessons	dialogue, policy dialogue (policy engagement, policy setting, policy discussion, policy influence, policy reforms, policy reform dialogue, policy advice, advisory, advisory services), good, practices, development partners, lessons, effectiveness, sustainability, World Bank, IEG, Asian Development Bank, Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), United Nations Development Programme (UNDP), European Bank for Reconstruction and Development (EBRD)	Bank and IDEV's different evaluations, reports, and studies, other Development partners evaluation document, reports, and studies documents from other institutions

Annex 3: Measuring the Effects of Policy Dialogue

In the Sida evaluation of policy dialogue (Sida, 2015), a theoretical framework was designed to measure the effects of policy dialogue on gender equality. This framework outlines pathways of change involving shifts in awareness, policy-making, institutional mechanisms, and resource allocation, targeting gender-related development outcomes (see Box below). By linking these dimensions, the framework provides a structured approach to assess the multifaceted impact of policy dialogue interventions on gender outcomes. Sida also uses a contribution management system, named TRAC[7], which is considered mandatory for formulating and monitoring dialogue objectives at the program/project level. TRAC supports the systematic alignment of policy dialogue goals with broader project outcomes. This dual emphasis on theoretical frameworks and practical monitoring tools reflects Sida's commitment to integrating evidence-based methods into its evaluation of policy dialogues.

Sida: Measuring the Effects of Policy Dialogue on Gender Equality

Given that the evaluation was tasked with assessing the effectiveness of policy dialogue as an instrument of development cooperation, using the case of Gender Equality, the team assumed that:

- If it is possible to prove that the policy dialogue processes used by Swedish embassies in a development co-operation context have contributed to increased Gender Equality, then this stands as an indicator that policy dialogue is an effective instrument.
- Indicators that measure the effects of policy dialogue on Gender Equality needed to be based on measures that would track both the effectiveness of specific types of policy dialogue and of actual Gender Equality-related results.

The evaluation developed the indicators outlined in the evaluation matrix accordingly. These indicators are based on the fairly standardized change categories associated with the different levels of change outlined in Results-Based Management log-frames and results chains but adapted specifically to fit a policy dialogue context and processes. The evaluation's indicators specifically assessed the types of Gender Equality changes generated through policy dialogue within each of these categories.

To these, the evaluation team added two results categories geared directly with changes in Gender Equality within a policy dialogue context. Thus, the different categories of analysis the evaluation team assessed included changes in:

1 Knowledge, awareness and attitudes (level 1 change in RBM log-frames).

2 Policies and decision-making (level 2 change in RBM log-frames).

3 Processes and institutional mechanisms (level 3 change in RBM log-frames).

4 Resources allocated to address Gender Equality.

5 Gender-related development outcomes (i.e. changes in state, level 4 change in RBM log-frames).

SDC: Measuring the Contribution of Policy Dialogue at National Level

EQ1 Outcomes:

What were the outcomes and impacts (positive and negative) from policy dialogues as a tool to achieve Swiss development goals within the domains of Swiss development policy objectives?

Indicators:

1.1 Evidence of positive outcomes in terms of changes to policies, practices, behaviours, enhanced understanding of policy issues and other outcomes.

1.2 Evidence of negative outcomes in terms of changes to policies, practices, behaviours, and enhanced understanding of policy issues, and other unwanted outcomes.

1.3 Evidence of the extent to which national policy dialogue contributed to the success/failure of SDC's programme and project objectives.

1.4 Evidence that positive changes resulting from policy dialogues led to systemic changes and can be considered sustainable.

1.5 The extent to which the national dialogue actors/agents are capacitated to carry out policy dialogues and own the process.

1.6 Evidence of impacts from the changes induced by policy dialogue.

The SDC evaluated policy dialogue contributions using surveys to capture respondents' perceptions of its influence on Swiss cooperation success (SDC, 2022). However, the evaluations reviewed considered that most country programs lacked explicit policy dialogue agendas or measurable outcomes within their country program results frameworks or project log frames, reflecting a broader challenge across development agencies (SDC, 2022).

IFAD also used Annual Report on Results and Impact of IFAD operations (ARRI) to document the performance of non-lending activities, including policy dialogue. ARRI reports identify key learning themes and assess policy dialogue's contributions to achieving strategic objectives. Similarly, the Overseas Development Institute (ODI, 2014) provides a set of methods and tools to evaluate policy influence and dialogue effectiveness. These include stakeholder analysis, contribution analysis (focusing on the "contribution story"), RAPID Outcome Assessment , and Qualitative Comparative Analysis.

Despite the diversity of tools, measuring policy dialogue effects remain challenging. For instance, many evaluations revealed a lack of standardized methodologies for linking policy dialogues to systemic changes, sectoral reforms, or cross-cutting development outcomes. Addressing these gaps requires innovative approaches that integrate policy dialogue evaluations into broader program and project monitoring systems while ensuring sufficient data collection and reporting.

Annex 4: Agriculture and Rural Development

Effective policy dialogue for rural poverty reduction involves capacity building, creating dedicated platforms, and aligning resources with policy ambitions, despite challenges such as insufficient policy analysis work and resource gaps (IFAD, 2017). IFAD underlined some good practices and success factors regarding the effectiveness of its policy dialogue at country level. IFAD leverages project experiences to influence policy and advocate for marginalized groups globally (see Box below).

Box: IFAD's Country Level Policy dialogue Evaluation Synthesis: Good Practices, Success Factors and Challenges

From the evaluation synthesis of the IFAD's Country Level Policy dialogue, a few key good practices can be highlighted:

- **Engaging Stakeholders and Conducting Political Economy Analysis:** Identifying key stakeholders, analyze their interests and influence, and engaging with them regularly to build trust and mutual understanding. Political economy analysis helps understand the dynamics affecting policy decisions and lays the foundation for effective dialogue.
- **Adopting an Inclusive and Long-Term Approach:** Engaging a broad spectrum of actors, including grassroots communities, and maintaining dialogue over the long term. This ensures that policies are responsive to local needs and circumstances while fostering inclusive development.
- **Balancing Formal and Informal Dialogue:** Using both formal channels (e.g., official meetings, policy briefs) and informal interactions (e.g., one-on-one discussions, informal networking) to build relationships and gain insights. This flexible approach strengthens the effectiveness of the dialogue process.
- **Developing Internal Capacity for Effective Policy Dialogue:** Building staff capacity by providing targeted training on policy dialogue strategies and techniques. Developing these competencies ensures that IFAD staff can engage effectively and strategically in policy discussions.
- **Monitoring, Evaluating, and Reporting Progress:** Establishing clear objectives and measurable outcomes for policy dialogue efforts. Implementing monitoring and evaluation systems to track progress, document lessons learned and adapt strategies for improved impact.
- **Leveraging Decentralized Presence and Adapting to Local Contexts:** Using IFAD's country offices to build long-term relationships and adapt policy dialogue strategies to the local political, social, and institutional context. Ensure that dialogue efforts align with national priorities and local challenges to maximize their relevance and sustainability.

Source: IFAD. (2017). IFAD's Country Level Policy Dialogue Evaluation Synthesis. IFAD

Annex 5: Regional Integration

Regarding regional integration, findings from evaluations on AfDB Support to the Transport Sector in Africa (IDEV, 2014), AsDB Support for Transport in Asia (AsDB (2020) and Supporting Cross-Border Connectivity of EBRD (EBRD, 2020) outlined some evidence of good practices in policy dialogue interventions (see Box below). These include aligning policy dialogue with strategic frameworks, ensuring sector-specific readiness through preliminary assessments, adopting an integrated approach to project design and implementation, linking policy dialogue with technical assistance and investments and ensuring continuous evaluation and stakeholder engagement.

Box: Regional Integration Policy Dialogue: Good Practices and Success Factors

An analysis of the findings on the effectiveness of policy dialogue practices for regional integration from the AfDB, AsDB and EBRD results into certain good practices that can be highlighted:

- **Aligning Policy Dialogue with Strategic Frameworks:** EBRD's projects emphasize the need for clear alignment between regional integration objectives and strategic priorities within country frameworks. By prioritizing regional integration as part of the Bank's operational strategies, they ensure that projects address relevant transition challenges and enhance cross-border connectivity goals (EBRD, 2020).
- **Sector-Specific Readiness and Preliminary Assessments:** Both AsDB and AfDB stress the importance of conducting sector readiness assessments to gauge the willingness of agencies to support reforms. AsDB's success was partly due to adapting projects to specific country capacities, especially in high-resistance sectors such as road transport, ensuring readiness for policy adjustments like tariff reforms (AfDB, 2014; AsDB, 2020).
- **Integrated Approach to Project Design and Implementation:** Effective policy dialogue often involves integrating physical infrastructure with regulatory and institutional reforms. The EBRD's cross-border projects demonstrated that pairing infrastructure improvements with customs and immigration policy changes, where feasible, helps reduce delays and supports smoother regional integration (EBRD, 2020).
- **Linking Policy Dialogue with Technical Assistance and Investments:** Linking policy dialogue initiatives with financial support (PBO, Investment project etc.) and technical assistance can accelerate project success. For example, EBRD's energy sector work coupled regulatory changes with dedicated financing, allowing seamless adaptation and buy-in from local stakeholders for projects with high integration potential (EBRD, 2020).
- **Continuous Evaluation and Stakeholder Engagement:** AfDB and AsDB emphasize ongoing monitoring of project impacts and stakeholder engagement. Involving stakeholders, like local authorities and other financial institutions, enhances transparency, ensures that project objectives remain relevant, and allows for adjustments based on real-time feedback (EBRD, 2020; AsDB, 2020).

Source: IDEV-AfDB (2014). Transport in Africa: The African Development Bank's Intervention and Results for the Last Decade - Summary Evaluation; AsDB (2020), Sector-wide Evaluation AsDB Support for Transport-2010–2018; EBRD (2020) Cluster Evaluation -Projects Supporting Cross-Border Connectivity (Regional Integration).

Annex 6: Economic Governance

For economic governance, findings and lessons from the AfDB policy dialogue practices highlight some valuable success factors and good practices, particularly regarding the context of PBOs, despite certain ongoing challenges (see Box below).

Box: Good Practices in Policy Dialogue at the African Development Bank

Triangulated findings on the Bank policy dialogue practices offer some key good practices in the context of PBOs:

- **Aligning with National Priorities and Evolving Needs:** Policy dialogue must reflect a country's development goals and adapt to emerging challenges. AfDB uses Country Strategy Papers to assess priorities, such as Cabo Verde's governance and infrastructure reforms from 2008-2017, with flexibility incorporated through tools like rapid-response funding to address crises.
- **Institutional and Strategic Alignment:** AfDB connects policy dialogue to its strategic priorities, like the "High 5" agenda, fostering coherence. For instance, energy policy dialogues support the "Light Up and Power Africa" initiative, enhancing sustainable development and poverty reduction. Linkage to national agendas and institutional goals strengthens interventions within PBOs, investment projects, and technical assistance.
- **Defining Roles and Strengthening Governance Structures:** Clear frameworks and role definitions are vital to optimizing policy dialogue. AfDB assigns specific roles to Country Managers, Economists, and Sector Specialists to ensure accountability and reduce overlap. Specialized teams lead dialogue efforts, while strengthening institutional capacity bolsters these initiatives.
- **Leveraging Tools for Effective Planning and Monitoring:** Tools such as the Policy Reform Dialogue Matrix and PDGN improve planning, implementation, and monitoring of reforms. These tools extend beyond economic governance to include sectors such as agriculture, infrastructure, and gender equity, promoting coherence with broader development goals.
- **Coordinating with Partners to Maximize Impact:** AfDB collaborates with development partners through frameworks like Multi-Donor Budget Support Groups to align efforts and enhance accountability. In Ethiopia, AfDB's involvement in the Development Assistance Group strengthens policy coherence and coordination across stakeholders.
- **Promoting Accountability and Sustainable Reforms:** Using policy dialogue within PBOs helps align financial resources with reform agendas. In fragile states, dialogue promotes inclusive reforms. In Côte d'Ivoire, for example, PBO-supported dialogues led to budget support for social and economic reforms, while in Sudan and Zimbabwe, dialogues facilitated transitions despite high-risk environments.
- **Monitoring, Documenting, and Evaluating Outcomes:** Tracking and documenting policy dialogue outcomes is essential to assess impact and strengthen accountability. AfDB invested in analytical support and performance tracking systems to monitor progress, ensuring that dialogue efforts are contributing to tangible development results. In Côte d'Ivoire, for example, structured policy engagement under the Economic and Social Reform Support Program led to key achievements like revising investment codes and establishing public-private partnership frameworks.

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3 Specifically, its objective is to promote dialogue within sectors, enabling the exchange of experiences, innovative practices, and lessons learned. Through this platform, policymakers aim to identify common solutions to pressing development issues and enhance their intellectual and institutional capital. The dialogue at RPD meetings not only benefits participants but also provides valuable feedback to the IDB on borrowing member countries' policy priorities. https://www.iadb.org/en/who-we-are/topics/regional-integration/regional-integration-initiatives/rpd-home

4 This final list of keywords compiled from the broader list is found in Annex 2.

5 Within the World Bank, policy dialogue is conducted by a variety of internal groups and departments, including the Development Economics (DEC) and Knowledge for Change Program (KCP) teams as well as regional directors and other staff who work directly with member countries.

6 https://www.ebrd.com/small-business-support/policy-dialogue.html

7 This refers to Sida's internal electronic system for managing its aid contributions, which helps staff with the process from planning to closing a contribution.

An IDEV **Evaluation Synthesis**



About this evaluation

Independent Development Evaluation (IDEV) at the African Development Bank Group (AfDB or "the Bank") conducted an evaluation synthesis on policy dialogue as part of its 2022–2024 Work Program. The synthesis reviewed evaluation evidence produced between 2013 and 2023 by the AfDB, other multilateral development banks, bilateral agencies, and development partners to understand what works in policy dialogue and under what conditions.

Drawing on 45 evaluation reports and studies, the synthesis found that policy dialogue interventions were generally aligned with national priorities and institutional strategies and were often embedded in broader support programs combining financing, technical assistance, and capacity building. When well designed and demand-driven, policy dialogue contributed to policy reforms, sectoral changes, and broader development outcomes, particularly when supported by strong country ownership, leadership, and coordination among development partners. However, the synthesis also highlighted recurring challenges, including unclear roles and accountability, limited staff capacity and incentives, weak monitoring frameworks, and resource constraints. Sustainability was strengthened when policy dialogue was supported by complementary investments, adaptive approaches, and robust stakeholder engagement, but weakened by fragmented efforts, donor-driven agendas, and limited follow-up.

Overall, the synthesis identifies key lessons and good practices to strengthen policy dialogue, including aligning dialogue with national priorities, grounding it in solid analytical work, ensuring flexibility, fostering partnerships, and linking dialogue to measurable reform agendas. These findings aim to inform the implementation of the AfDB's Ten-Year Strategy (2024–2033) and enhance the effectiveness of future policy dialogue interventions.



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