Synthesis Report on the Validation of 2019 Project Completion Reports

Executive Summary

September 2021
IDEV conducts different types of evaluations to achieve its strategic objectives.
Executive Summary

Background

Each year, the African Development Bank Group (AfDB or “the Bank”) undertakes self-evaluations of its completed sovereign operations through Project Completion Reports (PCRs) prepared by the appropriate operations departments. These PCRs are then validated by the AfDB’s Independent Development Evaluation (IDEV), which produces independent PCR Evaluation Notes (PCRENs) and a synthesis report on the PCRENs.

Specifically, this synthesis report summarises:

- the key results of the 2019 PCRENs, focusing on the PCR quality and the performance of the projects, Bank and Borrowers; and
- the key lessons for improving the quality of PCRs and project results performance.

This synthesis report, like that of 2018 does not include recommendations. These were already made in the 2016 and 2017 PCREN synthesis reports, and are still valid and being implemented through the Bank’s 2019–2021 Integrated Quality Assurance Plan (IQAP), in particular those concerning PCR guidance revision.

The findings of this 2019 review are expected to be disseminated to the Bank’s Board, Management and staff, and shared with the public through discussions, workshops, IDEV activities, and the Bank’s website.

Methodology

The main sources of evidence for this synthesis report are the 2019 PCREN technical report and the 65 PCRENs prepared by IDEV. This was complemented with evidence from a desk review of the relevant documents. PCRENs were prepared for 65 PCRs, in accordance with IDEV’s 2020 work program. The 65 PCRs were sampled using a stratified random sampling of the Bank’s 89 sovereign operations for which PCRs were completed in 2019. This represents a coverage ratio of 73 percent.

As per the Bank’s “Staff Guidance on Project Completion Reporting and Rating” (2012), each PCR was prepared using the criteria of project performance (relevance, effectiveness, efficiency, and sustainability) and stakeholder performance (the Bank, the Borrower, and other stakeholders), and a four-point rating scale. The rating scale defines a satisfactory performance as a score of 2.5 or better out of the maximum of 4. Specifically, the four-point rating scale comprises: 1.00 to 1.49 (highly unsatisfactory), 1.50 to 2.49 (unsatisfactory), 2.50 to 3.49 (satisfactory), and 3.50 to 4.00 (highly satisfactory).

The performance of each project in the sample was evaluated and given an overall rating based on the average of the four performance criteria: relevance, effectiveness, efficiency and sustainability. Each criterion was scored on the basis of a set of relevant sub-criteria.

Each PCR was validated using the evaluation criteria and the four-point rating scale above. It was also assessed on the four quality criteria below:

- **PCR quality**, assessed through nine areas: quality and completeness of the PCR evidence and analysis; the objectivity of the PCR assessment; internal consistency of the PCR assessment ratings; identification and assessment of key factors and unintended effects affecting design and implementation; adequacy of treatment of
safeguards, fiduciary issues, and alignment and harmonization; soundness of the data generating and analysis process (including rates of return) in support of the PCR assessment; overall adequacy of the accessible evidence (from the PCR, including annexures and other data provided); clear and evidence-based lessons (and recommendations); and overall clarity and completeness of the PCR.

- **PCR-PCREN ratings disconnect** on project performance, defined as the difference between the PCR and PCREN rating scores.

- **Monitoring and evaluation (M&E) quality**, covering M&E design, implementation, and utilization.

- **Compliance with the PCR guidance**, focusing on PCR timeliness, stakeholder participation in PCR preparation, and provision of the required annexes.

The M&E quality, PCR quality and PCR compliance were rated using the PCR four-point rating scale above, evaluative judgment for the sub-criteria, and averaging for the criteria.

Both quantitative and qualitative data were extracted from the PCRENs and the PCREN technical report, and then synthesized and presented in tables and figures. In assessing PCR quality, PCR and PCREN ratings were compared. PCREN ratings were used for the performance assessment. The main limitation was the number of PCRENs, which is sufficient for assessing overall performance but limits conclusions on project performance by sector and region.

**Findings**

**Performance of the 2019 PCR projects**

The key result is that overall project performance in the 2019 cohort was satisfactory for the combined criteria of the relevance of project development objectives and design, and their effectiveness, efficiency, and sustainability. The PCRENs rated 72 percent of the sample of 65 projects as satisfactory. However, this performance was a slight decrease from 74 percent in 2018.

Although evidence is limited due to the small sample size, the North Africa region’s projects achieved the highest average score, while multi-region projects achieved the lowest. There was more unevenness in performance by sector, ranging from a score of 2.75 (out of 4) for the power and environment sectors to 3.19 for multi-sector. Overall, however, both region and sector averages were close to, or above, a score of 3 (the mid-point of the satisfactory class).

Project performance was strongest on the relevance of objectives and design (with an average score of 3.68), and weakest on efficiency and effectiveness (average scores of 2.83 and 2.86, respectively), although it was still satisfactory. Nearly all the projects (98 percent) were found to be relevant in terms of their objectives, signalling good alignment with countries’ development priorities and with pertinent Bank strategies. The relevance of project design was satisfactory, but the quality of the project results frameworks was found to be weak. Project effectiveness and efficiency were satisfactory, although project efficiency was limited by substantial delivery delays and cost overruns. Project sustainability was also rated satisfactory, being strong in terms of ownership, safeguards and institutional aspects, but weak regarding financial aspects.

The performance of the main stakeholders (the Bank, the Borrowers and other development partners) contributed to project performance and was, on average, satisfactory. It was better in terms of the services of the Bank and other development partners than those of the Borrowers. The weakest performance continues to be observed on the part of the Borrowers. Performance was strongest in terms of the quality of supervision of the Bank, and of the responsiveness of other development partners to client demands, but weakest especially in terms of: (i) clients responding to supervision recommendations; (ii) the Bank supporting M&E design, implementation and use; and (iii) the Borrower ensuring sustainability of project benefits.
Quality of the Bank’s 2019 PCRs

Satisfactory quality, with scope for improvement:
The quality of the 2019 PCRs was, in general, satisfactory, although uneven, with 77 percent (50) of the 65 PCRs considered satisfactory or highly satisfactory. The overall PCR quality score was on average 2.8 for the 2019 PCRs based on a standard set of nine criteria. This score, which was the same for the 2018 and 2016 PCRs, with an improvement in 2017 (3.0), remains far below the maximum score of 4, showing that there is considerable room for improvement. Certain aspects require attention, including PCR ratings, lessons, recommendations, M&E, and compliance with the PCR guidance. However, the overall PCR quality improved over the period 2016–2019: the percentage of PCRs rated satisfactory or highly satisfactory on quality increased from 59 percent in 2016 to 77 percent in 2019.

The lowest-rated criterion continues to be the presentation of the evidence to justify the PCR scores, which was only marginally satisfactory overall, with almost 50 percent of the PCRs rated unsatisfactory or highly unsatisfactory. This lack of evidence (for instance, the PCR should make available to evaluators the most recent Implementation Progress Report but often does not do so) poses serious problems for the PCRENs, which are, de facto, required to rely on the PCR reporting of results to a greater extent than is desirable.

Ratings disconnect

The PCR-PCREN ratings disconnect is the difference between the percentage of projects rated positively (satisfactory and higher) by Bank Management in the PCRs and the percentage rated positively (satisfactory or higher) by IDEV in the PCRENs. The PCRs’ overall effectiveness ratings had a relatively high disconnect between the Management and IDEV ratings (23 percentage points), showing a gap between how Management and independent evaluation view the Bank’s project effectiveness in the 65 validated projects. The second-biggest gap was in the overall sustainability rating, with a disconnect of 17 percentage points between self and independent ratings. Finally, the overall efficiency and the relevance of objectives and design ratings had a disconnect of 15 and 3 percentage points, respectively.

Monitoring and evaluation

Regarding the M&E quality, this improved over the 2016–2019 period but continues to be the weakest aspect. It was stronger in M&E design but weaker in terms of adequacy of baseline data and appropriateness of indicators, and its implementation and utilisation. The progress reporting of outputs was generally satisfactory, but that of outcomes was weaker.

Assessing the M&E systems remains a challenging exercise for the PCREN evaluators. The Appraisal Reports, other project documentation and the PCR itself may contain very little information about the system.

Even where M&E systems exist, the ratings suggest that they are not satisfactorily implemented and used. The impression is that M&E systems are seen as standing outside projects rather than being a central element within the project, to be used as a tool to monitor progress and correct project trajectories as necessary, and to provide evidence on project development effectiveness.

PCR compliance with PCR guidelines

The PCR compliance (in terms of timeliness, stakeholder participation in PCR preparation, and provision of the required annexes) was satisfactory, with an overall average score of 3.05 for the 2019 projects. This represents a small improvement on previous years (2018 – 2.80; 2017 – 3.00; and 2016 – 2.80).

This result was driven by the timeliness indicator, which is based on a somewhat unusual scoring system whereby PCRs are rated as either 4 (HS) if they are on time, or 1 (HU) if they are not. As 54 of
the 65 PCRs were delivered according to schedule, the average for this sub-criterion was 3.45.

The assessment of the extent of stakeholder participation in PCR preparation continued to be problematic. The average score was 2.46 but this was based on only 48 of the 65 projects.

**Lessons from the 2019 PCRs and their validation**

The quality of the PCRs’ main lessons and recommendations was satisfactory. However, the score of 2.70 was lower than in 2018 (2.80) and 2017 (3.10).

From the 2019 PCRs and their validation, multiple lessons have been identified, reformulated and validated. These lessons were broadly relevant, and some of them were similar to those from the 2016, 2017 and 2018 PCR reviews. Most of these lessons were common across the sectors of intervention, the regions, and Bank instruments. Lessons in the PCRs generally focus on project-specific details rather than on strategic or program issues.

In total, 64 projects produced 306 lessons. Only one project produced no lessons and recommendations. However, the quality and usefulness of lessons varied. Previous synthesis reports raised the issue that some PCR authors found it difficult to distinguish between lessons and recommendations. This difficulty was also present in the 2019 PCRs.

The focus of the lessons varies greatly, with some PCRs interpreting their role as only to provide lessons that relate directly to the project, whereas others make an effort to produce more generic lessons from the project experience. Based mainly on the latter, the synthesis report identified the following lessons:

**Project preparation and design**

1. Building on previous lessons is essential to ensure high-quality project design.

2. Projects are more likely to succeed if key performance indicators are established in a meaningful and measurable way during the design phase, rather than being left as an implementation task.

3. The design phase is critical in project success. Design weaknesses tend to result in cost increases and delays.

4. A project is more likely to succeed if the design phase is used to build commitment among stakeholders by involving them to the fullest extent possible.

5. Multi-country and multi-sectoral projects tend to be the most challenging and require a clear early definition of roles and responsibilities.

**Implementation arrangements and performance**

1. Ensuring that the Project Management Team possesses the required technical expertise is crucial.

2. If funding from all expected sources is made available in a timely fashion in accordance with project planning, then delays and cost overruns can be avoided.

3. An effective M&E system, including the planning of supervision missions and project reviews, is an essential project management tool.

4. Continuing the involvement of stakeholders identified in the design phase helps to ensure ownership of the project and its results.

5. Appropriate financial planning is crucial in ensuring the sustainability of project outcomes.

**Three wider lessons and issues**

1. Evaluating a project independently of its historical context can lead to some misleading results. In
evaluating a project, a useful assessment of its performance and especially its likely sustainability will most likely be achieved if it is placed into context with respect to previous projects that have addressed the same issue.

2. Some projects score poorly because they fail to achieve their key objective stated in the log frame. They may still produce some useful results, which may be late or slightly different from those expected. Evaluating the project against its results-oriented log frame may leave no doubt about its performance, but evaluating it against its whole achievements, including unintended results, could lead to a more favourable assessment. The key lesson is the need for the evaluation process itself to be attuned to capturing the unintended effects, relationships, and indirect consequences of the project. This information can be useful to inform future funding decisions and project designs.

3. For the Bank’s PCR guideline to be useful in practice, the PCR scoring criteria and interpretations as well as appropriateness of the aggregate score must be clearly defined to ensure that the actual and potential results are as intended and useful for informing decision making and measuring the success of projects.
About this evaluation

Each year, the African Development Bank Group (“the Bank”) undertakes self-evaluations of its sovereign operations through Project Completion Reports (PCRs) prepared by the appropriate operations departments. IDEV subsequently validates a sample of these PCRs and produces independent PCR evaluation notes (PCRENs) as well as a synthesis report on the yearly PCREN cohort.

The 2019 PCR synthesis report validates findings from 65 PCRs submitted in 2019. It assesses the relevance, effectiveness, efficiency, and sustainability of Bank projects in the following regions: Southern Africa (17), West Africa (11), East Africa (9), Central Africa (5), North Africa (10), and Multiple Regions (13) and in the following sectors: Agriculture (5), Environment (3), Finance (3), Multi-Sector (13), Power (7), Social (10), Transport (12) and Water supply and sanitation (12). It also considers the performance of the different stakeholder groups (the Bank, borrowers, and others). It reports on the quality of the 2019 PCRs, including their compliance with Bank guidelines, the quality of monitoring & evaluation, and the disconnect in ratings between PCRs and PCRENs.

The results are compared with previous years’ synthesis reports to assess the progress that is being made and to draw lessons on issues that remain a priority for improving the management of current projects, the design and implementation of future projects, and the quality of PCRs. In 2019, the synthesis report identified three wider lessons and issues that underline the importance of evaluating projects’ performance in their historical context, capturing unintended effects, and clearly defining the PCR scoring criteria and interpretations as well as the appropriateness of the aggregate score. These lessons are useful for measuring project success, avoiding misleading results and ensuring that the results are relevant to help the Bank’s staff, Management, and Board of Directors in decision making in order to deliver the Bank’s Ten-Year Strategy (2013–2022).

The 2019 synthesis report does not include recommendations, as those made in the 2016 and 2017 synthesis reports are still valid and are being implemented, through the Bank’s 2019–2021 Integrated Quality Assurance Plan.