

# Status Update on the IDEV Comprehensive Evaluation of the African Development Bank Group

## Information Note

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ADF-13 Mid-term Review  
11-13 November  
Abidjan, Côte d'Ivoire



**AFRICAN DEVELOPMENT FUND**

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## Abbreviations

ADF	African Development Fund
ADB	African Development Bank
CEDR	Comprehensive Evaluation of the Bank Group's Development Results
ECG	Evaluation Cooperation Group
LICs	Low Income Countries
MICs	Middle Income Countries
OECD	Organization for Economic-Cooperation and Development
RMC	Regional Member Country
TYS	Ten Year Strategy
UA	Unit of Account

## **STATUS UPDATE ON THE IDEV COMPREHENSIVE EVALUATION OF THE BANK GROUP**

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### **1. Background**

- 1.1 Subsequent to the conclusion of the ADF-13 replenishment, IDEV presented an exploratory note to the African Development Bank Group's (the Bank) Committee on Operations and Development Effectiveness (CODE) which presented options for a Comprehensive Evaluation of the Bank<sup>1</sup>. Following discussions, CODE selected an option<sup>2</sup> which involves the preparation of two separate products: (i) a Comprehensive Evaluation of the Bank's Development Results; and (ii) an independent review of the extent to which ADF and GCI Commitments have been implemented in the mid-term. An initial approach for both products was presented to CODE in March 2014.<sup>3</sup>
- 1.2 As stated in the ADF-13 Report, IDEV committed to provide an update on the status of the Comprehensive Evaluation for the ADF-13 Mid-Term Review. This is the purpose of this information note.

### **2. The Comprehensive Evaluation of the Bank's Development Results - Status Update**

#### *Design*

- 2.1. The CEDR is intended to address both a learning and accountability function. In particular, the CEDR aims to:
  - Provide an independent, credible and evidence-based assessment of the Bank's development results between 2004 and 2013 and, in particular, the extent to which the Bank's interventions have made a difference in Africa (accountability); and
  - Identify lessons and recommendations to inform the implementation of the Bank's Ten Year Strategy (TYS) and maximize overall development results in Africa (learning).
- 2.2. In addressing these two broad objectives, the CEDR aims to respond to three core synthesis questions:
  - 1: What difference has the Bank made in Africa? What has the Bank achieved in Africa between 2004 and 2013?
  - 2: How is the Bank adding value? How is the Bank maximizing its value as a development partner?
  - 3: Is the Bank learning from what it is doing?
- 2.3. The CEDR is implemented as a theory based synthesis report of several evaluations serving as building blocks:
  - Country Strategy and Program Evaluations (CSPEs) embedded in IDEV's Work Program and used as building blocks for the CEDR for the highest cost-effectiveness;
  - Project Results Assessments (PRAs) for all completed projects included in the countries covered;
  - Sector Evaluations (transport, Energy);

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<sup>1</sup> *Conducting A Comprehensive Evaluation Of The African Development Bank: Exploratory Note* (ADB/BD/WP/2013/125, 24 September 2013), and its revised version (ADB/BD/WP/2013/125/Rev.1, 17 October 2013)

<sup>2</sup> *Report Of The Meeting Of The Committee On Operations And Development Effectiveness (CODE) Held On 29 October 2013* (ADB/BD/CODE/2013/16, 16 December 2013)

<sup>3</sup> See *Bank Group Comprehensive Evaluation: Making a Difference in Africa - A Comprehensive Evaluation of the Bank's Development Results* (ADB/BD/WP/2014/36, 17 March 2014) and *Bank Group Comprehensive Evaluation: Implementation of GCI and ADF Commitments* (ADB/BD/WP/2014/37, 17 March 2014)

- Thematic Evaluations; and
  - Impact Evaluations.
- 2.4. The identification of the sample of countries covered by the CEDR was guided by the following principles: (i) covers at least 50 percent of the Bank's portfolio over the past decade; (ii) is representative of the Bank's portfolio with respect to certain key characteristics (e.g. region, fund window, size and fragility), and (iii) fulfils the above criteria while limiting the number of countries to be covered to no more than 15. Upon consideration of a range of options, it was determined that a non-probabilistic, stratified sampling method would be most appropriate.
- 2.5. The resulting country selection finalized early 2014 consisted of 15 countries which account for 60 percent of the Bank's total approvals between 2004 and 2013, and are representative of the total portfolio of the Bank with regard to key characteristics, including region, fund window, country size, fragility, language and income level. Burkina Faso and Sierra Leone countries were subsequently removed from the sample due to the political crisis and the Ebola crisis respectively. In order to ensure adequate representation of fragile states in the sample, Sierra Leone was replaced by Togo. However, these changes reduced the overall coverage of the Bank's portfolio slightly to 58 percent. The final country selection is provided in the table below.

**Table 1: Country sample for the CEDR**

<b>Final Country Selection – CEDR</b>					
<b>Country</b>	<b>Region</b>	<b>Size</b>	<b>Income Level</b>	<b>Classified Fragile</b>	<b>Portfolio % (Net Loans)</b>
Democratic Republic of Congo	Center	Large	LIC	Yes	2.9
Cameroon	Center	Medium	LIC	No	2.2
Ethiopia	East	Large	LIC	No	4.7
Tanzania	East	Large	LIC	No	4.7
Burundi	East	Small	LIC	Yes	1.1
Morocco	North	Large	MIC	No	11.3
Tunisia	North	Medium	MIC	No	6.8
South Africa	South	Large	MIC	No	10.3
Mozambique	South	Medium	LIC	No	2.1
Zambia	South	Medium	LIC	No	1.7
Nigeria	West	Large	LIC	No	4.9
Ghana	West	Medium	LIC	No	2.8
Senegal	West	Medium	LIC	No	1.7
Togo	West	Small	LIC	Yes	0.6
<b>Total</b>					<b>58</b>

- 2.6. The CEDR synthesis is based on the standard OECD-DAC Evaluation Criteria of Relevance, Effectiveness, Efficiency and Sustainability as well as standard questions regarding the management of the Bank's portfolio. It involves two parallel streams of work using data collected through the building blocks.
- 2.7. The first work stream is based on the PRAs and addresses the first objective of the CEDR, namely to provide an independent, credible and evidence-based assessment of the Bank's development results between 2004 and 2013. PRAs are integrated as far as possible into the scope of work of CSPEs and aims primarily at meeting the accountability purposes of the evaluation.
- 2.8. The scope of the PRAs will include all projects in the CEDR sample (portfolio for the 14 countries) approved between 2004 and 2013 which are completed or closed as of December 31, 2014. Given that there is sometimes a delay between the updates on the status of projects in the Bank's database, ongoing projects that are above 95 percent disbursement ratio will be examined and included in the sample on a case-by-case basis.

- 2.9. All eligible projects will be subject to an in-depth assessment of the results chain consistent with the approach recommended in the Evaluation Cooperation Group's "Big Book on Evaluation Good Practice Standards," for contribution analysis. The Bank's contribution to development results on the ground will be then synthesized across of number of impact pathways identified through the analysis of Bank's strategies and interventions and constituting its theory of change.
- 2.10. The second work stream is constituted by testing the theory of action for the Bank's interventions and addresses the second objective of the CEDR in assessing why (or why not) the Bank's interventions have made a difference in Africa. This analysis supports both the accountability and learning purposes of the CEDR.
- 2.11. Under this work stream, a qualitative, theory-driven synthesis approach rooted in Qualitative Comparative Analysis (QCA) will be used to identify combinations of conditions that are linked to the absence or presence of the outcomes being evaluated.
- 2.12. The theory of action for the Bank's interventions is defined by the set of operating principles or mechanisms that the Bank employs in order to promote the achievement of development results as well as by contextual conditions which may impact the success of the Bank's interventions.
- 2.13. Nine mechanisms have been identified from the Bank's operational policies and strategies and represent the means through which the Bank organizes itself to achieve results.
- M1 – Knowledge and strategic advice: the Bank provides the country with relevant knowledge and appropriate advice, and participates effectively to policy dialogue;
- M2 - Adapted solutions: the Bank's strategy at country level is well designed, well integrated and proposes the right solutions to challenges;
- M3 – Strategic focus: the Bank's strategy is focused on areas of comparative advantage based on thorough analysis;
- M4 - Leverage: the Bank's strategy and program are designed so as to crowd in additional resources and with attention to scaling up;
- M5 – Supervision: the Bank's program is monitored effectively with a focus on ensuring the achievement of expected results;
- M6 – Project focus: the design and implementation of Bank's projects are focused on contributing to CSP outcomes;
- M7 – Project design: the design and implementation of Bank's projects address constraints to contributing to CSP outcomes;
- M8 – Managing for results & Learning: the Bank's interventions are designed and managed for development results at country level, and informed by evidence of what works and doesn't work;
- M9 – Partnership and coordination: The Bank's intervention are designed and implemented in partnership and coordination with the government and other development partners in the spirit of international principles of engagement.
- 2.14. Two contextual factors have been selected through the available policy and strategy documents as well as consultations with Bank management with regard to contextual factors in RMCs which are perceived to impact Bank performance.
- C1 – Country ownership: the country has included the Bank's CSP objectives as contributing results in national plans and monitors the achievement of CSP objectives;
- C2 – Country readiness to reform: The country has taken action to overcome policy and regulatory issues identified as constraints to achieving CSP objectives.

- 2.15. Rigorous quality standards are enforced for all CSPEs contributing to the CEDR. In particular, detailed guidance has been issued and training provided to the CSPE teams with respect to data to be collected to feed into the two synthesis work streams.

### *Governance and quality assurance*

- 2.16. CEDR building blocks are fully embedded into IDEV's work program and therefore implemented under the standardized IDEV quality requirements and the oversight of the IDEV's management. IDEV adheres to international standards for the quality of its evaluation, in particular the OECD DAC Evaluation Standards and the ECG Good Practice Standards.
- 2.17. To ensure the highest quality, IDEV has institutionalized a multi-pronged quality management system including both an internal and external peer-review processes. These peer-reviews are guided by international evaluation standards and by common Terms of Reference. The key objective of the peer-review processes is to ensure that the planning documentation and subsequent evaluation report are sound in their design and that their application will yield valid and reliable evidence suitable to support the Bank's decision-making. In addition, IDEV establishes for each evaluation a Reference Group, composed of representatives from across the Bank and possibly external stakeholders, to review the evaluation products. The Reference Group ensures that evaluations take into consideration the information needs of potential users and that factual errors are corrected.
- 2.18. In addition, IDEV also established a panel of internationally recognized evaluation and development experts to act as senior advisors to guide the implementation of the CEDR. The Senior Advisor Panel is convened (physically or virtually) to provide guidance on key stages of the evaluation, including the inception and reporting phases, culminating in the production of an inception report and synthesis report, respectively. Subsequent to the discussion of the approach paper by CODE, IDEV held a first meeting of the Senior Advisor Panel in Tunis in July 2014 to discuss the proposed approach and receive guidance on the way forward.
- 2.19. The synthesis report will be reviewed by both the Senior Advisor Panel and a Stakeholder Reference Group including representatives from main stakeholders in the Bank and RMCs.

### *Implementation status*

- 2.20. All evaluation building blocks are on-going with some reaching their completion stage. The main milestones of implementation related to the CEDR (delivery of data from building blocks, delivery of reports for the synthesis) are summarized in the table below.

**Table 2: CEDR implementation status**

CSPE	2015				2016											
	S	O	N	D	J	F	M	A	M	J	J	A	S			
1. Cameroon																
2. Senegal																
3. Tanzania																
4. Ethiopia																
5. Mozambique																
6. Zambia																
7. DRC																
8. Burundi																
9. Togo																
10. Tunisia																
11. Morocco																
12. Nigeria																
13. South Africa																

CSPE	2015				2016									
	S	O	N	D	J	F	M	A	M	J	J	A	S	
14. Ghana														
15. PRA Water														
16. Synthesis – final report														

2.21. The CEDR process is on track for delivering the final synthesis report by July 2016 for management response. While all data for the synthesis was expected to be delivered by the end of 2015, slight delays are likely for three building blocks. However, these do not compromise the full process. The CEDR synthesis team has been constituted and received initial training. The synthesis process is expected to start by end of January 2016 and initial findings should be available by April. The drafting of the synthesis report will start in March and the final report will be delivered by end of July 2016.

### 3. The Evaluation of the Bank's ADF and GCI Commitments

#### *Background*

- 3.1 In March 2014, CODE directed IDEV to conduct an evaluation to provide an independent assessment of the Bank's delivery of commitments agreed to under GCI VI (the Sixth General Capital Increase) and ADF (African Development Fund) 12 and 13 replenishment cycles. Under both GCI VI and ADF 13, the Bank agreed to an independent assessment to complement its own reporting on delivery of the commitments. Indeed, one of the commitments under GCI VI was for such an independent assessment to be conducted by IDEV. Given these undertakings and the fact that the content of commitments, and the period for delivering them under the two funding processes overlapped, it was considered appropriate for the evaluation to cover all three processes since 2010: GCI VI, ADF 12 and the ongoing ADF 13.
- 3.2 The commitments act as an agreement between the Bank and its shareholders in the case of GCI, and the Bank and ADF members and state parties in the case of the ADFs. The Bank, its financial supporters and stakeholders are keen to understand if this approach is working – both in terms of the extent to which the Bank is delivering as expected, and whether the Bank is indeed moving in the direction that it and its stakeholders intended. In terms of content, the commitments vary considerably from preparing new policy documents to setting up new functions or financial instruments, revising procedures, and initiating institutional reforms. Collectively, they touch on all facets of the Bank's work.
- 3.3 In order to go further than simply independently validating whether or not the commitments had been delivered, IDEV planned to conduct four separate but interlinked evaluations, including an overarching review and three "deep dives". The components were (a) an overarching review and verification; (b) an evaluation of policy and strategy making; (c) an evaluation of management of the administrative budget; and (d) an evaluation of risk management. The "deep dive" issues were identified based on an assessment against four criteria: (i) strategic priority for the Bank; (ii) information need; (iii) timeliness; (iv) evaluability. However, given recent changes in the risk management functions of the Bank, including the establishment of a new office, the risk management evaluation was subsequently cancelled. IDEV therefore proceeded with three evaluations related to the ADF and GCI commitments. The rest of this section provides a status update on these three evaluations.

#### *Design*

- 3.4 The first component of the evaluation focused on an overarching review of commitments. It covered the sets of commitments related to three distinct funding processes. The Bank's Board

of Governors approved GCI-VI on May 27, 2010; this capital increase included 35 commitments. The ADF-12 replenishment period covered the years 2011 to 2013; the final replenishment meeting was held in Tunis on September 7-8, 2010. ADF-12 contained 32 commitments. The ADF-13 replenishment period covers 2014-2016; meetings concluded on September 26, 2013. Under ADF-13, the Bank agreed to 45 commitments.

- 3.5 The evaluation is theory-based and draws on a broad range of data collection methods, including qualitative and quantitative methods: document and literature review, key informant interviews, electronic surveys, focus groups, structured reviews, and case studies. In addition, the evaluation includes the use of an expert panel, process mapping, review of organizational models, and benchmarking.
- 3.6 The second component of the evaluation assessed the formulation, management, and implementation of the African Development Bank Group's policies and strategies - the core regulatory instruments that govern the Bank's operational and institutional activities and programs. It is designed both as a stand-alone product, useful to the Bank in itself, and to contribute to the broader task of evaluating the implementation of the commitments (since a large share of the commitments are on writing new policies, strategies and similar documents).
- 3.7 While the evaluation was broad it was also scoped in order to ensure both feasibility and relevance. In particular: (i) it covered the full suites of active operational and non-operational policies and strategies identified, but in detailed analysis it focused on those approved since 2009; (ii) it did not include Country Strategy Papers (CSPs) since these were the subject of a separate IDEV evaluation; and (iii) it did not seek to look at the final effects of policy and strategy documents on development outcomes, as this would require detailed individual evaluations of each area (policy or strategy). It is also important to note that the Bank did not have a single consolidated list of its policies and strategies. Various lists, totalling more than 300 documents, were assessed, with the final list of currently active policies and strategies totalling 73. Since there are no formal agreed definitions in the Bank of either policies or strategies, the evaluation used draft working definitions provided by the strategy and policy department as a starting point.
- 3.8 The evaluation uses a broad range of data collection methods—including document and literature review, key informant interviews electronic surveys and focus groups. This data collection enables key pieces of analysis including a standardized review, case studies, and process mapping. The evaluation also includes benchmarking of specific aspects, in particular in relation to the review of the overall suite.
- 3.9 The third component was constituted by an evaluation of the efficiency and effectiveness of the African Development Bank's administrative budget management. The evaluation's overarching objective is to assess the extent to which the management of the Bank's administrative budget provides efficiency and effectiveness in delivering on its strategic priorities. The evaluation also assessed the extent of implementation of key actions recommended by the 2012 review of budget reforms.
- 3.10 The evaluation focused on a period of five years (2010-2014) which includes the ADF 12 and 13 and GCI 6 cycles. However, the evaluation looks further back to establish changes in processes, where deemed necessary. It has given particular focus on the budget reforms implemented since 2008 in order to fully appreciate their relevance, adequacy, efficiency and effectiveness and to formulate lessons which can be drawn from their implementation.
- 3.11 It is a theory based evaluation and the evidence base for the evaluation was prepared by collecting quantitative and qualitative data and information through different methods and source including: document review, process mapping, personal interviews, focus group discussions, electronic survey of the stakeholders including the Bank staff and the Board, and telephone interviews with the Field Office staff based on a semi-structured questionnaire. The information gathered from different sources was triangulated to arrive at evaluation findings. Data and information were collected from the four comparator institutions for the purpose of benchmarking.

- 3.12 For each of the three components, an evaluation reference group and external expert reviewers contributed to ensuring factual accuracy, quality and rigour of the evaluation. Evaluation findings were presented to the Bank's management and reference group for feedback which were examined and addressed appropriately.

*Implementation status*

- 3.13 All three components were completed and have been discussed in a CODE meeting on October 15, 2015. Final reports are provided as background documents for the ADF 13 Mid-Term Review meeting. The implementation of the evaluation of Bank's commitments under GCI-VI and ADF 12 and 13 received financial from the Governments of Canada and UK.