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An IDEV **Corporate Evaluation**

Independent Evaluation of General Capital Increase VI and African Development Fund 12 and 13 Commitments: Overarching Review

Summary Report

AFRICAN DEVELOPMENT BANK GROUP

September 2015

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ACKNOWLEDGEMENTS

This summary report was prepared by the Independent Development Evaluation (IDEV) of the African Development Bank. This summary report is based on a longer technical report of the evaluation. The evaluation was task managed by Penelope Jackson, under the guidance of Samer Hachem (Manager, IDEV 2) and Rakesh Nangia (Evaluator General). Bilal Bagayoko and Wiem Bakir also provided support. IDEV contracted Centennial International to support it in conducting the evaluation; the Centennial team was led by Anil Sood and also included Amnon Golan, Anis Dani, Johannes Linn, Kevin Cleaver and Alex Tate; Anne Jamison and Hanzhi Jiang also provided support.

The draft report was internally peer reviewed by Madhusoodhanan Mampuzhasseril and the external expert reviewer was Ashwani Muthoo, Deputy Director of the Independent Office of Evaluation at the International Fund for Agricultural Development (IFAD). This technical report was also reviewed by an internal reference group, with representation from different parts of the African Development Bank.

A large number of people both inside the African Development Bank and outside provided input to this evaluation, through interviews in particular but also responding to surveys and providing data, and the evaluation team is indebted to them.

The publication of this report was coordinated by Jayne Musumba, Principal Knowledge Management Specialist, IDEV.

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About the AfDB

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.

About Independent Development Evaluation (IDEV)

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.

Independent Development Evaluation (IDEV)
African Development Bank Group

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Abbreviations and Acronyms

ADF African Development Fund
ADOA Additionality and development outcomes assessment
AfDB African Development Bank
AsDB Asian Development Bank
AsDF Asian Development Fund
CSP(s) Country strategy paper(s)
DAM Delegation of Authority Matrix
EBRD European Bank for Reconstruction and Development
FRMB Resource Mobilization Department
GAVI Global Alliance for Vaccines and Immunization
GCC Governors Consultative Committee
GCI General capital increase
IADB Inter-American Development Bank
IBRD International Bank for Reconstruction and Development
IDA International Development Association
IDEV Independent Development Evaluation
IFAD International Fund for Agricultural Development
IFC International Finance Corporation
IPR(s) Implementation progress and results report(s)
MDB(s) Multilateral development bank(s)
MTR(s) Mid-term review(s)
MTS Medium-term strategy
OIVP Operations III – Infrastructure, Private Sector, and Regional Integration Vice Presidency
OPSCOM Operations Committee
ORMU Resource Mobilization and Allocation Unit
ORQR Results and Quality Assurance Department
ORVP Operations I – Country and Regional Programs and Policy
OSVP Operations II: Sector Operations Vice Presidency
PCR(s) Project completion report(s)
RISP Regional Integration Strategy Paper
RMC(s) Regional member country (countries)
RMF Results management framework
SMCC Senior Management Coordination Committee
STRG Strategy Office
TA Technical assistance
TYS Ten-Year Strategy
UA Units of account
XSR Expanded supervision report

Executive Summary

About this Evaluation

Rationale

The Sixth General Capital Increase (GCI-VI) and the African Development Fund (ADF) 12 and ADF-13 replenishments reflected a vote of confidence in the African Development Bank (AfDB, the Bank) and its leadership, accompanied by high expectations on the Bank to transform itself and scale up the impact of its support to regional member countries (RMCs). These expectations are underpinned by sets of commitments agreed alongside funding in each of these processes. The commitments act as an agreement between the Bank and its shareholders in the case of GCI, and the Bank and ADF contributors in the case of the ADFs. Both the Bank and its financial supporters are interested in understanding 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. The evaluation thus has both accountability and learning functions.

Under both GCI-VI and ADF-13 the Bank agreed to independent assessments of progress in delivering on the commitments.[1]

This evaluation is the first to combine an evaluation of the capital increase (GCI-VI) and replenishment (ADF-12 and ADF-13) processes, of the commitments themselves, and of their subsequent delivery and implementation.

Objectives

The specific objectives of the current evaluation are to draw conclusions and lessons about the (i) relevance of the agreed commitments to the Bank's challenges and priorities; (ii) efficiency of the processes in reaching agreement on a coherent and realistic portfolio of commitments; (iii) delivery of the commitments (outputs such as documents, establishment of new structures or processes); and (iv) effectiveness of their subsequent implementation. These form the basis of the four main evaluation questions, which are detailed in Annex 1. The evaluation also makes recommendations aimed at helping the Bank to improve in each of these areas.

Scope

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 undertake 45 commitments.[2] These commitments are listed in Annex 2. They vary considerably in content from producing new policy documents to setting up new functions or financial instruments, revising procedures, and instigating institutional reforms. Collectively, they touch on all facets of the Bank's work. This evaluation is necessarily broad in scope – a reflection of the breadth of the commitments themselves.

Approach

The evaluation is theory-based and it draws on a broad range of data collection methods, including both qualitative and quantitative methods: document and literature review, key informant interviews, electronic surveys, focus groups, structured review, and case studies. In addition, the evaluation included use of an expert panel, process mapping, review of organizational models, and benchmarking. The (i) processes and (ii) content of the commitments, as well as (iii) the institutional set-up were benchmarked against similar processes at the World Bank, Asian Development Bank (ADB), Inter-American Development Bank (IADB) and, where applicable, the International Fund for Agricultural Development (IFAD). More information on the methodology is provided in Annex 3.

Main Findings

Overall, the evaluation found a Bank that is on the move. Without doubt, the Bank is delivering its commitments in terms of agreed documents or establishing agreed structures, albeit often late. The Bank is on the road to positive reform, in the direction that both it and its stakeholders want to see. The journey is of course ongoing, and what is less clear is whether the distance travelled in the four years under review is meeting expectations and whether the Bank is now in a good position to complete the journey. Put simply, the evaluation finds a Bank that delivers on its commitments; produces important documents, tools, and structures; and launches exciting initiatives. But the evaluation is less able to conclude positively on the Bank's ability to resource these initiatives, implement them effectively, and bring them to their full conclusion, thus realizing the intended final benefits. The evaluation therefore voices a note of caution to both the Bank and its stakeholders when it comes to adding major new initiatives and reforms before seeing existing ones through, or without thoroughly planning and resourcing their implementation.

Relevance was evaluated by assessing alignment and selectivity of the three sets of commitments. For all three processes the alignment of the commitments with the Bank's priorities is rated as either satisfactory or moderately satisfactory. However, when it comes to selectivity only ADF-12 was rated moderately satisfactory, with ADF-13 and GCI-VI rated moderately unsatisfactory. The evaluation finds that the commitments are relevant, but they are many in number, including some assessed to be of an insufficiently strategic nature necessarily to require the attention of governors and deputies and might equally be addressed by the Board and Bank management.

For GCI-VI, the evaluation found that the process was timely in its response to the global crisis, and the commitments were aligned with the Medium-Term Strategy (MTS) and broadly represented the views of regional and non-regional member countries. Weaknesses were found in terms of selectivity with a large number of commitments. For ADF-12 there was good strategic alignment overall between the priority areas selected for the replenishment consultations and the Bank's strategic directions enshrined in the MTS. The goals of ADF-13 as a whole were consistent with the Ten-Year Strategy (TYS), and a number of the commitments were responsive to the Bank's institutional needs and the priorities of its donors. Both sets of ADF commitments also had a strong element of accountability to the ADF contributors.

The evaluation finds that, for all of GCI-VI, ADF-12 and ADF-13, the implementation capacity of the Bank and the costs of delivering and implementing commitments were not fully considered when they were agreed. In some cases consultation with the parts of the Bank likely to deliver and implement could have avoided less strategic or unclearly worded commitments.

Some of the issues included as commitments could have been left to the Board of Directors and Bank management to allow greater selectivity, favoring commitments at a strategic level that required the attention of the governors and deputies. Since the commitments affect the Bank Group and implementation is to be overseen by the Board, early ownership with regard to the content of and intention behind the commitments would facilitate the delivery and approval process and enhance the likelihood of achieving intended change. Bank management would then also be in a stronger position to go to the ADF replenishment meetings with a coherent and manageable set of issues for which there is already strong buy-in.

The efficiency of the **process** for agreeing the commitments (which is part of a broader funding discussion) ranges from satisfactory for GCI-VI to moderately unsatisfactory for ADF-12 and ADF-13. It should be highlighted, however, that the evaluation did not find that the ADF processes are markedly less efficient than those of comparators. Many of the areas where efficiencies can be improved in the ADF process are also relevant for the comparable replenishment processes of other multilateral development banks (MDBs).

Efficiency of the GCI-VI process is reflected in the number and management of meetings, the small number of papers, and the Bank's internal management of the overall process. Given the resulting 200% increase in capital, the time and effort invested in this process was cost effective. In addition the process was inclusive – involving all shareholders through an extended Governors Consultative Committee (GCC) and regional and civil society consultations.

The ADF process overall is intensive in terms of Bank staff and management time, particularly given that it takes place every three years. For ADF-12 and ADF-13, management and staff, aided by the External Coordinator, managed the processes effectively, including management of the meeting process, timely delivery of a large number of quality papers, and responsiveness to the donors' requests. However, there are also some weaknesses in the current process. In terms of staff time and management focus, the processes were costly, and this was exacerbated by the large number of papers prepared for the consultation meetings (17 for ADF-12 and 23 for ADF-13, excluding papers for the mid-term reviews (MTRs)) and insufficient time between replenishments to focus on implementation.

The Bank introduced changes intended to increase the efficiency of the ADF process, compared to ADF-11 and earlier replenishments. While some initiatives were taken up in ADF-12, most of the changes were felt only in ADF-13. This included reducing the number of meetings and shortening the period over which the formal replenishment meetings are held, as well as an attempt to hold more of the meetings at Bank headquarters to save on travel costs. They have also sought to lighten the intense load on the core ADF team by involving other parts of the Bank in drafting of papers. There are also new initiatives under way including the establishment of an ADF working group of deputies and the separation of the internal steering committee into two parts. However, it is too early to see whether or not these contribute to a more efficient process.

In addition to efficiency, the evaluation notes perceived governance issues that surround the ADF process, since these have an effect on the efficiency and effectiveness of the process as well as delivery and implementation of the commitments. First, although both executive directors in the ADF Board and deputies in ADF discussions are nominees of their governors, in some cases there has been a disconnect between the two in practice. There is also a perception in some parts of the Bank that the ADF drives the whole Bank, but sidelines non-ADF-contributing Bank shareholders. However, involvement of the executive directors in the ADF processes has increased in the period under review, and the evaluation assesses that this can be built on further to address perceived disconnects.

With respect to the ***delivery*** of the commitments, the vast majority of the GCI-VI and ADF-12 commitments, and ADF-13 commitments that are due have been delivered. For GCI-VI and ADF-12, of a total of 67 commitments only two have not been delivered – and both relate to actions that are not wholly under Bank management control.[3] For ADF-13 the process of delivery is ongoing, but of those due at the time of writing, the majority have been delivered. The rating for delivery is satisfactory. However, in terms of timeliness of delivery the rating was moderately unsatisfactory for all three processes.

Around half of the commitments were delivered late, some more than one year after the due date. In many cases there are good reasons for these delays; indeed target dates for delivery were simply unrealistic for about one-third of the commitments. Linked to this, for each of the three processes at least two-thirds of the commitments were due to be delivered in the first 12 months after completion of the process – partly in order to show progress in annual monitoring (in the case of GCI-VI) and for MTRs (in the case of ADF-12 and ADF-13). This frontloading means the Bank has to act on many fronts at once. Other, overlapping factors contributing to delays include the internal complexity of some individual commitments, lack of planning for timely delivery, and inadequate institutional resources and coordination. Before agreeing to the commitments, the Bank does not cost or fully plan out what delivery will take in practical terms or who should take the lead on cross-cutting areas. In some cases there is a disconnect between those agreeing to commitments – including their precise wording and target delivery dates – and those who need to deliver and implement. The Bank thus sets itself up to miss its targets.

The ***effectiveness*** of implementation of the commitments was examined by clustering the commitments around five areas and reconstructing the change envisaged by the Bank and its shareholders and fund members, based on available documentation and interviews. The five clusters are (i) policies and strategies; (ii) operations; (iii) resources and financial management; (iv) institutional effectiveness; and (v) results measurement. Given that achieving change in these areas takes time and the large number of relevant changes that have been initiated in the last 12 months, effectiveness was assessed against both (a) the degree to which change has been achieved to date, and (b) the direction of travel based on recent developments.

In terms of change achieved to date, the Bank has made progress between 2010 and 2014 in all the areas highlighted in ADF and GCI discussions, though to varying degrees. However, in some areas it is not yet possible to see that changes expected have been achieved. In some cases there are have been delays in delivering the outputs associated with the commitments, or they have only recently been agreed (in ADF-13), therefore the degree of change achieved as a result has necessarily been limited. In others it seems that while the Bank has been strong in delivering key outputs, it has not yet followed through with the resources, tools, incentives and the will to implement in practice. Both Bank management and the Board, and as a result staff, are focused on delivery of outputs, with less attention paid to following through on ensuring implementation and therefore securing intended outcomes.

In terms of recent developments and the direction of travel, the picture is more positive. Numerous recent developments indicate that despite initial problems and delays the Bank is moving in the right direction in all of the areas examined. For example, on people management, there have been a number of developments during 2014 which show a positive direction, even if progress was slower in the previous three years.

The refore while the achievement of change to date is rated as either moderately satisfactory or moderately unsatisfactory, the direction of travel based on recent developments is rated as moderately satisfactory (Figure 1). These ratings are subject to the proviso that realizing these positive developments in practice will require sustained attention to implementation – in the evaluation team's view more so than adding new overlapping initiatives and reforms.

Recommendations

Based on the findings and conclusions, the evaluation makes the following recommendations.

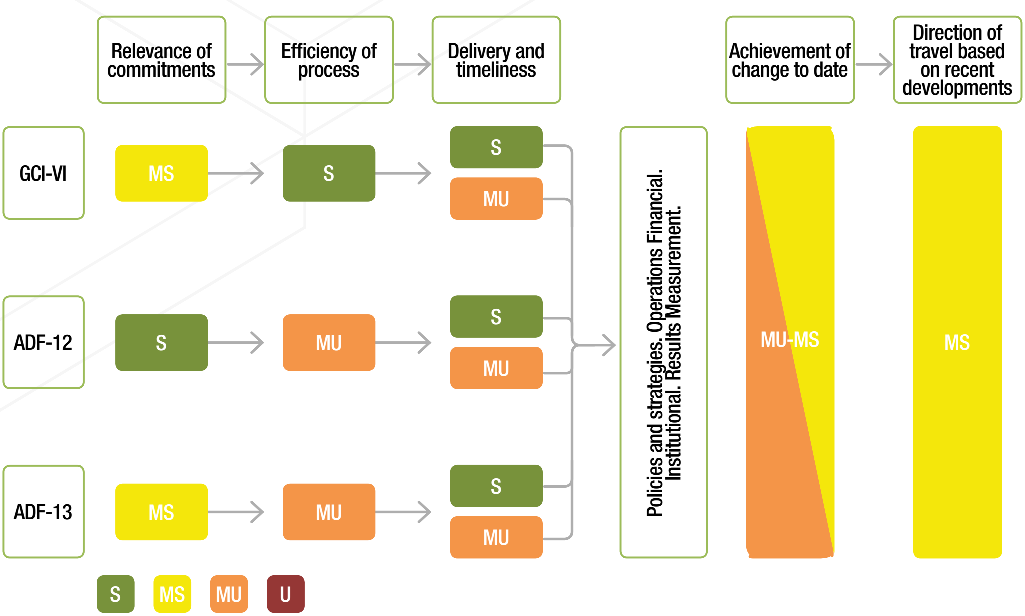
For both ADF and any future GCIs:

Recommendation 1: Focus on fewer and more strategic commitments, with realistic timelines and estimated costs for delivery.

In future replenishment or capital increase processes, beginning with ADF-14, Bank management should:

- Come to the table with a clear and coherent set of proposed commitments, seek to limit the number of commitments and discuss with deputies whether all the issues raised are of sufficiently strategic or high level to be included in these discussions and the agreed matrix of commitments.
- Consult thoroughly with the parts of the Bank that will be responsible for delivering and implementing potential commitments to agree realistic timelines, estimate likely costs (and

Figure 1: Overview of the evaluation assessment



opportunity costs where relevant) as well as ensure unequivocally clear wording of the commitments themselves and ownership among the implementing department(s).

- Avoid heavy frontloading of commitments, as far as possible.
- Make clear in the documentation the outcome or intended change expected from the delivery of a specific output, and where feasible how the change will be measured.

Recommendation 2: Enhance monitoring and managerial accountability for effective performance and results in terms of continued implementation, not only one-off deliveries.

Build on existing monitoring of delivery to also focus on the effectiveness of implementation. Ensure accountability and monitoring does not stop at delivery of a paper to the Board but covers implementation in practice. Integrate and align this monitoring with the monitoring taking place both for the Results Management Framework and the delivery and performance management function (as against introducing an additional system) – this also requires that the commitments themselves are relevant to these areas.

For the ADF specifically:

Recommendation 3: Simplify the process.

Work with the governors, deputies and the Executive Board, in consultation with other MDBs, on a package of measures aimed at significant simplification of the replenishment process to be discussed at ADF-13 Mid-Term-Review and implemented in ADF-14 or ADF-15. This package should explicitly consider:

- Moving to a longer replenishment cycle, drawing on the experience of AsDB.
- Producing fewer background papers, drawing on the Bank's experience with GCI.
- Organizing fewer formal replenishment meetings, and continuing to hold the majority of them at Bank headquarters.
- How the new ADF working group should be shaped to ensure that the time invested in it actually increases the overall efficiency and effectiveness of the process.

Recommendation 4: Seek early Board ownership of commitments.

Build on existing efforts, including the existing informal Board meeting before each replenishment, to obtain executive directors' early ownership of the commitments under the ADF (irrespective of whether Board members represent contributing or benefitting countries or both). To do this the Bank will need to consider proactive ways to enhance communication and engagement. ■

Management Response

Management welcomes IDEV's evaluation of AfDB's General Capital Increase-VI and ADF-12 and ADF-13 Commitments. It provides a timely assessment of the three resource mobilization processes providing conclusions that have been made in time to inform the ADF-13 Mid-term review (MTR) and the ADF-14 replenishment. It is also the first time that an evaluation focusing on commitments, delivery and implementation, examines together a capital increase and ADF replenishments. Management notes with satisfaction IDEV's finding that "the Bank is on the road to positive reform, in the direction that both it and its stakeholders want to see." It also agrees that the Bank will need to further streamline resource mobilization processes.

Introduction

The Sixth General Capital Increase (GCI-VI) and the ADF-12 and ADF-13 replenishments demonstrated donors' confidence in the African Development Bank. Taken together, the capital increase and the replenishments were aimed at scaling up the impact of AfDB's support to Regional member countries (RMCs). To achieve this goal, the Bank committed[4] to implementing a set of ambitious reforms[5] covering a broad range of actions including, *inter alia,* the production of new policy documents, the establishment of institutional arrangements, the creation of new financial instruments and the revision of procedures. Against this background, the purpose of the evaluation was to assess:

i. The relevance of the agreed commitments to the Bank's challenges and priorities.

ii. The efficiency of the processes in reaching agreement on a coherent and realistic set of commitments.

iii. The delivery on the commitments, and;

iv. The effectiveness of their subsequent implementation.

Management welcomes IDEV's overall finding "the Bank delivers on its commitments; produces important documents, tools, and structures; and launches exciting initiatives". At the same time, Management takes note that important challenges remain to "fully resource these initiatives, implement them effectively, and bring them to their full conclusion".

Relevance of the agreed commitments

The evaluation found that "the commitments are relevant, but they are many in number, including some assessed to be of an insufficiently strategic nature". Management takes good note of this finding and agrees that for the purpose of capital increases and replenishments it will selectively present Governors and ADF Deputies with fewer and more strategic commitments. Starting with the ADF-14 replenishment, Management will be presenting ADF Deputies with a limited set of strategic commitments. These will be informed by key findings and conclusions from the ADF-13 Mid-Term Review (MTR).

Efficiency of the processes

The evaluation finds that the overall GCI-VI process was efficient; but less so ADF-12 and ADF-13. The report notes that the "ADF process overall is intensive in terms of Bank staff and management time, particularly given that it takes place every three years. (…) The processes were costly, and this was exacerbated by the large number of

This initiative built on a 2009 background paper presented at the ADF-11 MTR. The paper proposed the following changes:

i. Conclude the replenishment discussions well in advance of the date of entry into force, preferably six months beforehand;

ii. Streamline the replenishment process to three formal meetings;

iii. Hold informal Deputies' meetings on the margins of the Bank Group Annual Meetings (or on the margins of other international events) in order to maintain regular face-to-face contact with Deputies, and;

iv. Consider introducing a four year cycle.

Progress has been made on the first three proposals. However, there currently are different perspectives on lengthening ADF replenishment cycles from three to four years. Management recognizes that a longer replenishment cycle would reduce the administrative workload and allow more time to achieve the desired results. Some donors have indicated that increasing the length of the ADF cycle to four years might lead to lower resources on an annual basis. The same concern was raised by donors when the suggestion was made in 2000 with the International Development Association to move to a four-year cycle. Management's view at this time is to retain the 3-year cycle for at least ADF-14, with the view of revisiting the issue later. As an observer of the IDA working group on Governance and Reform, the Bank monitors progress and reforms discussed in this forum and guides Management's work in streamlining resources mobilisation processes. Management will ensure that the Bank continues to be represented or informed on the content of these discussions.

Delivery on the commitments

The evaluation found that "the vast majority of the GCI-VI and ADF-12 commitments and ADF-13 commitments that are due have been delivered. (…) However, in terms of timeliness of delivery the rating was moderately unsatisfactory for all three processes". The evaluation notes that around half of the commitments were delivered late.

Management agrees on the need to be realistic when preparing implementation timelines. To this end, it will ensure that the delivery of each new commitment is costed and fully planned out. Stronger linkages between those who agree on new commitments and those in charge of implementing them will be established. Lead Departments will be identified and consulted systematically, including on the wording and identification of target delivery dates. This will require that sufficient time is scheduled to design robust and realistic commitments.

Finally, Management takes seriously the evaluation's "note of caution to both the Bank and its stakeholders when it comes to adding major new initiatives and reforms before seeing existing ones fully implemented". Management agrees that the Bank will need to further streamline its systems and processes to meet the ambitious targets, initiatives and reforms identified during previous replenishments. Management will increase its selectivity when suggesting any new initiatives to Deputies while it consolidates the implementation and delivery of existing ones.

Effectiveness of commitments

The evaluation suggests that the Bank is "focused on delivery of outputs, with less attention paid to following through on ensuring implementation and therefore securing intended outcomes". It also notes that the Bank is however moving in the right direction in all of the areas examined, owing to recent progress in areas such as people management. Management is committed to providing sustained attention to implementation by updating its monthly executive dashboard. This dashboard reports on performance in implementing key commitments as well as corporate and operational reforms. It is presented for discussion to the Senior Management Committee members on a regular basis.

Management is also working on re-engineering its business processes. To that end, it has established a Delivery and Performance Management Office (COPM/DPMO) to respond to the need for candid and proactive performance monitoring and reporting. Through its monthly portfolio flashlight reports, COPM tracks project performance and disseminate its findings to all staff. ■

Management action record

Recommendation	Management's response
Recommendation 1: *Focus on fewer and more strategic commitments, with realistic timelines and estimated costs for delivery.*	
In future replenishment or capital increase processes, beginning with ADF-14, Bank management should: *1.1 Come to the table with a clear and coherent set of proposed commitments, seek to limit the number of commitments and discuss with deputies whether all the issues raised are of sufficiently strategic or high level to be included in these discussions and the agreed matrix of commitments.* *1.2 Consult thoroughly with the parts of the Bank that will be responsible for delivering and implementing potential commitments to agree realistic timelines, estimate likely costs (and opportunity costs where relevant) as well as ensure unequivocally clear wording of the commitments themselves and ownership among the implementing department(s).* *1.3 Avoid heavy frontloading of commitments, as far as possible.* *1.4 Make clear in the documentation the outcome or intended change expected from the delivery of a specific output, and where feasible how the change will be measured.*	**Agreed.** This response applies for both ADF and any future GCIs. In next resource mobilization processes, Management will ensure that a clear, coherent and limited set of commitments is agreed upon internally before the beginning of the process: **Actions:** ▮ Management will present a draft matrix of commitments to Deputies during the second meeting of the ADF-14 replenishment. This document will build upon discussions that are taking place in the lead up to the preparation of the ADF-13 MTR during which Management meets regularly through a Steering Committee (SC) which has been set up to prepare the ADF-13 MTR papers. The SC meetings are an opportunity to agree on the main messages to be conveyed to the Deputies. They are also an appropriate forum to discuss strategic commitments that will be proposed during the ADF-14 replenishment process. ▮ FRMB will coordinate the production of a note on strategic and resource issues for ADF-14 replenishment. That note will be presented to Senior Management before the first ADF-14 replenishment meeting by ***February 2016***. This document will involve broad consultations of the Bank departments that will be responsible for delivering and implementing possible commitments. The note will include a realistic timeline avoiding frontloading of commitments and will be clear on the expected likely costs, outputs and outcomes. To facilitate the FVP/COO Front Office oversight role, COPM/DPMO will ensure that these commitments are captured and included in the monthly executive dashboard.

Recommendation	Management's response
Recommendation 2: *Enhance monitoring and managerial accountability for effective performance and results in terms of continued implementation, not only one-off deliveries.*	
Build on existing monitoring of delivery to also focus on the effectiveness of implementation. Ensure accountability and monitoring does not stop at delivery of a paper to the Board but covers implementation in practice. Integrate and align this monitoring process with those of the Bank, such as the Results Measurement Framework and the delivery and performance management function. This will avoid duplicating initiatives to the extent that the commitments are relevant to these monitored areas.	**Agreed.** (for both ADF and any future GCIs). The Bank will continue to strengthen its processes with the goal of enhancing performance through better tra-cking of progress made and managerial accountability. **Actions:** ▪ Management will strengthen the monitoring of the implementation of the various resource mobilization commitments, notably the implementation timetable, agreement on the key milestones and on the review and follow-up mechanisms (frequency, proactivity, remedial and follow-up action and reporting format). ▪ By January 2016, **FRMB** will dedicate a staff to the monitoring of implementation of the various commitments throughout the Fund's cycle. This staff will be responsible for identifying in collaboration with the Office of the FVP/COO the respective units or complexes with primary responsibility for these initiatives/commitments and will assess the implementation of the various commitments on a regular basis.
Recommendation 3: *Simplify the replenishment process.*	
Work with the governors, deputies and the Executive Board, in consultation with other MDBs, on a package of measures aimed at significant simplification of the replenishment process to be discussed at ADF-13 Mid-Term-Review and implemented in ADF-14 or ADF-15. This package should explicitly consider: *3.1 Moving to a longer replenishment cycle, drawing on the experience of AsDB.*	**Agreed. IN PART** (for ADF replenishment specifically). The Bank has already taken steps to simplify its resource mobilization process through a range of actions presented below. **Actions:** ▪ **Management** will continue discussing with ADF deputies on the possibility of simplifying the replenishment process, including by adopting a longer replenishment cycle.
3.2 Producing fewer background papers, drawing on the Bank's experience with GCI.	▪ For the next and subsequent ADF replenishments, FRMB and Management will be selective in preparing a smaller set of relevant background papers.
3.3 Organizing fewer formal replenishment meetings, and continuing to hold the majority of them at Bank headquarters.	▪ In order to save resources and improve efficiency of meetings, ADF international meetings are, as much as possible, organised at AfDB headquarter.
3.4 How the new ADF working group should be shaped to ensure that the time invested in it actually increases the overall efficiency and effectiveness of the process.	▪ ADF Working Group co-chairs have drafted and will be presenting main findings of the ADF WG during the ADF MTR.
Recommendation 4: *Seek early Board ownership of commitments.*	
Build on existing efforts, including the existing informal Board meeting before each replenishment, to obtain executive directors' early ownership of the commitments under the ADF (irrespective of whether Board members represent contributing or benefitting countries or both). To do this the Bank will need to consider proactive ways to enhance communication and engagement.	**Agreed.** (for ADF replenishment specifically). Management agrees to step up Board of Directors ownership of commitments and will consider proactive ways to enhance communication and engagement. **Actions:** ▪ **FRMB and FNVP** will request an informal Board meeting before the next replenishment meeting by **Q1 2016.**

Background and Introduction

Rationale for this Evaluation

The Sixth General Capital Increase (GCI-VI) and the African Development Fund- (ADF) 12 and ADF-13 replenishments reflected a vote of confidence in the African Development Bank (AfDB, the Bank) and its leadership, accompanied by high expectations on the Bank to transform itself and scale up the impact of its support to regional member countries (RMCs). These expectations are underpinned by sets of "commitments" agreed alongside funding in each of these processes. The commitments act as an agreement between the Bank and its shareholders in the case of GCI, and the Bank and ADF contributors in the case of ADFs. Both the Bank and its financial supporters are interested in understanding 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 – meaning Bank shareholders as well as the members (including state participants) of the ADF - intended. The evaluation thus has both accountability and learning functions.

It is important to note that the general capital of the Bank and the ADF constitute different windows, and each entails different processes, legal bases, and indeed permitted uses. They are both key parts of AfDB. Boxes 1.1 and 1.2 provide basic information. The Bank has shareholders who have contributed to the capital of the Bank. In addition, the ADF was established as a partnership between the Bank, the "state participants" and other donors. Every member of the Bank is a member of the Fund, but voting rights lie with state participants. The Bank also has both an AfDB and an ADF Executive Board (executive directors), though in practice there is overlap.

Box 1.1: Introduction to GCI-VI

The initial authorized capital of the Bank was 250 million units of account (UA). The Bank has secured a series of special capital increases, a voluntary capital increase and six general capital increases. The most recent was the Sixth General Capital Increase (GCI-VI), which was approved by the Board of Governors of the Bank on 27 May, 2010. The regional members hold 60% of the total stock of the Bank. The Governors Consultative Committee (GCC) has been the main forum used in recent years to discuss capital increases and make recommendations to the governors as a whole. The GCC is composed of the governors (or alternates) of those member states at that time represented on the AfDB Board, however other governors and alternates can also attend the meetings.

Source: AfDB and GCC Terms of Reference, 1998

Box 1.2: Introduction to ADF-12 and 13

The African Development Fund (ADF) is the concessional window of AfDB, established in 1972. The legal agreement establishing the ADF designates the Board of Governors as the Fund's highest policy-making organ. The Board of Governors meets at least once a year. The ADF Board of Directors includes seven executive directors representing donor countries (the executive directors are nominated by their constituencies) and seven executive directors representing AfDB. The Board oversees the Fund's general operations. The Fund's resources consist of contributions from internal Bank resources and periodic replenishments by contributing countries, usually on a three-year basis. In the replenishment discussions, the contributing countries are represented by their ADF deputies. The deputies are not referenced in the original ADF agreement.

Source: AfDB

One thing that all three funding processes have had in common over the last five years[6] is the use of sets of commitments or actions that the Bank agreed to take when funding levels were agreed. Under both GCI-VI and ADF-13 the Bank agreed to independent assessments of progress in delivering on the commitments.[7]

Objectives and Scope

In both the GCI and more recent ADF discussions there was interest in an independent review of delivery; indeed one of the GCI-VI commitments was for the Bank's independent evaluation department to conduct such a review. This evaluation in fact covers three sets of commitments at once.

Within this context the evaluation was designed to be as useful as possible to the Bank and to its stakeholders. Specific objectives were identified at the inception stage, which were to draw conclusions and lessons as well as make recommendation about the (i) relevance of the agreed commitments to the Bank's challenges and priorities; (ii) efficiency of the processes in reaching agreement on a coherent and realistic portfolio of commitments; (iii) delivery of the commitments (outputs such as documents, establishment of new structures or processes); and (iv) effectiveness of their subsequent implementation. These form the basis of the four main evaluation questions, which are detailed in Annex 1.

This evaluation is necessarily broad in scope – a reflection of the breadth of the commitments themselves. This evaluation is the first to combine an evaluation of the capital increase (GCI-VI) and replenishment (ADF-12 and ADF-13) processes, of the commitments themselves, and of their subsequent delivery and implementation.

The evaluation focuses on the 2010-2014 period.[10] Covering all three processes it tracks delivery on more than 100 commitments. In the case of ADF the delivery period is still ongoing. While the evaluation goes into some detail on the first three evaluation questions, the range of areas to assess implementation means a single evaluation could only go into limited depth with respect to the fourth question. However, two additional evaluations have been conducted in parallel to this one to provide a deeper insight into implementation of two important areas of interest for the Bank and its stakeholders: (i) policy and strategy making and implementation, and (ii) management of the administrative budget. These two issues were identified based on four criteria: (i) strategic priority for the Bank; (ii) information gap; (iii) timeliness; and (iv) ability to be evaluated.[8] The two additional evaluations are published separately.

Approach and Methodology

The inception report summarized the agreed methodology, conceptual framework and evaluation plan, and further information is provided in Annex 3.[9] This theory-based evaluation used a broad range of data collection methods, including both qualitative and quantitative methods: document and literature review, key informant interviews, electronic surveys, focus groups, structured review, and case studies. In addition, the evaluation included use of an expert panel, process mapping, review of organizational models, and benchmarking. The (i) processes and (ii) content of the commitments, as well as (iii) the institutional set-up were benchmarked against similar processes at the World Bank, Asian Development Bank (AsDB), Inter-American Development Bank (IADB) and, where applicable, the International Fund for Agricultural Development (IFAD).

The evaluation is subject to a number of limitations. These include constraints arising from: availability of some documents; inadequacy of cost data for the evaluation period; turnover of key donor representatives, executive directors, and staff and managers, particularly in light of the time elapsed since ADF-12 and GCI-VI; survey response rates;[11] and lack of implementation and outcomes data. The evaluation team mitigated these challenges through an evaluation design based on triangulation of evidence sources. The report makes clear what lines of evidence support the findings presented and where there is insufficient evidence to draw definitive conclusions.

This document is the summary report of the evaluation. It is based on a detailed technical report.[12] It is structured to follow the four main evaluation questions outlined above[13]. ■

Relevance of Commitments

This chapter assesses the relevance of commitments under GCI-VI, ADF-12, and ADF-13 in terms of their (i) alignment with institutional goals, shareholder and fund member priorities and institutional capacity, and (ii) selectivity.

Alignment of the Commitments

The vast majority of the stakeholders interviewed for this evaluation were in full agreement that the goals and objectives of GCI-VI and ADF-12 were well aligned with AfDB's Medium-Term Strategy (MTS), and those for ADF-13 with AfDB's Ten-Year Strategy (TYS). According to one senior manager: *"The MTS was very timely and valid; Africans owned it; donors bought into it."* Another manager said, *"TYS in turn was largely a continuation of MTS."*

Papers prepared by management and submitted to the deputies in advance of the consultation meetings and the working paper prepared for GCI-VI were well-aligned with agenda items (Annex 4).[14] With few exceptions, papers prepared by Bank management supported specific agenda items and discussions.

An expert panel assessment, the survey conducted for this evaluation, and the interviews conducted with deputies, executive directors, senior management, staff, and the external coordinators regarding the alignment of commitments made under GCI-VI, ADF-12 and ADF-13 addressed the extent of alignment of the commitments with the Bank's priorities, institutional needs and capacity, and with the priorities of its donors and shareholders. For some aspects of alignment this allows triangulation among up to three different sets of information. The results are presented an Annexes 5 to 7, and highlights are discussed below.

Alignment of commitments with MTS and TYS. Most interview respondents (94%) agreed that there was a clear alignment between the package of commitments as a whole under the three replenishments and the Bank's priorities and Africa's development needs. Only one deputy and two of the regional executive directors rated the commitments as only "moderately aligned." The expert panel assessment of commitments also showed a relatively strong alignment of commitments with MTS for ADF-12 (60 percent of commitments were aligned), but less so for GCI-VI (46 percent) and for ADF-13 (41 percent with the TYS). This is due to a higher proportion of GCI-VI and ADF-13 commitments relating to non-operational matters – which are not the main focus of the MTS or TYS, though some are nevertheless relevant for institutional effectiveness.

Responsiveness to RMC and institutional needs. In addition to alignment with the Bank's strategy, some commitments, like risk management under GCI-VI and people-related commitments under ADF-13, were also designed to respond to institutional needs of the Bank. The majority of people surveyed and interviewed felt that the commitments overall are designed to enhance ADF's effectiveness in meeting RMC needs. Survey results indicate that 80% of deputies and all of the executive directors or their advisors agreed or moderately agreed. Even more positively, 90% of those interviewed – including staff and management – shared this view. The expert panel assessed the commitments for GCI-VI, ADF-12 and ADF-13 in detail and found that, respectively, 91 percent, 78 percent and 85 percent of commitments responded to an explicit institutional need, and that ADF-12 commitments, in line with their emphasis on operational matters, were especially weighted toward responding to an explicit RMC need, more so than GCI-VI and ADF-13.

Perceptions of who drives the commitments. Interestingly, there is stark variation in views amongst stakeholders as to who drives the content of the ADF commitments. Two-thirds of the deputies surveyed (particularly about ADF-13) perceive Bank management as being the principal driver of the commitments, while three-quarters of the surveyed executive directors felt that deputies were in the driving seat. Bank staff and management expressed views in between these two extremes. While two-thirds of the deputies felt that RMC concerns were important and another one-third felt they were moderately important, executive directors were less inclined to share this opinion – both in the survey and interviews – and particularly for ADF-13, which they indicated greatest familiarity with. The evaluation found that the picture is in fact mixed – there are examples of commitments pushed by deputies, and others by management. An example is the large number of ADF-13 commitments on human resource and other institutional issues, many not at a strategic level, which reinforce this perception of deputies pushing a focus on institutional efficiency (Box 2.1), as opposed to the issues that key informants state were led more by Bank management – such as the Bank's approach to fragility. For GCI-VI, although some respondents talked about a stronger voice for larger shareholders – both regional and non-regional – the issue did not arise as much. In the case of the Results Measurement Framework, relevant in both ADF and GCI, it is clear that there was a very strong push from specific shareholders and fund members; however, the Bank itself was also examining how to improve in this area as well as increase alignment with peer organizations – the drivers of such commitments are multiple.

Accountability to shareholders and deputies. Documentary review confirms the intention of the commitments in playing an accountability or conditionality-like role, and the focus on their delivery in GCI annual monitoring, and ADF mid-term reviews (MTRs) underline this. Survey results indicate that half of the respondents fully agreed that the commitments enhance the Bank's accountability to its shareholders and deputies, while another 40% moderately agreed with this statement. Similar levels of agreement were also expressed in interviews.

Alignment with the Bank's absorption and implementation capacity. There were significant differences between survey and interview results on the extent to which commitments were seen to be aligned with AfDB's absorption and implementation capacity. About 80 percent of the surveyed deputies, executive directors and their advisors agreed or moderately agreed that the commitments were aligned. The interview results – based on more in-depth conversations – are far more critical and reveal that all of the interviewed deputies,

Box 2.1: Commitments influenced by views of the Bank's institutional effectiveness

Some ADF-13 deputies were of the view that detailed commitments were driven in part by their perceptions of the Bank's institutional effectiveness:

- *"The perceived need by governors to involve themselves in the details of the business process was in part driven by the lack of confidence in the Bank and the perceived need to push for greater efficiency through detailed prescriptions."*
- *"Management has identified the right areas for action, but there is no track record of effective implementation. Therefore we insisted on a limited, but critical number of institutional commitments with clear progress benchmarks. The commitment matrix was a list of critical steps needed to convince our minister and parliament that our substantial contribution was justified."*

Source: Interviews

all of the non-regional executive directors and three-quarters of the regional executive directors disagreed or disagreed moderately. As one regional executive director stated: *"The commitments are broadly relevant to the Bank and to its shareholders, but there are too many. The Bank loaded itself too much."* Half of the interviewed managers and staff also considered the agreed commitments to be poorly aligned with the Bank's absorption and implementation capacity.

The combined set of commitments under GCI-VI and ADF-12, with limited coordination between them, was burdensome given the exceptionally large number and excessive front-loading of delivery dates which affected timely delivery, as discussed in Chapter 3. In the case of ADF-13, capacity constraints were tightened due to the additional challenges associated with the return to headquarters in Abidjan during 2014, yet the majority of commitments were due in that first year.

Selectivity of the Commitments

Selectivity was evaluated in relation to the number, balance, and strategic level of the package of commitments. The assessment draws on benchmarking, an expert panel review, as well as interview and survey data.

Number of commitments. Comparison with peer organizations shows that all multilateral development banks (MDBs) have a high number of commitments associated with resource mobilization processes. However, the fact that the Bank is not an outlier does not ease the delivery task, given capacity constraints reported internally. There is a widespread perception amongst the Bank staff and management involved that that the sheer number of commitments is a problem. The majority of key informants interviewed – including deputies, executive directors and Bank staff and management – expressed concern about the lack of selectivity in commitments (Annex 7).

The number of commitments for each resource mobilization process is high: GCI-VI involved 35 and ADF-12 had 32; a total of 67 commitments under these two parallel resource mobilization initiatives, with a few overlapping commitments; ADF-13 had 45 commitments. One reason given in interviews with AfDB managers for this high number of commitments is that AfDB's management is in a weak bargaining position because of its legacy of weaker capacity and lack of trust by deputies and governors in Bank management. At the same time, the evaluation found that many of

Box 2.2: Feedback on selectivity of commitments

A range of stakeholders commented on the lack of selectivity and felt both non-RMC deputies and Bank management were responsible:

"The large number of commitments is striking. AfDB's management was overly solicitous, in contrast to International Development Association (IDA) management, which firmly guided deputies in terms of what topics or commitments were on and off the agenda. [AfDB] management favored responsiveness over coherence. As a result, the commitments added up to a long list, lacking coherence." Former Deputy to ADF-12.

Bank management needs to push back against donors who are asking for an excessive number of commitments but it rarely pushes back for fear of offending donors and possibly compromising the replenishment. Management push back against commitments that it finds unreasonable would not compromise funding. Non-regional Executive Director.

The process needs more selectivity. Management never says no. This can occur only if there is a realignment of power away from the traditional donors to new donors and to regional members. Regional Executive Director.

The commitments under GCI-VI were much too detailed. The GCI negotiations should deal with high-level strategic issues. It is not appropriate for the governors to get involved in micro managing the details of the business process, which should be left to management, or at most the Executive Board. Senior manager.

Source: Interviews

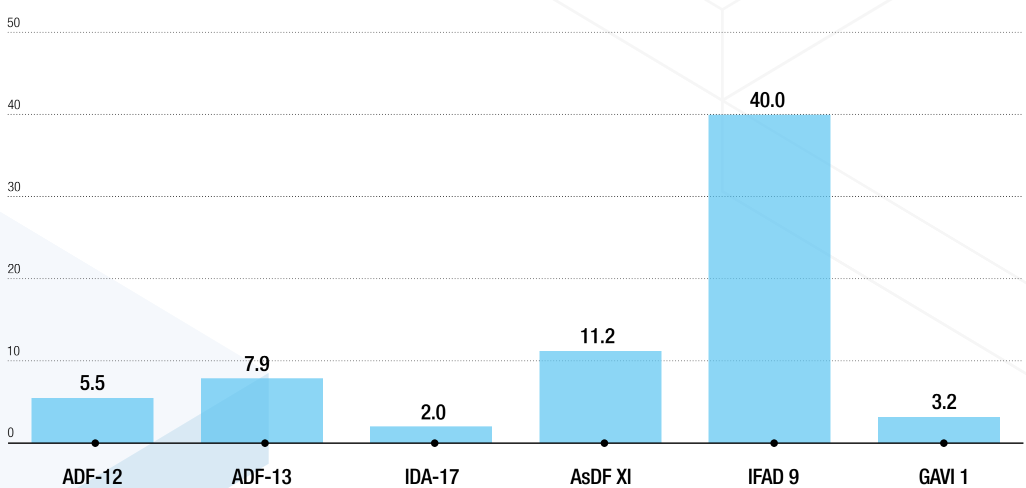
the commitments, especially in the ADF-13 list, were put forward by Bank management, listing actions they were planning to undertake anyway among these commitments. Box 2.2 illustrates the view held by a range of stakeholders that Bank management may have underestimated its scope to push back on specific demands. On the other hand, the count for comparator organizations also shows higher numbers for the more recent replenishments – with three of four having more than 50 individual commitments.

In terms of donor contributions raised, the number of commitments in ADF-12 and ADF-13 is higher than IDA17 but substantially lower than IFAD and the Asian Development Fund (AsDF) XI (Figure 2.1). In the case of AsDF it is instructive to note that the AsDF commitments and how they are monitored is very well aligned with wider Bank undertakings and directions.

Content of commitments. GCI-VI had a high share of institutional and financial commitments, while ADF-12 had a relatively high share of operational commitments. ADF-13, in contrast, not only had a larger total number of commitments than ADF-12, but had a much larger share of institutional effectiveness commitments and actions that could be monitored. For comparator organizations, the share of institutional effectiveness commitments is much lower, with the exception of AsDF.

Strategic level of commitments. As part of the evaluation, an expert panel (see Annex 5) assessed the extent to which commitments are at a strategic level based on whether or not the commitments met one or more of the following criteria: at level of sector policy or strategy; at level of Bank policy; adds to Bank's instrument set; materially affects the Bank's finances; and requires engagement by governors/deputies. The assessment found that less than half of the GCI-VI and ADF-13 commitments were at a strategic level. Less than 30 percent of commitments for all three processes were found clearly to require attention by the governors/deputies (Table 2.1).

Figure 2.1: Number of commitments per US$ billion in donor contributions



Source: Review of data from comparator organizations

Table 2.1: Strategic selectivity of commitments

Regions	GCI-VI	ADF-12 (2011-2013)	ADF-13 (2014-2016)
Percent of strategic commitments*	43	62	48
Percent requiring attention by governors and deputies	29	25	28

*Note: Meeting at least one of the criteria for strategic level

Source: Detailed assessment of commitments by the expert panel (Annex 6)

Conclusions

Relevance ratings are the composite of ratings for alignment and selectivity for each of the three resource mobilization exercises (Figure 2.2). The evaluation finds that the commitments under the resource mobilization efforts are broadly aligned with institutional strategies that are seen as widely owned by the membership. They are furthermore seen as designed to enhance the Bank's effectiveness and accountability. However, there was a mismatch between the commitments and the Bank's capacity to absorb and implement them in the timeframe provided. The analysis of selectivity raises questions about whether the process is sufficiently selective in terms of the number of agenda items and documents (particularly for replenishments), and specifically in terms of the number of commitments, the balance among them and the extent to which they are at a strategic level relevant for governors and deputies as opposed to the Boards of Directors and Bank management. ■

Figure 2.2: Relevance overview

	Alignment	+	Selectivity	=	Relevance
GCI-VI	MS	+	MU	=	MS
ADF-12	S	+	MS	=	S
ADF-13	MS	+	MU	=	MS

S MS MU U

Process and Efficiency

This chapter sets out basic aspects of the processes for GCI-VI, ADF-12 and ADF-13 and their comparators, and goes on to assess the processes in terms of (i) organizational aspects of the meetings, including the number, location, and duration of the negotiation period, and length of the cycle; (ii) the Bank's management of processes, including the documentation, institutional coordination, costs and outreach; and (iii) governance-related process issues and resources mobilized. The chapter draws in particular on comparative information and document review, but is supplemented by interview and survey data.

Basic Elements of the GCI-VI and of the ADF-12 and ADF-13 Processes

GCI-VI process. The Board of Governors approved the resolution authorizing the consultations for GCI-VI at the Bank's 2009 annual meeting in Dakar, Senegal, on 15 May, 2009. Following two consultation meetings of the Governors Consultative Committee (GCC) (Tunis on 11 September, 2009, and Washington, DC, in April 2010), separate consultation meetings of regional governors and of non-regional governors in Tunis and Cape Town, respectively, in February 2010, and a civil society consultation meeting in Tunis in March 2010, the resolution was approved at the annual meetings in May, 2010, which took place in Abidjan.

For GCI-VI one single paper was prepared and revised in four successive versions for review by the governors, as well as an overview. The GCI-VI negotiations proceeded in parallel with the ADF-12 negotiations and governors who were not members of the GCC were also able to take part as contributing observers. All member countries participated in the overall process. It is important to note the global economic context at the time of GCI-VI negotiations. Following the financial crisis, the G20 established a working group to discuss the capital base of all the MDBs. A key meeting took place in March 2009, in Indonesia, where each MDB presented its case for a capital increase. Most of the MDBs, therefore, went through a capital increase process at roughly the same time (with AsDB a year ahead), similar processes and durations, as AfDB (Table 3.1).

Table 3.1: GCI-VI and comparators

	AfDB	IBRD	IFC	AsDB	IADB
	GCI-VI			GCI-V	IDB-9
Last capital increase	1999	1988	1988	1994	1994
Meetings	Five[15]	Two[16]	Two[17]	One on April 6, 2009	Four
Dates	Authorized by Board of Governors, May 2009; ended May 2010	Discussed, October 2009; approved by Board, March 2011	Recommended by Board of Directors, July 2010; adopted by Board of Governors, March 2012	Study initiated in May 2008, endorsed by members, April 2009	Approved by Board, July 2010; approved by members, January 2012[18]
Elapsed time	12 months	17 months	20 months	11 months	16 months
Commitments	35			20[19]	18[20]

ADF-12 and ADF-13 process. As is the case in most MDBs, the establishment of the ADF, including the subscriptions by the Bank and state participants, is enshrined in the Articles of Agreement of ADF. However, the articles do not prescribe a specific process or term for the replenishment cycle.[21] The latest elaboration is the addition, as of ADF-13, of a working group(s) of deputies, which meet to discuss issues between the replenishment meetings.

The timeframes for ADF-12 and ADF-13 were similar, with the replenishment meetings preceded by a number of internal Steering Committee meetings (see Annex 9). ADF-12 involved four meetings, including a first inception meeting that was held at the same time as the MTR for ADF-11. ADF-13 involved three meetings, which followed an MTR meeting for ADF-12. In contrast to GCI-VI, a large number of papers were produced for the two replenishments: 19 papers for ADF-12 and 23 papers for ADF-13[22]. Each replenishment attached an updated results management framework (RMF),[23] which is approved separately by the Executive Board before adoption as the Bank-wide RMF.

ADF-12 and 13 involved the participation of 27 contributor country delegations in the replenishment consultation meetings, including four RMC delegations (Angola, Egypt, Libya and South Africa), and in each case delegates from four ADF-eligible RMCs, representing the four African sub-regions, participating as observers.[24] AfDB executive directors also participated as observers along with a large number of Bank managers and staff. An external coordinator chaired each of the two replenishments.[25]

Like ADF, other MDFs have regular replenishment cycles of three years, except AsDF, which is on a four-year cycle (Table 3.2). Other MDFs hold some of their replenishment meetings away from their headquarters (with the exception of IFAD). All the different replenishment meetings fall broadly within the same time periods, involve a similar number of commitments and associated detailed RMFs. They have similar numbers of meetings; the more recently established Global Fund and the Global Alliance for Vaccines and Immunization (GAVI) are exceptions and have only two meetings (in addition to a meeting for the MTR).

Organizational Aspects of the Consultation Meetings

For GCI-VI, the process from the resolution authorizing consultations to the final GCI resolution took one year. However, it is important to note that a full year prior to receiving the formal go-ahead to begin the process, the Bank was making its case for a sizable capital increase, including in the context of the G20. If all consultation meetings are included there were a total of five meetings, which took place in a range of locations (see Table 3.1).[26] Formal meetings were linked to the GCC and two to the Bank's annual meetings. Three of the meetings were held in Tunis. The evaluation team did not hear concerns from either internal or external parties regarding the number of formal meetings held, and the consultation meetings (one with civil society, one with regional members and one with non-regional members) were considered crucial stepping stones. Another reason why the number of meetings was widely seen as appropriate is that GCIs happen infrequently, with no set interval between them. The Bank does not currently envisage proposing a further capital increase until at least 2020.

As recommended in the 2009 review of the replenishment process, ADF-13 moved from four to three formal replenishment meetings, with an additional meeting for the MTR. The number of meetings for comparator processes has varied from five to two. Like AfDB, AsDB reduced the number of meetings in the most recent replenishment,

Table 3.2: ADF-12, ADF-13, and comparators

	ADF-12	IDA 16	AsDF X	IFAD 8	Global Fund 3	GAVI 1
Replenishment period	2011-2013 (3 years)	2011-2014 (3 years)**	2009-2012 (4 years)	2010-2012 (3 years)	2011-2013 (3 years)	2011-2015 (5 years)
Meetings (#)	4***	4 + MTR	4 + MTR	5 + MTR	2 + MTR	2 + MTR
Dates	Oct. 2009-Sept. 2010	Mar.-Dec. 2010	Sept. 2007-May 2008	Feb.-Dec. 2008	Mar.-Oct. 2010	Mar. 2010-June 2011
Elapsed time	10.5 months	9.5 months	7.5 months	10 months	6 months	15 months
Commitments (#)	32	57	33	33	no framework	29*
	ADF-13	**IDA 17**	**AsDF XI**	**IFAD 9**	**Global Fund 4**	
Replenishment period	2014-2016 (3 years)	2014-2017 (3 years)	2013-2016 (4 years)	2013-2015 (3 years)	2014-2016 (3 years)	
Meetings (#)	3 + MTR	4 + MTR	3 + MTR	4 + MTR	2	
Dates	Feb-Sept. 2013	Mar.-Dec. 2013	Sept. 2011-Mar. 2012	Feb. 2011-Dec. 2011	Apr.-Dec. 2013	
Elapsed time	7 months	10 months	8 months	10 months	8.5 months	
Commitments (#)	45	53	52	56	no framework	

*Source: Global Alliance for Vaccines and Immunization (GAVI) Strategy 2011-2015: Business Plan (available in PDF format).
** The IDA 16 period ran from July 1, 2011-June 30, 2014.
*** The first ADF-12 meeting took place together with the ADF-11 MTR, so was not a full meeting.

compared to the previous one, while IDA retained the four-meeting format. Against the comparators reviewed, and compared to earlier ADFs, the change from four to three meetings constituted a reduction in transaction costs – both for the Bank and for the fund members. It is of interest to note that in the case of the two vertical funds (Global Fund and GAVI), two meetings satisfy the expectations of the donors.

Opinions about the optimal number of meetings for replenishment varied across different stakeholders. Based on survey responses, the majority of deputies considered the current number of meetings to be appropriate, while half of the 12 executive directors most familiar with ADF-13 found the meetings to be too many. The majority of interviewed senior managers and staff were moderately unsatisfied or worse with the current number of meetings. While one of the external coordinators interviewed commented that the frequency [of meetings] was about right, another stated: *"The first and second meetings are devoted to where you currently are, which ends up to be a waste of time. They are pro forma and largely 'throat clearing'."*

ADF-12 consultations were convened in different locations, mostly away from Bank headquarters. For ADF-13, consultations were mostly held at headquarters, a conscious decision to limit costs.[27] The views among interviewees on this question show that two-thirds of the deputies and executive directors are in favor of having all meetings at Bank headquarters, while three-quarters of senior managers and staff disagreed – one reason given being that meetings in RMCs gave deputies the opportunity to see the Bank's work in action.

As regards the intervals between replenishments, there was some agreement among deputies and executive directors, with close to 60 percent of both surveyed groups expressing a preference for a replenishment cycle longer than three years, though interviews of both groups were slightly more positive about the existing three-year cycle. Two-thirds of the senior managers and staff interviewed thought the current three-year cycle was not optimal. These mixed results reflect a trade-off between, on the one hand, cost in terms of workload and budgetary outlays of more frequent replenishments, which is mostly (though not only) borne by the managers and staff, and, on the other hand, the benefit of more accountability and responsiveness to members' concerns. One benefit noted by staff and management is that a four-year cycle would allow more time (two years) for the implementation of replenishment commitments before the MTR is prepared. However, a potential risk expressed by some was that some donors may not adjust their total contributions upward to maintain their annual contribution level with a four-year cycle. When the possibility of switching to a four-year cycle was last discussed, concerns that this spreading of resources may occur were heightened due to ADF contributors' difficult economic context at the time, a context which has eased since then. Others cited AsDF's four-year cycle as an argument in favor of moving towards their approach.

Management of the Resource Mobilization Processes

The GCI-VI process was managed by AfDB's Vice President for Finance with the engagement of a task force of 18 managers and staff. For the GCI discussion, one overarching paper formed the basis of discussions and was revised four times. Review of the documentation shows satisfactory papers were produced both to support the Bank's initial business case, and then as part of the capital increase negotiations themselves. At AsDB, four international staff—two each from the strategy and treasury departments—worked on GCI-V.

The internal management process introduced for ADF-11, with the establishment of a small, dedicated resource mobilization team and regular oversight by a senior management committee,[28] was continued for ADF-12 and ADF-13. The Bank Steering Committee was established to guide the process and helped to facilitate internal coordination and to foster broad familiarity with the resource mobilization process across the institution. It comprised senior managers and vice-presidents. In practice, especially for ADF-13, attendance was delegated, and a wide range of staff attended the meetings,

Compared to the small team managing the recent ADF replenishments, the World Bank has a department, headed by a director, supporting IDA replenishments drawn from operations and finance. Amounting to on the other hand, at AsDB the process is led principally by a core team of four international staff drawn from the strategy and treasury departments and Office of the Secretary working under the guidance of the Managing Director General and the head of the strategy department. AsDB relies on some three meetings of the heads of departments rather than numerous steering committee meetings. Since 2013 the Bank has had a full department (FRMB) headed by a director, as opposed to a unit, which covers all resource mobilization issues, not only ADF. The division that leads on ADF amongst other issues had five professional level staff at the end 2014, down from eight in 2013, a decrease in staffing compared to the previous arrangement.[29]

Based on review of documentation and feedback received in interviews, the quality and timeliness of documentation for the two replenishments has been satisfactory. However, the large number of papers that had to be prepared and the attendant cost in terms of management and staff time was seen as a practical problem by management and staff. The preparation of papers and meetings represented an intensive process for the staff and managers involved, with a large number of steering committee meetings. Excluding MTRs there were 19 papers for ADF-12 and 21 for ADF-13; while 17 steering committee meetings for ADF-12 and 21 for ADF-13 took place. For GCI-VI, with only one paper in successive versions, the issue of number of papers and their cost did not arise to the same extent.

Like other multilateral development funds (except IDA), the Bank used external coordinators to help facilitate the replenishment consultation process. There was wide agreement in the interviews that the external coordinators played a very helpful role, especially for intermediation between management and deputies.

Although running on similar timeframes, there was not only separate managerial oversight for GCI-VI and ADF-12 replenishment, but also separate managerial steering groups. Some interviewees recalled occasional overlaps and tensions between the two processes, in particular in terms of competing demands on senior management time, which caused some internal frictions and concerns regarding duplication. In addition, some thought that there were missed opportunities for tapping synergies between the two parallel processes. The few commitments that align between the two support the idea that coordination and cross-fertilization could have been stronger, and is a lesson that should be recalled in case future GCIs take place at the same time as an ADF replenishment. Following recent restructuring, both processes would be led by the Finance Complex, placing the Bank in a better starting position to coordinate the two processes.

Budgetary and staff costs. The direct budgetary costs associated with managing the ADF replenishment process are modest, especially when seen against the size of replenishments that are mobilized. The direct expenditures amounted to 860,000 units of account (UA) for ADF-12 and, to date,[30] UA 375,000 for ADF-13 (from a budget allocation of UA 765,000). The lower allocation for ADF-13 is driven by the shift in venue of the formal meetings to Tunis. Estimates of the staff costs for attending steering committee meetings alone amount to about UA 150,000 for ADF-12 and UA 230,000 for ADF-13.[31] However, these amounts do not include the opportunity cost of the large amount of management time and attention devoted to the resource mobilization efforts, including drafting the numerous papers.

For GCI-VI, with the meetings linked to the GCC and annual meetings as well as the limited number of people engaged in the process meant that issues of cost did not arise to the same extent, but also that the costs specific to GCI-VI could not be separated out. Given this data limitation and the infrequency of the process and size of the capital increase, the evaluation finds no evidence of unwarranted costs incurred in this process.

Nevertheless, amongst some groups there is a perception that costs were high. Over 80 percent of the deputies and executive directors and close to 90 percent of the senior managers and staff who were interviewed and did have views about the subject rated the budgetary costs of the resource mobilization efforts in general as moderately unsatisfactory or worse. This perception may be explained more by transaction costs than by budgetary costs. Managers and staff see the resource mobilization efforts, and especially the replenishment consultations, as very burdensome. As one manager put it: *"The process has a huge toll on our staff and budgets. Whatever will reduce the cost would be a huge help."* The estimated cost of the process is much higher at the World Bank (as are the amounts of resources mobilized), which has a full department focused on IDA, and lower at AsDB.

Outreach. As regards outreach to contributors outside of formal replenishment meetings, the Bank's management has reached out to governments with visits to capitals and, in the case of GCI-VI, outreach meetings were organized for subgroups of the membership and for civil society representatives in the region. For the ADFs, the President's participation in outreach to contributing country capitals and in the meetings themselves is relatively high compared to some other MDBs. For example, at AsDB much of the outreach is the responsibility of the Managing

Director General working together with the Head of the Strategy and Policy Department. In contrast, at IFAD, the President was highly engaged in the last (IFAD 10) replenishment process. Despite the Bank's efforts, and the high-level engagement, in the interviews the uniformly prevailing view among deputies and executive directors (18) was that more outreach was needed, while managers and staff were roughly equally divided on the question.

Governance Aspects of the Processes

For GCI-VI the Bank had clear guidance on who was responsible for what aspects. The framework paper states: *"Management will prepare all of the technical work necessary to effectuate the Capital Increase under the guidance of the Board of Directors and all such work shall be reviewed by the Governors' Consultative Committee, in accordance with its Terms of Reference, before submission for adoption by the Board of Governors."* The central role of the Executive Board was clear. It is also the Board that reviews updates on delivery of GCI commitments. In addition, while some of the larger shareholders exhibited a stronger voice, all RMCs were represented because the GCC welcomed non-members to attend the meetings as observers but also to express their views. This ensured the opportunity for all RMCs to have a voice in the content of the commitments agreed. In addition, the participation of executive directors in an advisory capacity only is only set out clearly in the terms of reference of the GCC.[32]

In contrast, there are a number of issues affecting the efficiency of the resource mobilization processes that relate to or are constrained by governance considerations for AfDB and ADF.

RMC participation. The resource mobilization processes gave contributing countries (including four RMCs) plenty of opportunity to exercise oversight and provide direction, as also documented in the interviews and survey. However, the level of ownership and buy-in from the non-contributing RMCs was of concern to some stakeholders. There was considerable divergence of views expressed during interviews. Almost all deputies and non-regional executive directors were at least moderately satisfied with the level of RMC representation, while all the regional executive directors who were interviewed were dissatisfied. Senior managers were broadly split. Most agreed, however, that in some instances the interventions of RMC representatives contributed materially to resolving issues, as happened at the end of ADF-13 when discussing reform of the performance-based allocation rules. Others also emphasized the importance of RMCs themselves, proposing the right type and level of representative, and ensuring pre-agreed messages are effectively relayed. Other MDBs (AsDB, World Bank) have little representation of recipient countries in their replenishment consultations. IFAD is the exception, with full participation of recipient member states in its replenishments.

One area for which ADF should be commended is in terms of transparency and information disclosure. Many of the documents, including papers, meeting reports, and statements are publically available. The same information is more difficult to access in the case of GCI-VI – a pattern that is similar in the other MDBs.

The relationship between deputies and the executive directors. There is a widespread perception in AfDB that the commitments made under ADF replenishments drive policies for the entire Bank group. As one senior official directly involved in the ADF-13 replenishment put it: *"There is a pervasive tension between the Board and the replenishment, with replenishment decisions endorsed by the Board as a pro forma matter and hence non-donor RMCs feeling they are asked to rubber stamp decisions that affect their countries, but for which they had no real engagement."* The issue is compounded by the executive directors' perception of the lack of transparency, such as in limiting their access to the replenishment web portal; although they receive the same documents as the deputies and there is a Board information seminar, they are not party to the online discussion forum in the portal. In more recent replenishments, executive directors have been invited to attend the meetings as observers. Nevertheless, a majority of regional executive directors, senior managers and staff felt that there is a need to clarify the roles of the deputies and executive directors. However, this issue was not a concern amongst the deputies and advisors interviewed.

Mobilization of Resources

A final consideration relates to the question of whether or not the resource mobilization processes resulted in adequate and predictable member and donor pledges. Details are provided in **Annex 10.** For GCI-VI, which resulted in a 200 percent increase, the result was favorable. Only AfDB and AsDB achieved a 200 percent increase. In absolute terms, AsDB was most successful, with a capital increase of US$110 billion, compared to AfDB's US$66.5 billion. AfDB also fared well in terms of its share of paid-in capital (6 percent), which was equaled only by the International Bank for Reconstruction and Development (IBRD).

For the ADF replenishments the resource mobilization picture is more complicated. ADF-11 saw a major increase (52 percent) in replenishment resources (i.e., external contributions and internal resources from reflows, etc.). External contributions met this already raised bar but did not increase further in ADF-12. Although contributions increased slightly (by 1.3 percent, compared to a slight decrease for IDA 17 and a large increase for AsDF 11) under ADF-13, total replenishment resources dropped by 17 percent. The reasons for this drop were that internal resources declined significantly due to the low interest rate environment that affected the returns on the Fund's liquidity and to a change in the reallocation rules for cancelled loans.[33] Since ADF-12 followed a huge increase under ADF-11, which had stretched donors as well as internal resources and implementation capacity, and ADF-13 consultations took place in a more difficult donor environment overall, a flat replenishment outcome for ADF-12 and ADF-13 should not have come as a surprise or disappointment. It should also be noted that during the period under review the Bank has brought new contributing countries to the table: Angola, Libya, Luxembourg and Turkey. Against this background, it is not surprising that responses to interview questions about the effectiveness in raising adequate resources were mixed. Deputies and non-regional executive directors representing ADF state-participants were overall satisfied, while most regional executive directors were moderately dissatisfied. Managers and staff were split, but a majority registered at least moderate satisfaction with the outcome of all three processes.

Ability to attract new donors/shareholders. A key challenge for all MDBs in their effort to mobilize resources is their ability to attract new donors. AfDB has faced difficulties in bringing new donors into the fold, as reflected in the interview responses. With the exception of the deputies, all interviewees rate the Bank's and ADF's ability to attract new contributors as moderately unsatisfactory or unsatisfactory. There is a perception that the governance structures of AfDB and ADF reduce interest from new contributors, since votes of members are based on cumulative contributions; although in practice ADF negotiations involve little or no voting.[34] The Bank is currently increasing its efforts to attract new donors, though in most cases not through the GCI and ADF but other funding mechanisms, such as trust funds. Indeed, the Bank has now established a team within the department responsible for resource mobilization, focused on attracting non-sovereign donors, and at the time of writing it was also developing a resource mobilization strategy.

Conclusions

Efficiency or process ratings are composites of ratings for key dimensions of the meetings, management of the process, governance, and the adequacy of resources mobilized (Figure 3.1).

Relative to the ADF replenishments, GCI-VI was efficient in terms of the management of meetings, the number and quality of papers, and internal management, notwithstanding some internal concerns regarding duplication and untapped synergies with ADF-12. It also did not face the same challenges in terms of governance, since the role of the Board and of all RMCs was clear. It is therefore rated as satisfactory. The moderately unsatisfactory rating of the ADF replenishment process overall may well be at odds with the perception of ADF deputies, not least since the evaluation does not find ADF to be markedly less efficient than similar processes at other MDBs. The evaluation also notes that some gains were made in ADF-13 compared to ADF-12. Nevertheless, the evaluation shows that further efficiencies can be found, including in terms of the number of papers produced and impact on staff and management time; improvements to the process in general – including on governance issues – could also reap returns. As analysis of comparators has shown, many of the difficulties of ADF's replenishment process are also to be found at other MDBs; therefore, reforms of the replenishment processes may best be pursued for all MDBs in parallel. ■

Figure 3.1: Process overview

	Organisation aspects	+	Management of the process	+	Governance aspects	+	Resources mobilized	=	Overall process
GCI-VI	S	+	MS	+	S	+	S	=	S
ADF-12	MU	+	MS	+	MU	+	MS	=	MU
ADF-13	MU	+	MS	+	MU	+	MS	=	MU

S MS MU U

Delivery of Commitments

This chapter provides independent verification that the commitments have been delivered. It also looks at the extent to which the commitments were delivered on time and the factors that contribute to delays. It also notes the systems the Bank has in place to monitor and report on delivery. It draws largely on document review to verify delivery and dates and, supplemented by interview, data expert panel review to help identify factors associated with timely delivery.

Delivery

The results of the review of the delivery of 35 commitments for GCI-VI, 32 commitments for ADF-12, and 45 commitments for ADF-13 are shown in Table 4.1 below. The full list of commitments and their status is also provided in Annex 2.[35] The two GCI-VI commitments not fully delivered are ongoing and it should be noted they are also not entirely under the control of Bank management.[36] For ADF-13 the situation is fluid, but at the time of writing the majority of those commitments that were due had been delivered, with evidence of progress on some of those outstanding.

Timeliness of Delivery

Although the evaluation finds a good record in terms of delivering agreed outputs, many of these deliveries are subject to significant delays. Less than half of the commitments for GCI-VI and ADF-12 were delivered on time (40 and 44 percent, respectively). The delivery period for ADF-13 is ongoing (ending in 2016); but the majority of the commitments for ADF-13 that were due at the time of writing were delivered on schedule.

Knowledge of and perceptions about the timeliness of delivery amongst staff and managers varied significantly. Not all those interviewed were able to answer the question, not surprising given few individuals have an overview of all the commitments. Based on those that did answer, more of the staff and managers interviewed were aware of the issue of delays than either executive directors or deputies.

Factors Contributing to Delays

AfDB's organizational model for the delivery of commitments, as in other comparators, is to rely

Table 4.1: Delivery of commitments

	GCI-VI	ADF-12	ADF-13
Total number of commitments	35	32	45
Commitments not yet due	0	0	4
Commitments delivered of which:	33	32	36
Commitments delivered on time	14	14	24
Commitments delivered late	19	18	12
Commitments due but not delivered	2	0	5

on the relevant line departments to deliver the commitments. However, the relevant line department is not always a party to the discussions leading to the matrix of commitments and, particularly, the timeframe for delivery. Furthermore, there is little evidence of systematic planning for the delivery tied to the committed date. In the same context, the Bank does not explicitly cost and budget for the delivery of commitments. Each commitment is different, some will necessarily take more time and resources to deliver than others, and some will encounter political or legal constraints – underlining the importance of tailored planning. These issues of planning, costing staff time and budgeting are systemic and not unique to planning and management of the delivery of commitments made under resource mobilization processes. The Bank-wide project processing schedule system introduced in late 2013 is designed to remedy the gap in planning for timely delivery, but its application is still at an early stage.

The evaluation assessed the realism of the timeframe for delivery and found the target dates for delivery of commitments to be realistic for 63 percent of the GCI-VI commitments, 63 percent of the ADF-12 commitments, and 70 percent of the ADF-13 commitments. Overall, the team found the delivery dates to be unrealistically short for some one-third of the commitments. One of the starkest examples was the commitment made under GCI-VI in 2010 to produce a new long-term strategy in 2011. Given the importance of internal and external discussion and consultation for such a crucial document this was not a feasible delivery date, and the TYS was delivered in 2013. In addition, the commitments are frontloaded (Figure 4.1) – with the majority scheduled to be delivered in the first year for all three of the processes – partly to enable reporting of progress by the time of the MTR (in the case of ADF) and for the first annual monitoring report (in the case of GCI).

Based on the team's analysis, the delays can be attributed to three interlinked reasons. The extent to which these factors contributed to delivery delays is summarized in Table 4.2.

Figure 4.1: Sequencing of commitments

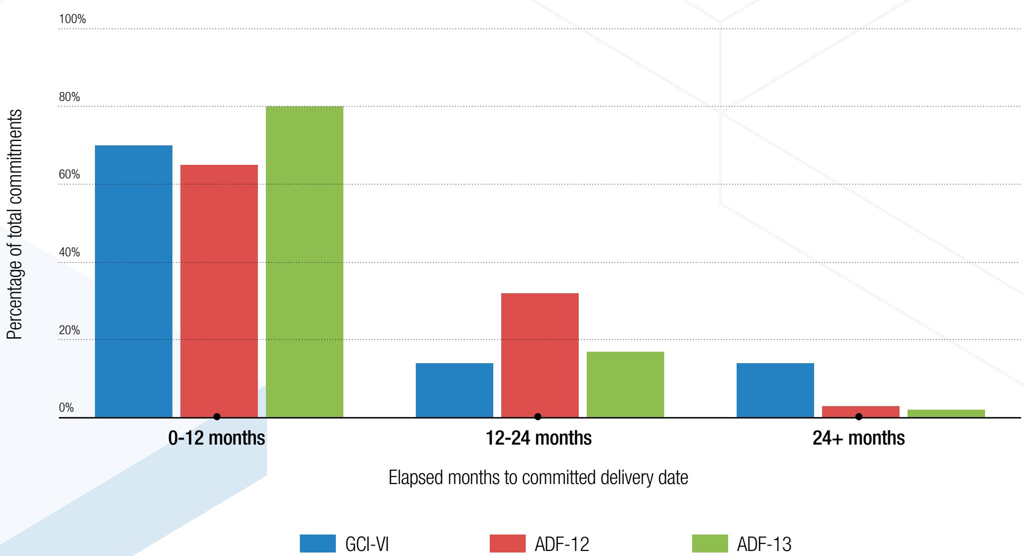


Table 4.2: Proportion of delayed commitments for which identified factors contributed to delays

Reasons for delay	GCI-VI	ADF-12	ADF-13
Complexity of the commitment	53%	44%	25%
Inadequate planning	53%	38%	70%
Inadequate institutional space/coordination	21%	25%	25%

Note: More than one factor can contribute to delays in each case.

- Complexity of the commitment arising from its substantive nature, which may require detailed analytical work whose results are unavailable at the time of making the commitment, or which depends on reaching agreement among a diverse set of stakeholders with contrary views over whom the Bank may have little control. A number of the complex commitments relate to the adoption of policies and strategies. In such cases, for example the Energy Policy where there was a divergence of views among shareholders, it is hard to predict how long it might take to reach agreement. Other examples of complex commitments include the TYS, the Private Sector Development Strategy, the Disclosure and Access to Information Policy, and the adoption of a new compensation framework. At the same time, the Bank's own processes for developing and approving policy and strategy documents are not considered efficient by all internal stakeholders – over half of those interviewed and 40 percent of those surveyed considered the Bank's systems for preparing policies and strategies to be insufficiently efficient.[37] Another aspect noted by some key informants, particularly relevant for policy or financial instrument changes, is time taken to ensure full legal alignment, notably with the Bank's charter.

- Inadequate planning contributed to delays in almost 40 percent of the delayed cases for ADF-12 commitments, more than half for GCI-VI and more than two-thirds for the ADF-13 commitments that are due. Systemic problems with planning for timely delivery of commitments were partially due to the departments responsible for delivery not being fully involved when the commitments and related timelines were agreed. Examples of such delays include implementation of the delegation of authority matrix for procurement, fiduciary standards and operations. Examples under ADF-12 include adoption of the supervision guidelines and the regional integration strategy.

- Inadequate institutional space/coordination was a constraint in some cases, particularly where delivery required coordination and collaboration among different units. Delivery was more frequently timely where the commitment delivery responsibility was allocated to a single department, which could incorporate the delivery of the commitment into its regular work program, and fund it out of its regular budget – for example, the Results Measurement Framework (RMF). In contrast, commitments such as the Private Sector Development Strategy were delayed in part due to the lack of an institutional anchor or owner to lead it.

Monitoring and Reporting on Commitment Delivery

One important instrument for assuring timely delivery of commitments is a monitoring and reporting system. A staff member from the office of the Chief Operating Officer has been responsible for tracking the status of delivery of GCI-VI commitments, reporting to senior management, and providing an annual report to the governors. This staff member, while collecting information on the status of delivery of each GCI-VI commitment, also serves to prod those responsible for delivery – with the backing of the Chief Operating Officer if required. This has been a useful oversight and coordination exercise. This is similar to the practice at other MDBs, where GCI commitments are monitored similarly. Delivery of ADF commitments has been periodically discussed at the Senior Management Coordination Committee and comprehensively reviewed in the context of the MTRs. Bank annual general meetings have included some discussion of delivery for both sets of processes. AsDB monitors delivery of commitments annually through their broader RMF-monitoring, while IDA monitoring takes place largely through the mid-term report. At AfDB, recent improvements in delivery management supported by the Delivery and Performance Management Office (e.g., executive dashboard) should enable effective monitoring of the delivery of commitments without the need for a separate "system" dedicated to this purpose.

Conclusions

In summary, virtually all of the GCI-VI and ADF-12 commitments, and ADF-13 commitments that are due, have been delivered. Accordingly, delivery of commitments for GCI-VI, ADF-12 and ADF-13 is rated as satisfactory (Figure 4.2). However, around half were delivered late, some more than one year after the due date. The timeliness of delivery is rated as moderately unsatisfactory. Target dates for delivery are unrealistic for about one-third of the commitments. Factors contributing to delays include the complexity of commitments, lack of planning for timely delivery, and inadequate institutional resources and coordination. ■

Figure 4.2: Delivery and timeliness overview

	Delivery	+	Timeliness
GCI-VI	S	+	MU
ADF-12	S	+	MU
ADF-13	S	+	MU

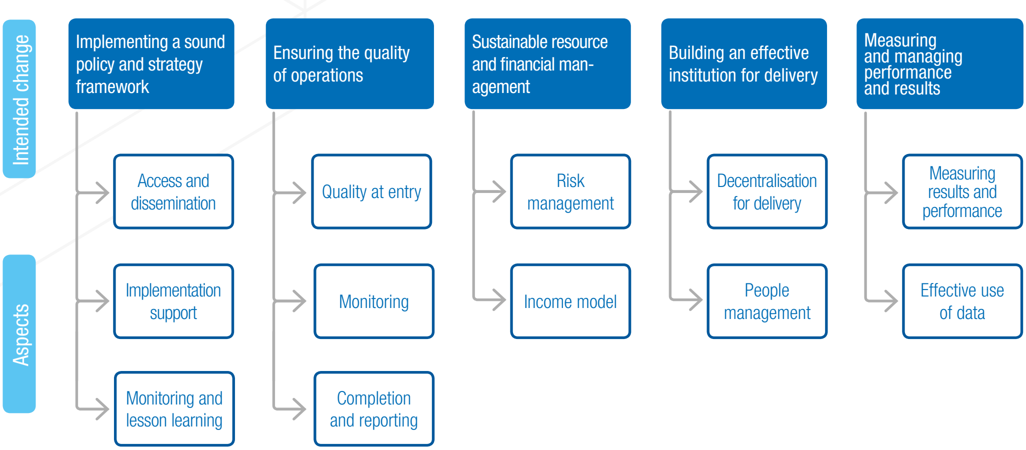
S MS MU U

Effectiveness of the Implementation of the Commitments

This chapter examines the effectiveness of implementation (distinct from delivery) of the commitments, namely, the extent to which the commitments have helped the Bank to get where it and its shareholders and fund members want it to go, in terms of building an effective and efficient institution that maximizes its contribution to development on the continent. Given the number of commitments and the cross-linkages between them, the assessment of implementation effectiveness was conducted by focusing on five "clusters" of commitments (rather than on each individually, or separating by process). The five clusters, discussed below, are (i) policies and strategies; (ii) operations; (iii) resources and financial management; (iv) institutional effectiveness; and (v) results measurement (Figure 5.1). The grouping is also constructive since it is too soon to make any assessment beyond delivery for individual ADF-13 commitments: the ADF-13 period is very much ongoing, though in many areas the commitments focus on similar areas to the preceding processes. In addition, the majority of commitments made under GCI do not only affect AfDB but also ADF operations; and similarly most ADF commitments affect not only ADF but also AfDB.

An overall assessment is made of (i) the extent to which intended change has been achieved to date and (ii) the direction of travel based on recent developments. The focus is on the period 2010-2014. Given the breadth of areas collectively covered by these five clusters, the assessment draws, in particular, on secondary documentation, supplemented by interviews. A more detailed

Figure 5.1: The five clusters examined



assessment would require a separate evaluation for each of the five clusters.[38]

It is useful to see these assessments against the background of internal perceptions regarding the Bank's record on implementation. In interviews of staff, management, and some executive directors, the issue of implementation was discussed. It should be noted that only a minority of interviewees felt well enough informed to answer these questions relating to implementation. Nevertheless, those close enough to these processes to respond described a Bank with challenges when it comes to implementation in general. When asked to assess the support provided for implementing the commitments they were most familiar with, the majority stated that (i) the provision of budgetary resources was unsatisfactory; and (ii) training support was unsatisfactory. Just under half thought that provision of relevant guidance materials and supporting documents was either unsatisfactory or moderately unsatisfactory (Annex 7). Survey results are shown in Annex 8.

Policies and Strategies

Commitments undertaken for the three processes each included six to 10 commitments linked to policies, strategies, and frameworks (see Annex 2). The intended change was not only to provide a good strategic and policy framework for the Bank on paper but to ensure each is implemented in practice. To help understand the progress that the Bank has made towards this intended change the following aspects are examined: (i) access and dissemination; (ii) implementation support, such as training and guidance documents; and (iii) monitoring of implementation. A distinction is also made between the overarching strategies (the MTS and TYS) and the rest of the Bank's policy and strategy suite.

Importantly, the intended policy and strategy framework has largely been put in place, and overall the quality is satisfactory. A parallel evaluation[39] of the Bank's policies and strategies found the coverage of the suite to be comprehensive and to be up to standard overall. However, it identified a need to clarify the role and nature of different documents (notable the difference between policies, strategies, guidelines, etc.).

In terms of dissemination and access, the picture is mixed. Good practices exist, notably dissemination of the TYS and the Disclosure and Access to Information Policy. However, these cases are not representative of dissemination of other policies and strategies over the period, and in other cases internal dissemination has been insufficient. Interviews and surveys indicate that a large minority of staff thought dissemination was not satisfactory, and discussions in focus groups raised further concerns. Levels of awareness amongst staff also varied by document – with between 67 and 31 percent claiming either to have read carefully or at least have a general idea of the contents of specific documents. Linked to the issue of dissemination is the question of how the documents are accessible to staff. During the period under review[40] there was no easy-to-use repository where staff could access active policies or strategies.

Based on evidence from case studies, interviews and views collected via a staff survey, implementation support has been lacking. Specifically:

- *Supporting documentation such as practical guidance.* Unlike in key comparators, the Bank tends to approve policies and strategies on the basis that appropriate supporting guidance will be drawn up later. In practice the time lag can be significant, and this necessarily impacts on the speed and quality of implementation, especially where major changes have been agreed.

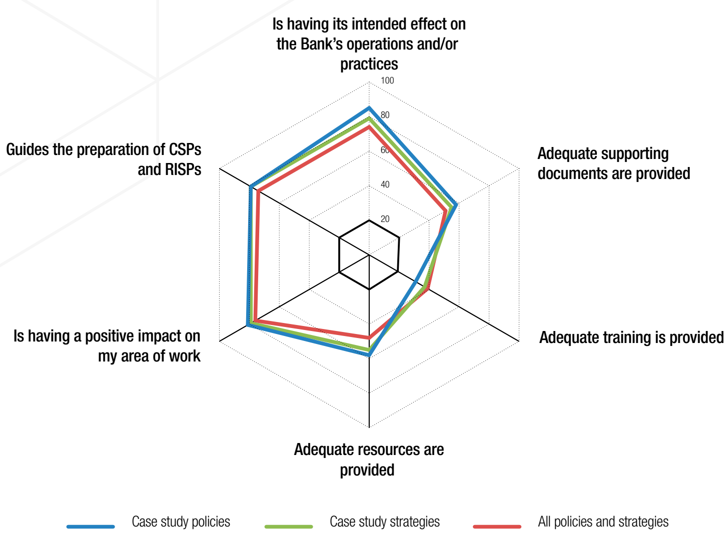
- *Allocating resources to enable implementation.* Particularly in the case of strategies, the Bank has not always matched its level of ambition with enough resources. In some cases, budget neutrality is claimed, in others staff increases are planned but not executed. In contrast, there are examples where the need for additional resources was acted on – for example in the recent cases of the gender and fragility strategies; though it is not yet possible to show if the level of resourcing provided is indeed aligned with the level of ambition set out in those two strategies.

- *Training to help staff to implement*. As Figure 5.2 illustrates, staff views on the adequacy of training provided to support implementation are particularly negative. The case studies illustrate the types of gap in training provision. For example, the 2012 Program-Based Operations Policy involved important changes; however, supporting guidance followed over a year later and the planned training was not delivered beyond a small number of launch workshops. The 2014 Fragility Strategy provides a more positive example, with guidance and some initial training underway within the first year.

Case studies and interviews also highlighted the importance of high-level leadership and ownership as an enabler for implementation. Such championing has been important to ensure progress in implementing cross-cutting strategies, where there is no single departmental anchor. For example, the Private Sector Development Strategy implementation was premised on the support of a senior cross-departmental committee, but this was not established. This contrasts with the high-level backing provided to the Gender Equality Strategy, which – coupled with resources - has enabled internal awareness-raising efforts to date.

The fourth dimension of policy and strategy implementation is monitoring, and this has been

Figure 5.2: Views on the implementation of policies and strategies



inconsistent. While strategies now contain results frameworks usually with mid-term milestones, in some cases these could be strengthened, and in some MTRs they have not taken place in a timely way. The incentives to ensure planned monitoring is carried out are not strong enough. On the other hand the Operations Committee plays a role in ensuring policies are adhered to and strategies are not ignored; the legal department also acts as a guardian of policy adherence – most notably through OPSCOM and SMCC.

It is worth noting that despite the challenges identified above, there is little doubt that both policies and strategies in general are having an impact on what the Bank does and how; the question is whether the impact is maximized. The majority of staff considered that the policies they were most familiar with were having a positive impact on the Bank's work in general and their work in particular.

It is also worth noting the distinct role played by the TYS and the MTS, which both helped the Bank to focus on strategic objectives and operational priorities. Documentary review and interviews confirm that the existence of the MTS as a backdrop to the GCI-VI and ADF-12 processes, and the TYS for ADF-13, helped to organize discussions around the Bank's strategic priorities. Implementation of the TYS has been prioritized in the Bank, with relatively good dissemination and ongoing work to develop tools for staff to implement new themes, notably through the CSPs.

Overall, there has been progress, but some outstanding issues relating to organization of the suite and support for implementation – not least in terms of training and resources – indicate that achievements have not yet been maximized. The direction of travel is more positive given the Bank's recent drafting of a policy and strategy volume of an operations manual and initial attempts to clarify the policy and strategy nomenclature. Progress will be contingent on Bank management (and the Board's) recalibrating the balance of their attention towards implementation of policies and strategies (as opposed to approval) and appropriately resourcing that shift.

Operations

Collectively, the three processes included a wide range of commitments related to operations. Although these cover a range of issues, the overriding theme is a concern to increase the quality of Bank operations. The drive for improved quality of operations was also related to the fact that under GCI-VI in particular, but also ADF (especially following the major increase in ADF-11), the Bank was expected to increase the volume of its lending. The Bank has succeeded in deploying ADF funds, notwithstanding some bunching towards the end of the cycles. However, lending under GCI-VI has consistently been below the baseline scenario the Bank projected in 2010.[41] While the ultimate objective is to increase the ultimate quality of the Bank's operations, to evaluate this is beyond the scope of this evaluation; the assessment here is focused on assessing whether the enablers for improving project quality have been put in place and are being fully implemented. The following enablers are looked at, reflecting the full project life cycle: (i) quality at entry of CSPs and operations; (ii) project monitoring/supervision; and (iii) completion and lesson learning. Available proxy indicators for project quality are also highlighted.

Quality at entry. The Bank has put in place a range of processes to support quality at entry. For sovereign operations, in addition to a system of internal peer review, country team discussions and, depending on the department, a departmental review process, the Bank introduced a readiness review system in 2010 that was updated in 2013. This system is focused on compliance against set criteria, as opposed to a technical review. Staff views on the usefulness of the country team format for improving the technical quality of operations are mixed.[42] The Bank acknowledges that there is some way to go in ensuring the quality of these reviews. A review of a sample of Readiness Reviews in 2013 and 2014 highlighted concerns in (i) ensuring all of the standard criteria are examined; (ii) overall quality of the reviews (iii) worsening timeliness of the reviews; and (iv) motivating the focal points now in charge of the reviews. Nevertheless 98 percent of projects received a satisfactory quality-at-entry rating, meaning they pass the basic threshold.[43] The introduction of Readiness Reviews has resulted in noticeable improvement in the quality at entry of CSPs, although they are still short of the latest targets.[44] For non-sovereign operations the Bank applies the Additionality and Development Outcomes Assessment (ADOA) and a separate risk review. The Bank is reviewing the ADOA framework following a separate IDEV evaluation.[45]

Despite new quality at entry tools a 2014 portfolio improvement study noted that inherent design weaknesses were consistently not being picked up, these include a lack of analytical work (including to establish baselines data in the majority of projects reviewed), weak capacity of design teams and inadequate lesson learning from past experiences.[46]

Project monitoring. The Bank updated its traditional supervision practices, which tended to focus on issues like disbursement rather than development outcomes and vary in quality and depth, with the implementation progress and results reports (IPRs). The new approach seeks to ensure that progress towards outcomes is assessed, and a clear consistent methodology is followed. Application of the new IPR system is in progress. While highlighting that progress has been made, reviews of 2013 and 2014 data[47] pinpoint challenges in full roll-out, including (i) that not all operations eligible for an IPR had one, with significant variation in compliance with the new approach by department, however coverage increased from 68 percent in 2013 to 77 percent in 2014; (ii) that management had validated only 61 percent of the uploaded IPRs in 2013; (iii) that more than 50 percent of the 2013 sampled operations had unsatisfactory compliance with the IPR methodology when rating progress towards outcomes and outputs or rating implementation progress, and in 2014 the overall assessment for compliance with the rating method had not improved; and (iv) weak Results-Based Logical Frameworks with inadequate indicators. The IPRs have also been found often to lack evidence of stakeholders' involvement in the assessment.[48] While the IPR system moves away from the previous idea that all operations should be monitored twice a year to a more nuanced approach based on continuous engagement enabled by field office presence and in-depth annual reviews, and despite some internal discussion on moving to risk-based supervision, the key corporate performance indicator on supervision twice a year is still used.

For private sector operations, annual supervision reports are produced by a specific unit within the private sector department – since responsibility for project origination and monitoring are separated.[49] These reports rely on project status reporting, field visits and data provided by clients. An IDEV evaluation[50] concluded that only 15 percent of clients provide reporting on progress, and the Bank's own monitoring procedures are inadequate for gathering credible results data on effectiveness and outcomes – a finding echoed in a more recent evaluation which noted the challenges of obtaining monitoring data when clients lend-on to other entities.[51]

Despite improvements in supervision arrangements a 2014 Portfolio improvement study highlighted continuing weaknesses, describing the supervision process as ineffective, highlighting the need for more support tools.[52]

Completion and lesson learning. The Bank has revised the templates for its project completion reports (PCRs). In 2014 the Bank achieved 100 percent coverage for the first time, though one-third were delivered late. There are some outstanding concerns regarding the new PCRs, both in terms of their quality and how they are then used. In 2013, compliance with the rating methodology was found to be poor, but there has been notable improvement in 2014. One reason for this is the absence of strong log-frames prior to 2010, so the Bank expects to improve rating compliance and PCR quality in 2015 and beyond. In terms of the use of PCRs to ensure improvement in future operations, staff are now expected to refer to lessons from previous projects in the design of new projects; though a recent portfolio study suggests this is not yet happening to an adequate extent.[53]

The equivalent tool for private sector operations is the Expanded Supervision Report (XSR), which should be initiated once the project has been fully operational for 18 months.[54] The XSR framework has not been so significantly revised over the period. In addition the Bank has not yet conducted a similarly detailed assessment of quality and compliance with respect to XSRs as has been done on the public sector side. Following an IDEV evaluation of the ADOA system the Bank is investigating how to ensure that the ex-ante attention to development additionally is also followed up ex-post.

IDEV validates a sample of PCRs for public sector operations and XSRs for private sector operations, and is seeking to reduce the lag between completion of the self-evaluations and the independent validation. A searchable database of lessons learned from PCRs, XSRs and evaluation reports has also been developed as a tool to help staff to integrate lessons from previous projects into new project designs.

Overall, measures to enhance operational quality at each main stage of the public sector project life cycle are solid, but have not had sufficient time to take hold systematically. It is also clear that there is potential for cross-fertilization between the approaches for public and private sector projects. However, the Bank is moving in the right direction, and, provided these initiatives are implemented properly (especially in terms of sustained management attention, incentives for frank self-assessments and monitoring as well as adequate staff and budgetary resources), they should generate substantial improvements over time.

Risk and Financial Management

This subsection focuses on risk management and a key financial framework that was a central commitment under GCI-VI, the income model. The broad intended change in this area was to enhance the Bank's financial sustainability and its ability to manage risk. The assessment focuses on the extent to which risk-management capacity has been enhanced and the income model successfully applied.

Risk management. The commitments agreed under GCI-VI, which led to a 200 percent capital increase, included a focus on risk management. Documentary review, confirmed in interviews with senior managers, shows that the Bank has substantially completed adoption of the basic framework contemplated in the GCI-VI and ADF-12 commitments. The risk appetite statement adopted in 2011 provides the framework within which AfDB is pursuing its strategic priority both to increase its overall lending and investment activity and to increase the private sector component from current levels to approximately 30 percent by 2020, while maintaining its triple-A credit rating. The Bank is seeking to find the right balance between increases in non-sovereign operations with concerns regarding increased risk, as assessed by rating agencies. The issue of geographical risk concentration is acknowledged and a proactive approach is now being taken to reduce the risk. With the appointment of a Group Chief Risk Officer in 2013, the establishment of the Credit Risk Committee and the Group Operational Risk Unit to oversee implementation of the operational risk management framework establishment and other actions, the Bank is moving in a direction consistent with global good practice. Implementation, however, is lagging in some areas and additional measures are needed to fully institutionalize the new risk management arrangements. Nevertheless the Bank has cemented its reputation for good risk management during the period, as reflected, for example, in external rating agency assessments and continued retention of the triple-A credit rating.

The income model. The development of an income model was central to the GCI-VI agreement and has been a pivotal part of the Bank's financial management since its adoption. Approved in 2011, the income model's application has been well monitored internally, facilitating informed decision making and Board oversight.[55] It has been a useful framework for the Bank in the last four years, supporting the objective of a sustainable model for financial management. The income model encompasses a number of important financial aspects including loan pricing and minimum transfers to reserves; on each, progress is being monitored and reported to the Board on an annual basis. Areas of concern and progress are monitored: for example, concentration of risk (which has reduced slightly in 2014 compared to 2013 thanks to increased approvals outside of areas of concentration); risks associated with forfeitures of GCI-VI capital subscription payments; and early progress in increasing the Bank's income-generation capacity.

One particular element of the income model, the cost-to-income ratio, has driven pressure to decrease the administrative budget – with cuts seen across the institution in 2014 and 2015. The ratio jumped to 42.8 percent in 2013 and dropped slightly in 2014 to 39.2 percent (up from 31.6 percent in 2012 and above the 30 percent target proposed in the 2011 model).The challenge in meeting the target is not only due to increased administration costs such as from decentralization and the return to headquarters (a change in context which has increased basic operating costs), but is also due to reduced income, which in turn relates to the external financial environment. Indeed, the Bank's own analysis suggests that the main reason for the improvement in 2014 was increased net income (and it estimates that the 30 percent target would be achievable by 2020, based on the assumption of a sizable increase in the adjusted net operating income[56]). The reliance on income makes this metric also subject to fluctuations in investment income based on interest rate movements and the like, which are beyond the control of the Bank. The income model document makes clear that it should not be set in stone, but it has not yet been revised, despite contextual changes affecting both cost and income. Furthermore, other metrics to measure efficiency are available, and the Bank also uses them in other contexts, but it is the cost-to-income ratio that has been the driver behind recent cuts. No comparator uses this metric in this way.

A separate evaluation has examined the Bank's management of its administrative budget. In broad terms it highlights progress but concludes that the process of budget management reform is ongoing.[57]In particular, linking budget allocations to strategic priorities is now starting to receive due attention. Effectively implemented and supported by a fully functioning time recording system, the corporate planning tool (SRAS) would have the potential to foster alignment between the strategy, work programs and the budget.

Overall, recalling that the intended change in this area was to enhance risk management and the financial sustainability of the Bank, overall, there have been notable achievements since 2010 but there are still some areas of ongoing implementation and space for fine-tuning. The direction of travel, going forward, is broadly positive, based on the assumption that these areas continue to receive a high level of attention, resourcing and proactive monitoring, and indeed review and adjustment where necessary.

Institutional Effectiveness

With regard to the implementation of the commitments in two critical interlinked areas – decentralization; and people management – the broad intended change is ensuring the organization has the right people in the right places, with appropriate skills and tools to ensure strong delivery of Bank products and services.

Decentralization. The intended change of decentralization is not simply to ensure the Bank is present and people are on the ground, but rather to ensure that presence allows the Bank to increase its effectiveness and to do so in a way that is sustainable. This requires (i) placing the right people in the right places; (ii) providing the enabling environment for better operations and client relationships; and (iii) doing so in a cost-effective way. Importantly, the Bank commissioned an MTR of the implementation of the decentralization roadmap and at the time of writing, in order to respond to the findings of the MTR, management was producing an updated action plan.[58]

The Bank has succeeded in decentralizing people, but some fine-tuning is required to ensure the right people are in the right places. The Bank has successfully enhanced its field presence through establishing a number of country offices and two regional resource centres, in line with its Decentralization Roadmap. Field-based staff have been increased by about 60 percent since 2009. This increased presence is appreciated by the Bank's clients. However, (i) staff levels are not yet aligned with country portfolios; (ii) managers in field offices see room for improvement in the skills mix, including with respect to private sector operations; and (iii) implementation of the new model has not been underwritten with sufficient training; indeed, training of senior field-based staff has declined by 50 percent since 2009.[59] In addition, the MTR advised a more robust approach to appointing resident representatives, based on key skill sets.

In terms of guidance for staff, in late 2014 and early 2015 the first volumes of the new Operations Manual were made available to staff; until this time the manual had not been updated for over a decade. The Delegation of Authority Matrix was revised in 2012, partly to support the decentralization process. Its implementation has been challenging in some areas – most notably procurement – due to (i) lack of clarity and (ii) inadequate training or capacity to take on responsibility.[60] The matrix is considered a living document and the Bank is now planning to review and update it based on experience since 2012.

While it may be too early to expect to see significant changes in project quality that can be attributed to decentralization, with the notable exception of the positive impact of the Nairobi RRC, the MTR did not find clear evidence that decentralization had contributed to increased effectiveness, particularly in terms of better planned and managed operations. The review also raised concerns regarding the link between the Bank's analytical work and field offices, advising a shift to a more demand-driven and decentralized approach to the Bank's economic and sector work. However, as noted in an earlier independent review, the full portfolio of this work is not well known, and dissemination efforts are historically patchy.[61] On the other hand, the MTR highlighted positive evolution in client perceptions of the Bank's (i) engagement in donor coordination and (ii) policy dialogue.

Although a cost-effectiveness analysis is not possible, it is important to note that the costs of decentralization have been expanding within the constrained budget environment. This led to some concerns regarding the sustainability of the current model, and a recommendation in the MTR for the Bank to rethink it. A detailed audit, ongoing at the time of writing should also be able to provide further evidence, or identify blockages that can be addressed, to increase cost-effectiveness.

People management. The vital area of people management was reflected in all three processes. The changes intended include a buildup of skills/workforce to enhance delivery capacity, more engaged staff, strengthened leadership capacity and better empowered managers, and a culture of accountability and performance. The progress, and also the interest in this issue in both GCI and ADF discussions, needs to be seen and assessed against the background that human resource issues have been a persistent challenge for the Bank over the past decade. In addition, the evaluation noted significant activity in 2014 (including in follow up to ADF-13 commitments), which necessitate looking at the period up to 2013, and after, separately.

Between 2010 and 2013, some key trends can be observed, including:

- Staffing expanded rapidly over the period; however, skills in key areas of delivery remain short and there was a lack of a strategic or coordinated approach to staffing[62].

- Staff surveys indicated improvements in staff satisfaction in a few areas including the support and resources to balance work and personal life (18 percentage point improvement in favorable ratings or +18). However, they also highlight deterioration in other key areas: treating staff with dignity and respect (-16); creating an environment of openness and trust (-16); and not tolerating poor performance (-8). Low levels of favorable responses were also recorded in both 2010 and 2013 on issues such as whether promotion is based primarily on merit; whether decisions made at higher levels could be better delegated down and whether managers are held accountable if they fail to produce results.[63]

Against this background, in 2013 the Bank produced a People Strategy. The strategy identifies four focus areas which are relevant to the problems identified above: (i) Leadership; (ii) Performance and Accountability; (iii) Employee Engagement and Communication; (iv) Workforce of the Future. The strategy presents a draft implementation plan for the first phase (2013-2015). This was then elaborated in the 2014 Human Resource Action Plan – a commitment under ADF-13. The strategy is still within its first phase and so drawing firm conclusions about the effectiveness of implementation is premature. Nevertheless, early implementation of the Human Resource Action Plan is showing some positive developments, as well as some challenges.

As of early 2015, some activities had taken place, though it is too early for outcomes to be seen. For example:

- On leadership, the Learning and Professional Development Strategy (2014-2016) was approved in 2014. However, due to a lack of resources the planned training has not been delivered.
- On performance and accountability, key performance indicators on managerial effectiveness and managing staff performance were agreed at the Senior Management Coordination Committee in 2014. Executive Performance Agreements between the President and the vice presidents were implemented in 2013 and have been expanded to include contracts between vice presidents and directors. The new performance management system (PMS 2.0) was rolled out in January 2015, and was designed to address concerns raised by staff.
- On the workforce of the future, a new compensation framework had been developed but not approved at the time of writing. Recruitment streamlining steps have been introduced.[64] Strategic staffing discussions are ongoing.

Importantly, the broad intent of the reforms supported by GCI-VI, ADF-12 and ADF-13 has included the enhancement of the Bank's delivery capacity – delivering frontline products and services. This was recognized as requiring a shift of staff and budget resources to client service operations, although at the same time a number of the commitments also sought enhanced capacity in control, finance and accountability functions. In practice there has been a reduction in the proportion of the professional staff, budget and workload budget allocated to the three complexes mostly responsible for delivering operations (ORVP, OSVP, and OIVP) between 2010 and 2014. The Bank uses a broader and evolving definition of "operations", according to which there has not been a clear decline in the proportion of staff or budget for operations, and indeed this proportion is set to increase under the 2015-2017 budget plan.[65]

Overall, recalling that the intended change in the area of institutional effectiveness was ensuring the organization has the right people in the right places, with appropriate skills and tools to ensure strong delivery of Bank products and services, the journey is underway. Changes in these important areas do take time to bear fruit. Developments during 2014 in particular lead the evaluation to conclude a more positive trajectory going forward, assuming the Bank is able to focus on effectively implementing plans now in place.

Measuring and Using Performance and Results Data

This section examines two important but different types of result measurement: delivery performance and development results. Collectively these two types of measurement are intended to allow management for results. In practice, the commitments have focused on developing and then revising a results measurement framework (RMF), with the expectation that the RMF will be used across the institution. In addition the Bank committed to produce an automated performance management dashboard, expected to be a tool for the Bank to manage delivery better. The intended change is (i) to have coherent and robust systems of (a) results data and (b) operational delivery data measurement and reporting in place, and (ii) that these data are used for both accountability and also management and learning purposes.

A total of five versions of the RMF have been produced since it was first introduced in 2003. During the ADF-12 deliberations, participants noted the improvements to the Bank's approach for measuring and tracking results and agreed that the Bank would step up implementation of the Action Plan and improve the RMF. Deputies' interest in further refining the RMF continued during the ADF-13 replenishment meetings.

The RMF shared at ADF-13 is aligned with the Bank's TYS. The problem of earlier RMFs of the indicators lacking baselines and credible targets has been considerably reduced, although not completely eliminated. Baselines are still missing and replaced by estimates for a few key indicators – such as number of new economic and sector work and related papers, operations with satisfactory mitigation measures, cost of preparing a lending project, and cost of support project implementation. The Bank's RMF is similar in structure to those of other MDBs, although it has more indicators than any other comparator; Bank management claims, however, that this will not affect its capacity to properly monitor them all (Annex 11). In addition, it is worth noting that the choice of indicators does appear to be responsive to ADF-13 discussions. For example, in the latest version, Level 2 indicators were substantially revised: 20 of the 47 indicators at Level 2 were designed to report on outcomes; Level 3 indicators were adjusted to be more in line with the TYS, with indicators on integration of gender and climate change; and there are more indicators on portfolio risk management. These are signs that the RMF design has been improving over time, notwithstanding the ongoing challenge of collecting baseline data in some areas.

With regard to delivery performance data, the recent establishment and staffing of a performance management office has ensured work has progressed in 2014. The data collected and circulated by this office far exceeds the relevant indicators included in the RMF, since they serve a different purpose. Some work remains to automate fully the collection of underlying data and ensure that the data that goes into the system is accurate.

In terms of how the performance and results data are so far being used, there is a clear difference:

- The Bank is making use of the RMF in its external reporting on development results – notably in the Annual Development Effectiveness Review, and similar country-specific and sector-focused reviews. Through these reports the RMF is now established as an important tool for the Bank to report on its achievements. The extent to which the RMF is serving as the framework for project and strategy monitoring is less clear, however. A parallel IDEV evaluation regarding policies and strategies highlighted problems with the RMFs in Bank strategies, both in terms of quality and linkages to the Bank-wide RMF; however, this deficiency is less apparent in the most recent strategies.

- For the delivery performance data, an "Executive Dashboard" is now produced regularly, which summarizes key indicators of performance. The dashboard and other related reports, such as the "Portfolio Flashlight" are drawing Bank management's attention to critical issues and provide a tool to enable monitoring of operations delivery, and potentially helping to strengthen the link between delivery and accountability.

While this is still in the first year of operation, it provides management with a useful management tool, given attention in the Senior Management Coordination Committee.

Overall, recalling that the intended change is to have a coherent and robust system of results and delivery performance measurement, reporting and application in place, the degree of change achieved to date is notable. As stated above, however, the RMF is only one part of what is required for an organization accurately to measure, report on and use development results. Results data has also to be built up through the projects and strategies, with accurate data collected and robustly managed, and this challenge is ongoing – as it is in many other institutions. With regard to the use of internal data on operational performance, developments during 2014 in the systematic collection of the data and its regular presentation to enable its use as a mangement tool are promising. The direction of travel, based on recent developments, is considered positive.

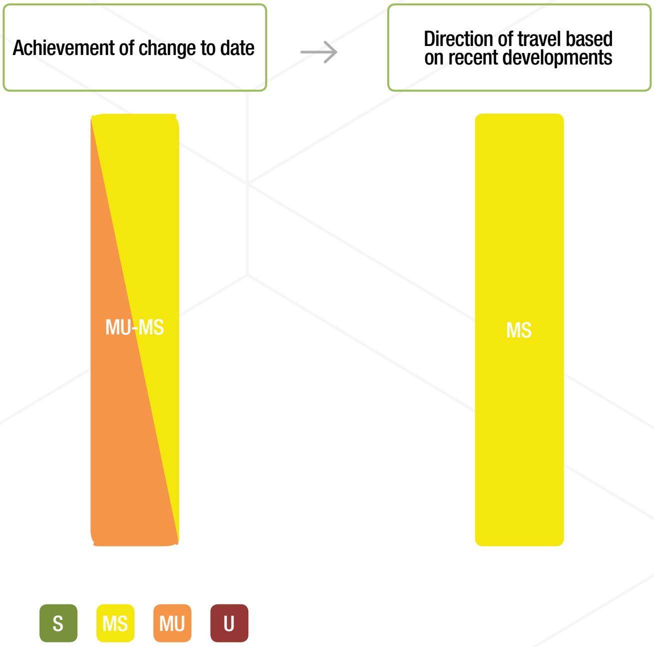
Conclusions

Overall, the Bank has been active in all five of the areas examined; none have remained stagnant over the period. Various outputs have been delivered, reforms initiated, committees established, and action plans produced; in many cases the implementation of these is still very much ongoing. For example, the Bank has:

- Produced a range of solid strategic and policy documents, though the degree of implementation of these documents is not yet systematically maximized.
- Revamped the quality control, monitoring and lesson learning framework for its public sector operations, though their systematic application is in process.
- Enhanced its risk management and applied and monitored an agreed income model with a view to underwriting financial sustainability, though there is scope for fine-tuning going forward.
- Made progress in decentralizing staff and recently in addressing the people management challenge, though some adjustments are now needed for decentralization, and most changes are relatively new and implementation is at early stages for people management.
- Developed an RMF, suitably focused on development results, which is being used for external reporting, while also enhancing its measurement and use of internal performance data.

The extent of change achieved and in evidence at the time of writing varies across the areas examined. In addition there have been a number of important developments in 2013-2014. For this reason, while the rating for level of achievement of intended change is moderately satisfactory/moderately unsatisfactory, the assessment of direction of travel based on recent developments is more positive, with a simple moderately satisfactory (Figure 5.3). This positive assessment looking forward should be caveated, however. As this report highlights, overall AfDB delivers outputs as promised, albeit often not as quickly as planned. The challenge the Bank faces is in ensuring that policies, initiatives, institutional reforms and so on are fully implemented and carried through to their full conclusion. Achieving the full expected benefits of any of this work is contingent on increasing attention to implementation, and specifically ensuring that (i) the focus of accountability and internal incentives does not stop at approval of a document (delivery of an output) but is followed right through the process of implementation (the achievement of desired outcomes); and (ii) that ambitious initiatives or changes are appropriately resourced. ■

Figure 5.3: Implementation overview



Summary, Conclusions and Lessons

This evaluation has looked in turn at (i) the relevance of the commitments agreed in the last two ADF replenishments and most recent capital increase; (ii) the processes themselves, including efficiency and governance aspects; (iii) the delivery and timeliness of delivery of the commitments; and (iv) the broader question of the effectiveness of their implementation.

Relevance was evaluated by assessing alignment and selectivity of the three sets of commitments. For all three processes the alignment of the commitments with the Bank's priorities is rated as either satisfactory or moderately satisfactory, this while the commitments also act as useful tools for accountability for the delivery of committed outputs. However, when it comes to selectivity, only ADF-12 was rated as moderately satisfactory, with ADF-13 and GCI-VI rated as moderately unsatisfactory. The evaluation finds that the commitments are relevant but they are many in number (though not out of line with the numbers at comparators) including some assessed to be of an insufficiently strategic nature necessarily to require the attention of governors and deputies and that might equally be addressed by the boards and Bank management. The evaluation finds that, for all of GCI-VI, ADF-12 and ADF-13, the implementation capacity of the Bank and the costs of delivering and implementing commitments were not fully considered when they were agreed. In some cases consultation with the parts of the Bank likely to deliver and implement could have avoided less strategic or unclearly worded commitments.

The efficiency of the **process** for agreeing the commitments (which is part of a broader funding discussion) ranges from satisfactory for GCI-VI to moderately unsatisfactory for ADF-12 and ADF-13. It should be highlighted, however, that the evaluation did not find that the ADF or GCI processes are markedly less efficient than those of comparators. Many of the areas where efficiencies can be improved in the ADF process are also relevant for the comparable replenishment processes of other MDBs.

Relative efficiency of the GCI-VI process is reflected in the small number of papers and the Bank's internal management of the overall process. Given the resulting 200 percent increase in capital, the time and effort invested in this process was cost effective. In addition the process was inclusive – involving all shareholders through an extended GCC and regional and civil society consultations.

The ADF process overall is intensive in terms of Bank staff and management time, particularly given that it takes place every three years. The processes were time intensive, exacerbated by the large number of papers prepared for the consultation meetings and insufficient time between replenishments to focus on implementation. The Bank introduced changes intended to increase the efficiency of the ADF process, compared to ADF-11. While some initiatives were taken up in ADF-12, most of the changes were felt only in ADF-13. This included reducing the number of meetings and shortening the period over which the formal replenishment meetings are held, as well as an attempt to hold more of the meetings at Bank headquarters to save on costs. It has also sought to lighten the intense load on the core ADF team by involving other parts of the Bank in drafting of papers. There are also new initiatives under way, including the establishment of an ADF working group of deputies and the separation of the internal steering committee into two parts. However, it is too early to see whether these contribute to a more efficient process for ADF-14 or not.

In addition to efficiency, the evaluation notes perceived governance issues that surround the ADF process, since these have an effect on the efficiency and effectiveness of the process as well as delivery and implementation of the commitments. However, involvement of the executive directors in the ADF processes has increased in the period under review, and the evaluation assesses that this can be built on further to address perceived disconnects.

With respect to the **delivery** of the commitments, the vast majority of the GCI-VI and ADF-12 commitments, and ADF-13 commitments that are due, have been delivered. For GCI-VI and ADF-12, of a total of 67 commitments only two have not been delivered. For ADF-13 the process of delivery is ongoing, but of those due at the time of writing, the majority had been delivered. The rating for delivery is satisfactory. However, in terms of timeliness of delivery the rating was moderately unsatisfactory for all three processes.

Around half of the commitments were delivered late, some more than one year after the due date. In many cases there are good reasons for these delays; indeed target dates for delivery were assessed as unrealistic for about one-third of the commitments. Linked to this, commitments have been frontloaded: for each of the three processes at least two-thirds of the commitments were due to be delivered in the first year– partly in order to show progress in annual monitoring (in the case of GCI-VI) and for MTRs (in the case of ADF-12 and ADF-13). Other overlapping factors contributing to delays include the internal complexity of some individual commitments, lack of planning for timely delivery and inadequate institutional resources and coordination. Before agreeing to the commitments, the Bank does not systematically cost or fully plan what delivery will take in practical terms, or who should take the lead on cross-cutting areas. In some cases there is a disconnect between those agreeing to commitments – including their precise wording and target delivery dates – and those who need to deliver and implement. The Bank thus sets itself up to miss its targets.

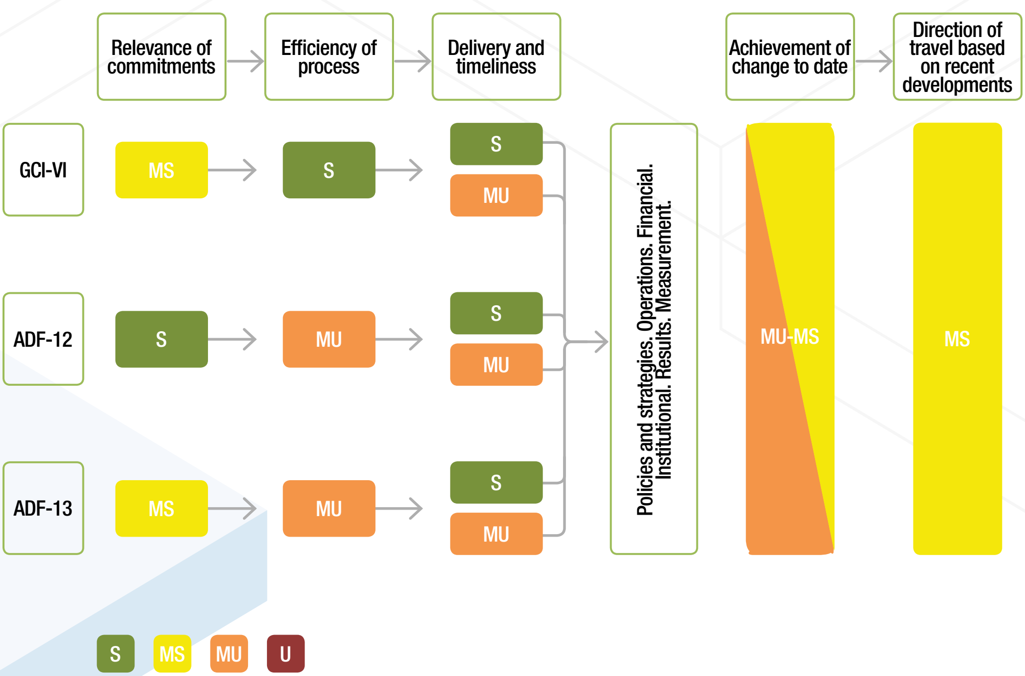
The **effectiveness** of implementation of the commitments was examined by clustering the commitments around five areas and reconstructing the ultimate change envisaged by the Bank and its stakeholders, based on available documentation and interviews. The five clusters are (i) policies and strategies; (ii) operations; (iii) resources and financial management; (iv) institutional effectiveness; and (v) results measurement. Given that achieving change in these areas takes time and that a large number of relevant changes have been initiated in the last 12 months, effectiveness was assessed against both (a) the degree to which change has been achieved to date, and (b) the direction of travel based on recent developments.

In terms of change achieved to date, the Bank has made progress between 2010 and 2014 in all the areas highlighted in ADF and GCI discussions, though to varying degrees. Notable areas where it is clear that a good degree of progress has been made include enhancing risk management capacity, and putting in place tools to support public sector operations quality and systems to monitor performance and results. However, in some areas it is not yet possible to see that changes expected have been achieved. In some cases, while the Bank has been strong in delivering outputs, it has not yet followed through with the resources, tools and incentives to implement in practice. The Bank is historically focused on delivery of outputs, with less close attention paid to following through on ensuring implementation and therefore securing intended outcomes.

In terms of recent developments and the direction of travel, the picture is broadly positive. Numerous recent developments indicate that despite initial problems and delays, the Bank is moving in the right direction in all of the areas examined. For example, on people management, there have been a number of developments during 2014 which show a positive direction, even if progress was slower in the previous three years; on decentralization the Bank has assessed progress and challenges and is examining how to change course as a result; and on operational quality the tools are now in place and there are signs that their application is improving year on year. Therefore while the achievement of change to date in these areas is rated as a mix of moderately satisfactory and moderately unsatisfactory, the direction of travel based on recent developments is rated as moderately satisfactory. These ratings are subject to the proviso that realizing these positive developments in practice will require sustained attention to implementation.

Overall, the evaluation has observed a Bank that delivers on its commitments, albeit not always as quickly as envisaged. But it also highlights the challenges in moving from delivery to full implementation. The ratings, provided to highlight strengths and challenges, are summarized in Figure 6.1. While the evaluation raises some broad issues, most of the practical challenges highlighted can be addressed by actions by Bank management, working closely with its shareholders, ADF contributors and its boards.

Figure 6.1: Summary of evaluation ratings



Notably:

- For both ADFs and GCI, the evaluation finds that there are a large number of commitments but that timelines are not always realistic or fully planned through and the costs of delivery (and implementation) are not estimated.
- Secondly, monitoring tends to focus on delivery as opposed to implementation, which is in part linked to a wider tendency in the Bank but also to the content of the commitments themselves.
- For the ADFs specifically, although some efficiencies in the process have already been achieved, there is room to go further – benefitting both the Bank and ADF contributors – so revisiting issues like the number of meetings, the length of the replenishment cycle, and the number of documents the Bank produces as part of the process should be on the table.
- Similarly, a proactive approach to ensuring the Bank's boards buy in to the commitments can also help with implementation of commitments – whether they link to the GCI or ADFs.

In addition, Box 6.1 summarizes some of the lessons highlighted by the evaluation. Some lessons are also pertinent to resource mobilization processes in general, including those of other MDBs. Some additional lessons are specific to AfDB; a number of these go beyond the delivery and implementation of commitments. ■

Box 6.1: Lessons from this evaluation

Lessons for AfDB and other MDBs:

- An overarching strategy (such as the MTS in ADF-12 and GCI-VI, and the TYS in ADF-13) is helpful and provides coherence of the commitments.
- A lack of strategic selectivity, and a large number of commitments can have unintended consequences – including burdening both the processes and discussions and also delivery and implementation.
- For replenishments, a three-year cycle leaves a short period to show progress, especially by the MTR.
- For replenishments, the approach of producing a large number of papers is time consuming and costly; experience from the GCI shows that other models are possible.

AfDB-specific lessons:

- Where GCI and ADF processes happen to overlap, there is scope for synergies, but these will only be captured with strong coordination of the two processes.
- The tendency to frontload commitments and set unrealistic timelines without fully consulting those parts of the Bank that will be responsible for delivery, has made timely delivery difficult.
- In formulating commitments, it is important to be aware of potential consequences, e.g., a focus on compliance taking resources away from frontline operations, or a focus on producing new papers rather than implementing existing ones, or unclear wording leading to a gap between the intention and the delivery.
- Without an explicit accounting of the costs and institutional capacity required to deliver and implement the commitments, it is hard for deputies to make informed decisions on whether each commitment is necessary and for Bank management to push back on specific issues or timelines.
- Since the commitments tend to focus on outputs, so does monitoring, so there is little information available looking at implementation and the impact of the commitments on the institution's efficiency and effectiveness.
- Ultimately, delivery and implementation is overseen by the Executive Board and Bank management and affect the whole Bank group, whether linked to the ADF or GCI. So Board engagement and ownership of the processes and the commitments from an early stage is beneficial to delivery and implementation.

Annexes

Annex 1 — Issues Indicator Matrix

Evaluation question	Sub-question	Indicator	Method	Evaluation Findings
		I - COMMITMENTS		
		RELEVANCE		
To what extent were the commitments relevant?	To what extent did the ADF and GCI commitments correctly address the Bank's most pressing challenges and align with the Bank's strategic priorities in a coherent, realistic, and prioritized manner?	Extent to which the rationale for individual commitments was based on a diagnosis of the Bank's challenges and alignment with its stated priorities. Extent to which the commitments collectively provide a coherent, prioritized and realistic portfolio of actions and reforms, given the Bank's absorption and implementation capacity. Extent to which the commitments continue to be aligned and relevant, going forward. Extent to which the choice of commitments are driven by internal or external actors.	Key informant semi-structured interviews. Documentary review. Benchmarking review against four peer organizations.	Most commitments were relevant in terms of alignment with the Bank's strategy, RMC and institutional needs. Many commitments were not at a strategic level.
		EFFICIENCY		
To what extent are the processes efficient?	To what extent has the Bank maximized the efficiency of the processes for agreeing the ADF and GCI commitments?	Extent to which the Bank has an efficient approach to negotiating and agreeing the commitments in terms of: (i) Institutional coordination (ii) Persons involved (iii) Other costs Increase in efficiency compared to earlier replenishments (ADF). (Persons involved/person days/ duration TBC which aspects can be estimated.) Extent to which Bank processes compare favorably to comparators.	Mapping of Bank processes (ADF and GCI). Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations, including mapping processes.	The process for GCI was more efficient than the replenishment processes. Overall, the replenishment cycle was short and placed an excessive burden on management and staff due to too many meetings, commitments, and papers.

Evaluation question	Sub-question	Indicator	Method	Evaluation Findings
EFFICIENCY				
	To what extent have the ADF and GCI processes and contributions succeeded in supporting strong financial contributions?	Extent to which financial contributions have increased. Satisfaction with implementation of commitments is reported (by contributors) as a primary criterion for future replenishments. Extent to which stakeholders believe the replenishment processes in general and the commitments in particular have succeeded in securing desired financial contributions.	Documentary review. Key informant semi-structured interviews.	With a 200 percent capital increase and 6 percent paid-in ratio, GCI-VI was successful in mobilizing capital resources. Donor contributions to ADF-12 and ADF-13 were sustained following the earlier major increase, but they fell short of expectations partly because of the financial crisis: internal revenue also decreased in ADF-13.
LESSONS				
What lessons can be learned about the commitments process?	What lessons can be drawn to help improve the relevance, efficiency, and effectiveness of the formulation, choice and processes for agreeing ADF and GCI commitments?	Factors associated with extent of effectiveness. Both contextual and mechanistic factors. Aspects that should be retained/enhanced/discontinued. Comparison of key differences/cross learning between: - ADF and GCI - Bank and comparators - ADF over time	Documentary review Key informant semi-structured interviews Benchmarking review against four peer organizations Robust method for analysis of factors (e.g. C-M-O of realist evaluation).	MDBs would benefit from fewer and more strategic commitments and a longer replenishment cycle. See also box 6.1
II - DELIVERY				
VALIDATION AND EFFECTIVENESS				
Were the commitments delivered as planned?	To what extent did the Bank do what was set out in the commitments?	Proportion of commitments for which actions were taken, and where these align with (i) wording and (ii) spirit of original commitment.	Documentary review. Key informant semi-structured interviews with responsible staff.	Overwhelming majority were delivered, in a small number of cases the delivery was different from expectations but for good reasons.
	To what extent were the commitments delivered when planned? (Timeliness)	Proportion of commitments that were delivered in the period in which they were planned to be delivered.	Documentary review. Key informant semi-structured interviews with responsible staff	About half of them were delivered late.

Evaluation question	Sub-question	Indicator	Method	Evaluation Findings
II - DELIVERY				
EFFICIENCY				
To what extent are the processes efficient?	To what extent are the Bank's processes for delivering the ADF and GCI commitments efficient?	Extent to which Bank has an efficient approach to implementing the commitments in terms of: (i) Institutional coordination (ii) Persons involved (iii) Other costs, e.g. consultancy Extent to which Bank approach compares favorably to comparators.	Mapping Bank processes (ADF & GCI). Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations, including mapping processes.	Robust assessment of efficiency was not possible due to lack of cost data.
	To what extent has the Bank adopted effective quality assurance systems to review and finalize the ADF and GCI commitments?	Appropriate systems are in place on paper. Systems are used in practice and influence final documents. Extent to which (i) internal; and (ii) external stakeholders are satisfied with mechanisms. Role of Board and senior management is clear and adds value.	Document review and mapping of processes. Benchmarking with peer organizations. Semi-structured interviews. Electronic survey.	A clear quality assurance system was not found. Degree of satisfaction highly variable depending on stakeholder group and process. Board role less clear in ADF than in GCI.
	To what extent is the Bank effectively monitoring outputs associated with the ADF and GCI commitments?	An effective monitoring system is in place for (i) ADF and (ii) GCI commitments (criteria of effective monitoring system tbd). Satisfactory monitoring reports have been delivered. Bank's approach compares favorably to comparators.	Mapping of Bank processes (ADF and GCI). Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations	GCI-VI commitments monitored annually. ADF commitments reported on at MTR. The focus of monitoring, like the commitments themselves, is on delivery of specific outputs.

Evaluation question	Sub-question	Indicator	Method	Evaluation Findings
II - DELIVERY				
LESSONS				
What lessons can be learned about the delivery of commitments?	What lessons can be drawn to help improve how efficiently and effectively the ADF and GCI commitments are delivered?	Factors associated with extent of effectiveness. Both contextual and mechanistic factors. Aspects that should be retained/enhanced/discontinued. Comparison of key differences/cross learning between: - ADF and GCI - Bank and comparators - ADF over time	Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations Robust method for analysis of factors (e.g. C-M-O of realist evaluation).	Main factors that impinged on efficiency included unrealistic deadlines, underestimation of complexity of some commitments, inadequate planning and lack of institutional space/coordination. Excessive frontloading sets the institution up for delayed delivery. See also box 6.1.
III- IMPLEMENTATION				
EFFECTIVENESS				
To what extent is the process effective in achieving intended outcomes?	To what extent is the Bank effectively monitoring outcomes associated with the ADF and GCI commitments?	An effective monitoring system is in place for (i) ADF and (ii) GCI commitments (criteria of effective monitoring system tbd). Satisfactory monitoring reports have been delivered. Bank's approach compares favorably to comparators.	Mapping of Bank processes (ADF and GCI). Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations	Bank monitoring of delivery is solid but for outcomes is weak. The RMF, which could have been a reporting tool, is not aligned with the commitments. More recent DPMO corporate monitoring is not yet aligned.
	To what extent have the ADF and GCI commitments succeeded in driving the intended changes in the Bank?	Proportion of cases where the Bank reports that the action has met the original objective of the commitment. Extent to which key stakeholders report satisfaction. Index of achievement of underlying objectives (TBC criteria for achievement).	Documentary review. Key informant semi-structured interviews. Reconstructing logic chain from the commitment (output) to the objective (outcome), based on interviews and documentary review.	Implementation has not received adequate attention and the achievement of change was found to be moderately satisfactory/moderately unsatisfactory. The direction of travel looked fairly positive but is also contingent on increased attention to implementation.

Evaluation question	Sub-question	Indicator	Method	Evaluation Findings
III- IMPLEMENTATION				
LESSONS				
What lessons can be learned about the implementation of commitments?	What lessons can be drawn to help improve about how the ADF and GCI commitments are implemented?	Factors associated with extent of (i) relevance; (ii) efficiency; and (iii) effectiveness. Both contextual and mechanistic factors. Aspects that should be retained/enhanced/discontinued. Comparison of key differences/cross learning between: ▌ ADF and GCI ▌ Bank and comparators ▌ ADF over time	Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations. Robust method for analysis of factors (e.g. C-M-O of realist evaluation).	Implementation is often constrained by lack of prioritization, inadequate attention to staffing and budget implications, and inadequate planning, monitoring and implementation support. See also box 6.1.
General LESSONS				
What lessons can be learned about the resource mobilization process?	What lessons can be drawn about the ADF and GCI resource mobilization processes more broadly?	Factors associated with extent of (i) relevance; (ii) efficiency; and (iii) effectiveness. Both contextual and mechanistic factors. Aspects that should be retained/enhanced/discontinued. Comparison of key differences/cross learning between: ▌ ADF and GCI ▌ Bank and comparators ▌ ADF over time	Documentary review. Key informant semi-structured interviews. Benchmarking review against four peer organizations. Robust method for analysis of factors (e.g. C-M-O of realist evaluation).	Longer replenishment cycle would reduce transaction costs and permit more sustained focus on implementation. Strategic selectivity leading to fewer commitments would enable more meaningful engagement with governors and deputies and lower burden of delivery on the institution, and allow greater focus on implementation. Early engagement of the Board would enhance ownership and implementation effectiveness.

Annex 2 — List of Commitments

The verification of delivery was first conducted in October 2014 and updated in February 2015.

	Commitment	Delivered? (last update February 2015)	Delivered on time? (Comparison of final approval with agreed target date)[66]
	GCI-VI		
	POLICIES & STRATEGIES		
1	Review of the MTS is ongoing. This will inform the preparation of a long-term strategy for the Bank to match its vision as the economic motor and knowledge platform for Africa	Yes	No (11 months)
2	Long-Term Strategy	Yes	No (13 months)
3	Preparation of a policy approach for the Bank in the broad area of energy	Yes	No (18 months)
4	Update Bank's approach to urban development	Yes	No (2 years)
5	Draw up a comprehensive policy for the private sector	Yes	No (3 years 7 months)
6	MTR of the 2008-2010 Business Plan for private sector operations	Yes	On time
7	Develop guidelines on how to react to political challenges (e.g. de facto governments)	Yes	On time
8	Develop policy on modes and delivery of policy-based loans (package approach: PBL and capacity building)	Yes	No (13 months)
9	Draft policy guidance on how the Bank should approach the case of large loans sought by RMCs	Yes	No (11 months)
	OPERATIONS		
10	Introduction of the readiness review and quality at entry standards for CSPs	Yes	On time
11	Simplified project log-frames	Yes	On time
12	Guidelines for the timely delivery of project completion reports.	Yes	On time
13	Revision of project supervision reports	Yes	No (2 years 10 months)[67]
14	Introduction of core sector indicators and pilot results reporting system	Yes	On time
	RESOURCES AND FINANCIAL MANAGEMENT		
15	Develop a comprehensive income model integrating:: - Loan pricing including the coverage of administrative expenses - Income allocation including targeted minimum annual transfers to ADF of UA 35 mpa (in real terms) and at least 75 percent of post reserves net income allocated to low income country support - Review of capital adequacy framework - Effective administrative expense management	Yes	No (4 months)
16	Definition of the Bank's risk appetite	Yes	On time
17	Completion of the risk dashboard	Yes	No (2 years)
18	Repositioning of the risk functions	Yes	No (2 years 8 months)
19	Reinforcement of risk management functions through adequate staffing, systems and processes	Yes	No (9 months)

An IDEV **Corporate Evaluation**

	Commitment	Delivered? (last update February 2015)	Delivered on time? (Comparison of final approval with agreed target date) [66]
	RESOURCES AND FINANCIAL MANAGEMENT		
20	Creation of a new credit committee	Yes	No (19 months)
21	Ensure adequate capacity to cover increase in investigations and audits	Yes	On time
22	Phased approach to strengthen operational risk control functions, resources and tools	Yes	On time
23	Automate the credit risk approval workflow	Yes	No (3 years)
24	Review of systems, applications, and data integrity for risk management	Yes	No (7 months)
	INSTITUTIONAL EFFECTIVENESS		
25	Identify measures to minimize the budgetary impact of the Board enlargement within the Bank's budget and to give consideration to Board efficiency	No	No
26	OPEV completes a review of meeting the above reform commitments	No	No (3 years)
27	Revision of the Bank's disclosure policy and practice, to meet the highest standards applied by other Multilateral Financial institutions, including the following developments: - Strengthen the Bank's presumption of disclosure, eliminating the positive list and emphasizing the negative list - -Release Board/Committee minutes - -independent appeals mechanism - -Disclosure of project level results	Yes	No (2 years 5 months)
28	Decentralization guidelines	Yes	On time
29	Establishment of offices in non-regional member states	Yes	No (8 months)
30	Conducting of the staff survey	Yes	On time
31	Compensation framework and retirement plan that are competitive and financially sustainable	Yes	On time
32	Decentralization of the human resource function[68]	Yes	No (2 years)
33	Creation of the energy, environment and climate change department	Yes	On time
34	Creation of the Integrity and Anti-Corruption Dept.	Yes	On time
	RESULTS		
35	Bank-wide results measurement framework	Yes	No
	ADF-12		
	POLICIES & STRATEGIES		
1	Adoption of Framework paper on project selection and prioritization, including stronger link to performance (regional operations)	Yes	On time
2	Develop and adopt four Regional Integration Strategy \ Papers	Yes	No (2 months)
3	Implementation of Climate Change Action Plan	Yes	On time
4	Adoption of Energy Policy	Yes	No (1 year 6 months)
5	Update Gender Action Plan, 2011 onward; Adoption of Revised Gender Strategy	Yes	No (2 years 1 month)
6	Adoption of Revised Civil Society Engagement Framework	Yes	No (13 months)
7	Adoption of consolidated policy-based operations policy	Yes	No (9 months)
8	Adoption of Revised Environmental and Social Safeguards Policy and Operational Guidelines	Yes	No (2 years)

	Commitment	Delivered? (last update February 2015)	Delivered on time? (Comparison of final approval with agreed target date) [66]
	ADF-12		
	POLICIES & STRATEGIES		
9	Adoption of Revised Disclosure Policy	Yes	No (17 months)
10	Review of internal rules and procedures and adoption of policy on aid effectiveness	Yes	No (4 months)
11	Monitor implementation of Aid Effectiveness Road Map	Yes	On time
	OPERATIONS		
12	Adoption of Supervision Guidelines[69]	Yes	No (2 months)
13	Independent evaluation of regional operations	Yes	No (7 months)
14	Synthesis Report on Review of International Experience (gender)	Yes	No (13 months)
15	Independent evaluation of ADF assistance to fragile states	Yes	No (7 months)
16	Independent evaluation of program-based operations	Yes	On time
17	Monitor the effective implementation of Bank Group's Fiduciary Safeguards; the submission of project audit reports and adherence to financing agreements by borrowers	Yes	On time
18	Independent Annual Post Procurement Review of (sample) Bank group operations	Yes	On time
19	Finalize and rollout Partial Risk Guarantee instrument	Yes	On time
	RESOURCES AND FINANCIAL MANAGEMENT		
20	Adoption of differentiated financing terms for blend countries	Yes	On time
21	Adoption of Graduation Policy	Yes	On time
22	Adoption of Revised Non-Concessional Borrowing Policy and Operational Guidelines	Yes	No (5 months)
23	Adoption of consolidated Fiduciary Risk Management Framework	Yes	No (1 year)
	INSTITUTIONAL EFFECTIVENESS		
24	Progress report on implementation of ADF core operational priorities: infrastructure, governance, regional integration and fragile states. Resource allocation use, including implementation of FSF pillar 2 and potential modification to the performance-based allocation	Yes	On time
25	Periodic (at least once every 2-3 years) audit by OAGL of field offices[70]	Yes	On time
26	Monitor implementation of Communications Strategy	Yes	No (2 years 3 months)
27	Approval of Decentralization Road Map	Yes	No (7 months)
28	Implementation of Delegation of Authority Matrix for Procurement, Fiduciary Safeguards and Operations	Yes	No (17 months)
29	Adoption of updated Staff Compensation Framework and Retirement Plan	Yes	On time
30	Decentralization of HR functions	Yes	No (10 months)
	RESULTS		
31	Adoption of revised Bank Group RMF (2011-2013)	Yes	On time
32	Monitoring of implementation of ADF-12 RMF and revise targets/ indicators as needed	Yes	On time

	Commitment	Delivered? (last update February 2015)	Delivered on time? (Comparison of final approval with agreed target date) [66]
	ADF-13		
	POLICIES & STRATEGIES		
1	Revised Governance Framework and Action Plan II (GAP II)	Yes	No (5 months)
2	Regional Integration Strategy	Yes	No (11 months)
3	Regional Operations Selection and Prioritization Framework revisions	Yes	No (4 months)
4	Gender Strategy 2013-2017	Yes	On time
5	Revised Fragile States Engagement Strategy	Yes	No (3 months)
6	Human Capital Development Strategy	Yes	No (5 months)
7	Energy Strategy	No	No
8	Approved Integrated Safeguards System	Yes	On time
9	Bank-wide training on the Integrated Safeguards System	Yes	On time
	OPERATIONS		
10	Progress report on implementation of ADF core operational priorities and areas of special emphasis; resource allocation; use of FSF Pillar I and II, regional operations and PSF resources	Not Yet Due	Ongoing
11	Report of the High Level Panel on Fragile States	Yes	On time
12	Bank-wide training on the revised operations review and approval process	Yes	On time
13	CSP and Appraisal Report formats aligned with the strategy for 2013-2022	Yes	No (5 months)
14	Progress report on the implementation of the revised operations review and approval process after one year of implementation	Yes	On time
15	Implement management actions to improve quality of Portfolio Performance Assessment	Not Yet Due	Ongoing
16	Updated PPF Guidelines	Yes	On time
17	Portfolio Improvement Action Plans	Yes	On time
18	Implementation of Partial Credit Guarantee and Private Sector Credit Enhancement Facility	Not Yet Due	Ongoing
	RESOURCES AND FINANCIAL MANAGEMENT		
19	Proposal for an accelerated repayment clause and a voluntary prepayment framework	Yes	No (4 months)
20	The refinements of the performance-based allocation system	Yes	On time
	INSTITUTIONAL EFFECTIVENESS		
21	Comprehensive Medium Term planning process to support implementation of the Strategy for 2013-2022	Yes	On time
22	Updated and harmonized institutional key performance indicators	Yes	On time
23	Bank-wide training on the corporate planning process	Yes	On time
24	Fully automated performance management dashboard	Yes	No (5 months)
25	MTR Report on Decentralization finalized and recommendations submitted to management for consideration	Yes	No (3 months)
26	Action Plan for implementation of recommendations (Decentralization)[71]	Yes	On time
27	Staff Engagement Index	Yes	On time
28	Adoption of Complex action plans for each Vice Presidency	Yes	No (4 months)
29	Report/Evidence of progress in staff engagement score by Complexes	Yes	On time

	Commitment	Delivered? (last update February 2015)	Delivered on time? (Comparison of final approval with agreed target date) [66]
ADF-13			
INSTITUTIONAL EFFECTIVENESS			
30	Updated Compensation Framework (CF)	No	No (22 months in October 2015)
31	Preparation of a transitional operational plan (updated Compensation Framework) and implementation of transitional steps in Q1 2014	Yes	On time
32	Full implementation of Compensation Framework	Not Yet Due	Ongoing
33	Complex Level management improvement plans	Yes	No (3 months)
34	Revamped Leadership & Management Development Program[72]	No	No (19 months in October 2015)
35	Streamlined staff selection process	Yes	No (4 months)
36	Training of Complex Representatives on the selection process[73]	No	No (22 months in October 2015)
37	Approved Human Resource Action Plan	Yes	On time
38	Implementation of a comprehensive onboarding program[74]	No	No (21 months in October 2015)
39	Diagnostic report of current Performance Management System (PMS)	Yes	On time
40	Updated, best practice PMS	Yes	On time
41	Bank-wide training on the PMS	Yes	On time
42	High-speed connection between Tunis, Abidjan, Pretoria and Nairobi	Yes	On time
43	Updated Business Continuity Plan	Yes	On time
44	Smooth and well-managed implementation of the Roadmap (tracked through the Monitoring Matrix of the Roadmap)	Yes	On time
RESULTS			
45	Presentation of a new RMF	Yes	On time

Annex 3 — Methodology

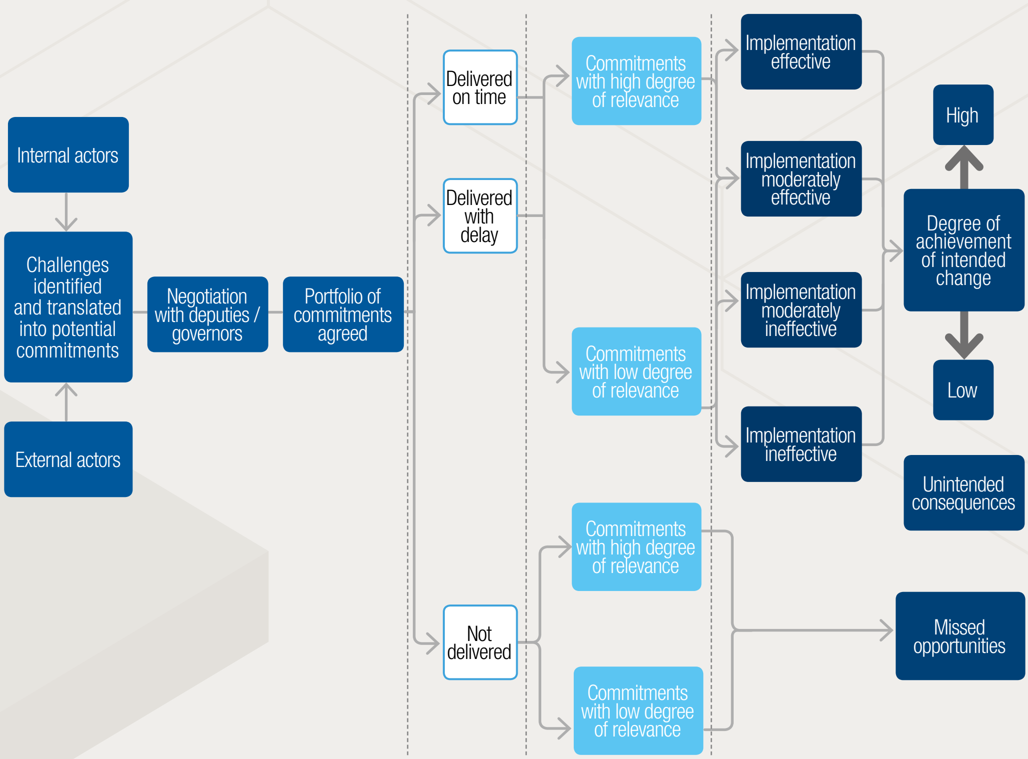
Evaluation Process

The evaluation comprised three phases: inception, data gathering and analysis, and report preparation. During the inception phase, the overall scope, approach, and methodology were discussed with executive directors and Bank/IDEV staff and managers during an inception mission to Tunis. These discussions were supplemented by interviews with selected non-Bank participants familiar with the replenishment/GCI-VI processes. Emerging findings from the evaluation were presented to the Reference Group, as well as to the President and members of the Committee on Operations and Development Effectiveness during informal meetings in November 2014. This report incorporates feedback from these discussions on key findings and potential recommendations.

Conceptual Framework

The theory-based evaluation uses the conceptual framework given in Figure A3.1.

Figure A3.1: Conceptual framework



Data Collection Methods

The evaluation used a wide range of data collection methods: review of AfDB documents and databases and of external literature and data from comparator organizations; key informant interviews with a standardized template for the semi-structured interviews; interviews with key informants from comparator organizations and people involved with AfDB's three resource mobilization processes; and electronic surveys of deputies, executive directors and advisors.

Literature and Document Review

The evaluation involved a review of documentation from both the Bank and comparator organizations. For the Bank, this review covered all documents directly related to the capital increase/replenishments, including:

- Replenishment meeting programs and agendas
- Papers prepared for the replenishment meetings
- Chairman's summaries of replenishment meetings
- Deputies/replenishment reports
- Minutes of Bank steering committee meetings
- MTRs
- Record of GCI-VI meetings
- GCI-VI annual reports to governors, mid-term reviews, and deputies' reports
- Documents related to the delivery of commitments, including drafts and final versions of committed papers such as policies or strategies, where relevant
- Minutes of Board meetings, the Committee on Operations and Development Effectiveness meetings and relevant management meetings and progress reports to track delivery and implementation.

For comparator organizations, this review covered documents related to the replenishment or capital increase processes, as well as independent evaluations of these institutions' replenishment or capital increase processes.

Key Informant Interviews

Semi-structured interviews were conducted with a broad range of internal and external stakeholders. The interview templates were designed to obtain qualitative insights as well as structured responses to selected questions deploying a rating scale that could be aggregated across interviews. Interviewees were selected to ensure adequate coverage of people involved in all three stages of the replenishment and commitment process (agreement, delivery, and implementation). Some internal interviewees were identified based on their broad knowledge of the processes, others because of their deeper involvement in specific areas affected. Externally, interviewees included a sample of officials from member countries, including ADF and non-ADF members and chairpersons and former senior managers who led the process internally. The total number of interviews is shown in Table A3.1. Most of these interviews were conducted using a standardized interview template. For a few of the interviews, the interview template was not used because the purpose of the interview was to dig deeper into specific issues. The full list of people interviewed is shown in Annex 11.

Table A3.1: Key informant interviews[75]

Group	Number of interviewees
Chairpersons	2
Deputies and advisors	5
Executive directors and advisors	21
Bank senior managers	13
Bank staff	24
Comparator organizations	9
Total	**74**

Electronic Survey

Surveys administered electronically were used to seek the views of the following groups: ADF deputies and their alternates or advisors and executive directors and their advisors. Sixteen deputies and advisors responded to the survey (31 percent response rate); seventeen executive directors and advisors responded (32 percent response rate).

Each questionnaire targeted and addressed areas that are specific to each group. The survey instruments are shown in Annex 5. It was designed to solicit respondents' views on several of the key questions discussed above.

Data Analysis

Process Parameters

The evaluation compared the basic parameters of the processes (e.g., length of cycle, elapsed time, number of meetings, amounts raised) with the processes at peer organizations.

Reviewing Organizational Models

An important determinant of efficiency and effectiveness is the organization of the processes and the underlying responsibilities for the processes for reaching agreement on, delivery and implementation of the commitments. The evaluation covered these aspects in addition to staff capacity dedicated to the replenishment process as well as the arrangements to bring in perspectives from across the organization, and preserve institutional memory.

Benchmarking

As also indicated above, several elements of the evaluation utilized benchmarking with peer organizations to identify similarities and differences, and derive lessons for the future. These include:

- Process/cycle characteristics (length, number of meetings, location of meetings, number of papers prepared, elapsed time)
- Number of commitments
- Coverage of commitments
- Financial resources mobilized, including size of donor contributions
- Monitoring and reporting arrangements

The choice of benchmark organizations was based on identification of those with the most comparable processes, as well as the ability of the evaluation team to access information. For GCI-VI the comparator organizations were IBRD, the International Financial Corporation (IFC), AsDB, and IADB. ADF-13 was benchmarked against IDA-17, AsDF-XI, and IFAD-9. ADF-12 was benchmarked against IDA-16, IFAD-8, and AsDF-X.[76] Where appropriate, the comparisons were also informed by GAVI and the Global Fund for AIDS, TB and Malaria. The benchmarking highlighted both difference and similarity in each of the above areas, providing evidence to help identify where the Bank could learn from others (and vice versa). The benchmarking exercise also helped to identify areas in which MDBs, as a group, could improve the efficiency and effectiveness of their capital increase and replenishment processes. Benchmarking did not cover issues of delivery and implementation, where the evaluation focused on AfDB only.

Assessing Relevance, Efficiency of the Commitment Process, and Validating Delivery

The evaluation focused on two processes, the commitment process itself and the process for delivering committed outputs; in each case the focus was on the overall process for GCI-VI, ADF-12 and ADF-13, and not on specific commitments. In each case, the lack of time recording and hence of staff costs for different activities is a limiting factor. Ratings for this section were based on a four-point scale of satisfactory, moderately satisfactory, moderately unsatisfactory, and unsatisfactory.

Expert Panel Review

All GCI-VI, ADF-12, and ADF-13 commitments were assessed by an expert panel. The commitments were evaluated in terms of the following criteria:

- Realism of specific commitments and their timelines
- Diagnosis of the underlying challenges
- Alignment with the priorities of the Bank

- Clarity with respect to the intended change
- Extent to which commitments are at a strategic level.

The results were evaluated by process and by type of commitments. The evaluation classified commitments into four categories – results, operational, resources and financial management, and institutional effectiveness – which are consistent with the Bank's own categorization of commitments for ADF-12 and ADF-13. The evaluation compared the evolution in the number and distribution of commitments across these categories in the different resource mobilization processes. These data were then juxtaposed against similar data from comparators using the same four categories of commitments to analyze the similarities and differences arising from their resource mobilization processes. Relevance of the commitment process for GCI-VI, ADF-12, and ADF-13 were rated on a four-point scale of satisfactory, moderately satisfactory, moderately unsatisfactory, and unsatisfactory. The composition of the expert panel, given in Table A3.2, was composed of the following independent experts, and organized by Centennial.

Table A3.2: Composition of the expert panel

Name	Relevant previous experience
Anil Sood	World Bank
Amnon Golan	World Bank, IFAD
Anis Dani	Independent Evaluation Group
Johannes Linn	World Bank, Wolfensohn Centre, Brookings.
Kevin Cleaver	IFAD

Assessing the Effectiveness of Implementation

The evaluation examined overall effectiveness of implementation in bringing about the intended changes within the Bank and its operations. Since the change processes overlap, effectiveness was assessed for the period covered by the three processes as a whole rather than separately for ADF-12, ADF-13, and GCI-VI. Implementation effectiveness was assessed across five significant "clusters" of commitments: policies and strategies; operations; resource allocation and financial management; institutional effectiveness; and managing for development results. Given that this type of outcome change can take time, two assessments were made: (i) on the extent of change achieved to date and (ii) on the direction of travel, based on recent developments.

Triangulation

These multiple lines of evidence were triangulated to identify the most robust possible findings. The structure of the interviews and surveys, and the coding of data from the semi-structured interviews, followed a common organization derived from the underlying evaluation questions, which facilitated triangulation during data analyses.

Ratings

A four-point scale was used in all ratings, as explained in Table A3.3. The relevant sections of this report provide the ratings for each evaluation criterion, as well as any sub-ratings. This evaluation, given its breadth, only touches on sustainability and unintended impacts; it focuses on the three core criteria of relevance, efficiency and effectiveness (Table A3.4).

Table A3.3: A four-point rating scale

Rating	Summary
Satisfactory	Good performance against all or nearly all aspects reviewed
Moderately satisfactory	Good performance against the majority but not all aspects
Moderately unsatisfactory	Good performance against only some aspects
Unsatisfactory	Good performance for few or no aspects

Table A3.4: Evaluation criteria and ratings

Standard evaluation criterion	Applied to			
	Commitments	Commitment process	Delivery of commitments	Implementation
	(1a) Alignment **(1b) Selectivity**	**(2a) Organization of the process** **(2b) Management of the process** **(2c) Governance issues** **(2d) Resource mobilization**	**(3a) Delivery** **(3b) Timeliness of delivery**	**(4a) Achievement of intended change to date** **(4b) Direction of travel based on recent developments**
Relevance	√			
Efficiency		√		
Effectiveness (outputs)			√	
Effectiveness (outcomes)				√

Annex 4 — Alignment of Goals and Processes

Table A4.1: Main strategic objectives in GCI-VI, ADF-12 and ADF-13

	GCI-VI	ADF-12	ADF-13	Comparators
Strategic Objectives				
Inclusive growth			√	All comparators
Green growth			√	
Principal Operational Priorities				
Infrastructure	√ (energy)	√ (energy)	√ (energy)	All comparators
Private sector development	√	√ (cross-cutting)	√	All MDBs
Regional integration	√	√	√ (under other)	AsDF, IADB
Governance	√	√	√	IDA, AsDF, IADB
Human capital/skills/technology	√	√ (cross-cutting)	√	All MDBs
Cross-cutting Emphases				
Fragile states	√	√ (priority)	√	All MDBs, IFAD
Gender		√	√	All MDBs, IFAD
Food security/agriculture	√	√	√	All MDBs, IFAD
Climate change	√	√	√ (other)	All MDBs, IFAD
Other				
“One Bank”	√			
Aid effectiveness (Paris Declaration)		√		
Engagement with civil society organizations		√		
Institutional effectiveness	√	√	√	All comparators
Managing for development results	√	√	√	All comparators

Sources: Review of the African Development Bank's Capital Resource Requirements (GCI-VI) – An Overview, 26 March 2010; ADF-12 Report: Delivering Results and Sustaining Growth, September 2010; ADF-13 Report: Supporting Africa's Transformation. Interviews and selected documents of comparator organizations.

Table A4.2: Major topics discussed at ADF replenishment meetings

Replenishment Meeting: Topics Discussed	ADF-12 First	ADF-12 Second	ADF-12 Third	ADF-12 Fourth	ADF-12 MTR	ADF-13 First	ADF-13 Second	ADF-13 Third
Strategic directions and operational priorities	√	√			√	√		
Institutional effectiveness and efficiency	√		√		√	√	√	
RMF	√		√		√	√	√	
Resource/performance-based allocation	√	√	√	√	√	√	√	√
Financing framework		√	√	√	√	√	√	√
Fragile states		√					√	√
Regional operations		√						
Policy-based operations		√						
Private sector development			√					
Gender								√
Deputies' report and replenishment resolution			√	√			√	√
Total number	**4**	**6**	**6**	**3**	**5**	**5**	**6**	**4**

Sources: Records of GCI-VI and ADF-12 and ADF-13 replenishment meetings.

Table A4.3: Papers presented at ADF replenishment meetings

Topics	ADF12 1	ADF12 2	ADF12 3	ADF-12 4	ADF12 MTR	ADF13 1	ADF13 2	ADF13 3
General	1							
Strategic directions and lending scenarios	1	1			1	1	2	
Inst. effectiveness and efficiency			1		1		1	
RMF			1		1		1	
Resource/performance-based allocation		1	1	1	1	1	1	2
Financing framework		2	2		1	2	2	
Fragile states		1				1	1	1
Regional operations		1						
Policy-based operations		1						
Private sector development			1				1	
Climate change			1					
Gender						1		
Policy dialogue								1
Deputies' reports				1		1		3[77]
Draft resolution				1				
Total	**2**	**7**	**7**	**3**	**5**	**7**	**9**	**7**

Sources: Records of GCI-VI and ADF-12 and ADF-13 replenishment meetings.

Annex 5 — Summary of Results by Expert Panel Assessment of Commitments

Table A5.1: Summary of results by expert panel assessment of commitments by process

		GCI-VI	ADF-12	ADF-13
1. Realism	Were the commitments delivered on time?	40%	47%	58%
	Was the timeframe for delivery realistic?	63%	63%	69%
	If delayed was it because of: (a) the complexity of the commitment?	53%	44%	25%
	(b) inadequate planning of the delivery process?	53%	38%	70%
	(c) underestimation of the institutional space or coordination to deliver?	21%	25%	25%
2. Diagnosis in the documents of underlying challenge to be addressed by the commitment	An explicit RMC need?	26%	50%	38%
	An explicit institutional need?	91%	78%	84%
	A global or regional public good?	0%	6%	4%
3. Alignment with the priorities of the Bank	Alignment with priorities of MTS?	46%	60%	40%
	Alignment with priorities of TYS?	46%	60%	44%
4. Clarity of intended change	Will the intended change remove constraints in RMCs?	17%	16%	24%
	Will the intended change enhance development effectiveness?	69%	34%	56%
5. Strategic level of commitment	Is the commitment at the level of sector policy or strategy?	9%	13%	13%
	Is the commitment at the level of Bank policy?	23%	28%	24%
	Is the commitment adding to the Bank's instrument set?	6%	22%	11%
	Does the commitment materially affect the Bank's finances?	11%	9%	20%
	Did this commitment need engagement by governors/deputies?	29%	25%	29%
	Any other commitment at a strategic level?	31%	31%	0%
	The commitment is not at any strategic level	57%	38%	52%

Annex 6 — Prior Evaluations and Reviews of AfDB's GCIs and ADF Replenishments

Independent Evaluation of GCI-V

According to the GCI-VI 3rd Working Paper (para. 1.5), an independent evaluation was to be carried out for GCI-V before completion of GCI-VI. Bank management contracted a consultant to carry out an independent assessment of GCI-V, which was completed in late 2009.

The GCI-VI 4th Working Paper has an annex entitled: "Annex 7: LESSONS LEARNED FROM GCI-V." However, the lessons summarized there refer only to the evaluation of ADF7-9.[78]

Independent Evaluation of ADF-7 to 9[79]

This evaluation focused on implementation of the commitments made under ADF-7 to 9 replenishments, and especially of the AfDB/ADF reforms of 1995. The evaluation notes that these reforms were driven by donor demands under these three replenishments. (pages 2-3): "Much of the reform effort has been driven by the demands and stipulations of donors, expressed principally through the last three replenishment agreements of the ADF (ADF-7 to 9). These demands were formulated both as independent stimuli to change and as a means of reinforcing the reforms that had been launched by Bank management." Moreover, the evaluation noted that the Bank was subjected to conflicting interests among member countries (p. 15): "The Bank was caught between conflicting interests. These were the interests of the donors on the one hand, and of the RMCs on the other. Several RMCs have been concerned that Bank management had become so preoccupied with meeting the agendas laid down by its non-regional donors that it was not listening adequately to the voices of its RMCs. Whilst the donors' agenda has moved away from infrastructure inputs and other hard development interventions, there was and still is pressure from many RMCs for precisely this sort of support. Maintaining a balance and managing these two sets of often-conflicting demands was not easy." The evaluation did not otherwise address replenishment process issues.

Review of Options to Improve the Cost Effectiveness of ADF Replenishments[80]

In October 2009 ADF management circulated a background paper for the ADF-11 MTR meeting in Helsinki reviewing the cost effectiveness of the replenishment process and presenting options for improving the efficiency of the process.

This review assessed the existing replenishment process in terms of six criteria (or "concerns"):

- Matching the three-year replenishment cycle with the five-year operational programming cycle of ADF and of recipient country development plans – current mismatch was regarded as a possible problem

- Length of time between conclusion of replenishment consultations and effectiveness of the replenishment agreement – the prevailing short length of time was regarded as causing problems for operation planning in ADF
- Predictability of resource flows
- Coordination with other replenishments, especially IDA
- Administrative costs; the budget line for ADF-11 allowed for UA 539,000 in expenses for the ADF-11 replenishment in 2007
- Opportunity for oversight by donors.

Based on these criteria and the experience of a number of comparator organizations (IDA, AsDF, IFAD, European Development Fund (EDF), Global Fund for AIDS, TB and Malaria), the background paper presented the following options for consideration of donors:

Effectiveness improvements:

- Longer replenishment cycles (from three to four years): this would reduce costs, allow for more effective MTRs, and facilitate operational programming; there would be pros and cons in terms of coordination with other replenishments; for AsDF and EDF lengthening the cycle had not resulted in reductions of pledges; reduced oversight opportunities for donors could be a concern;
- Advancing the timing of replenishment consultations to allow for more time between their conclusion and effectiveness was seen as a having pros and cons;
- Organizing replenishment consultations back-to-back with other official international meetings was also seen as having pros and cons.

Efficiency improvements:

- Reducing the number of consultation meetings (from four to three): this would reduce costs, but also raise concerns whether adequate time would be available for substantive discussions;
- Meetings held exclusively at Bank headquarters: this would reduce costs, but allow for less consultation with constituencies and reduce the visibility of ADF;
- Limit Bank management/staff participation[81]: this would reduce costs, but possibly lower effectiveness of consultation processes by reducing interaction between deputies and management/staff.

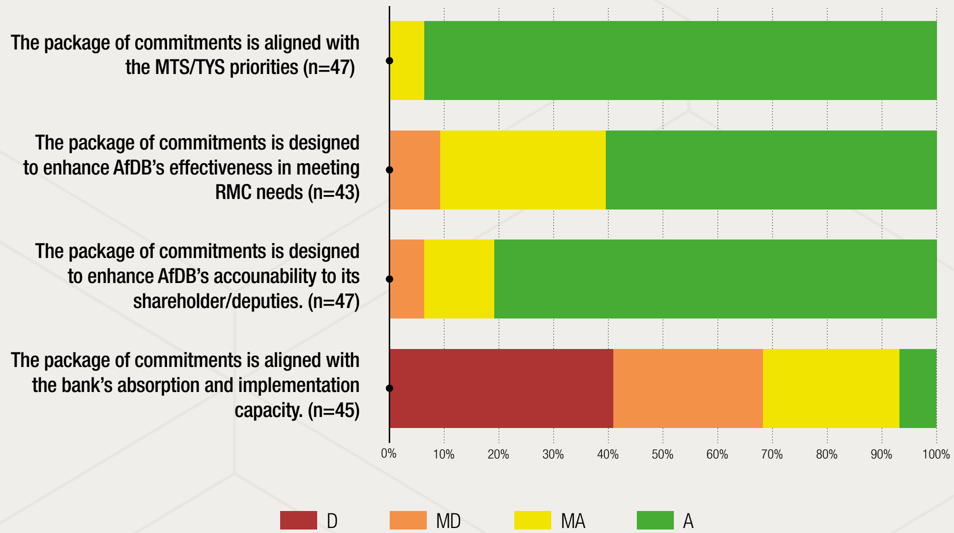
Box A6.1: Recommendation of the 2009 review of the ADF replenishment process

- To conclude the replenishment discussion well in advance of the date of entry into force, preferably six months beforehand. This would mean that the ADF-12 discussion would be concluded in July 2010 and the replenishment would be fully effective on 1 January 2011
- To maintain the three-year replenishment cycle for ADF-12 (2011-2013) but to consider introducing a four-year cycle as of ADF-13 (2014-2017)
- To attempt to streamline the replenishment process to three formal meetings, depending on the depth of the policy discussions foreseen. If more extensive discussions are necessary, the customary four meetings would be maintained
- To hold informal deputies' meeting on the margins of the Bank group annual meetings (or on the margins of other international events) in order to maintain regular face-to-face contact with deputies.

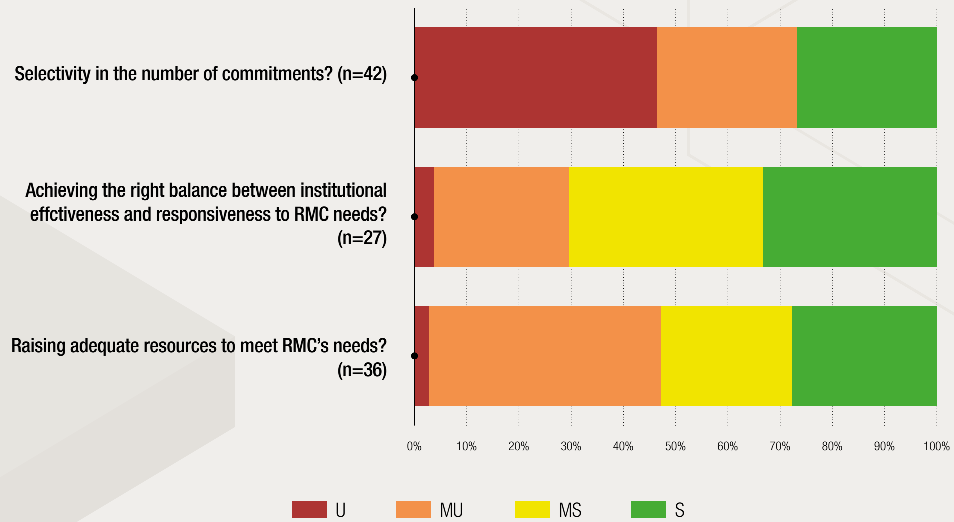
Source: Options to Improve the Cost-Effectiveness of the Replenishment Process. Background Paper. ADF-11. Helsinki, October 2009. Page i.

Annex 7 — Interview Results

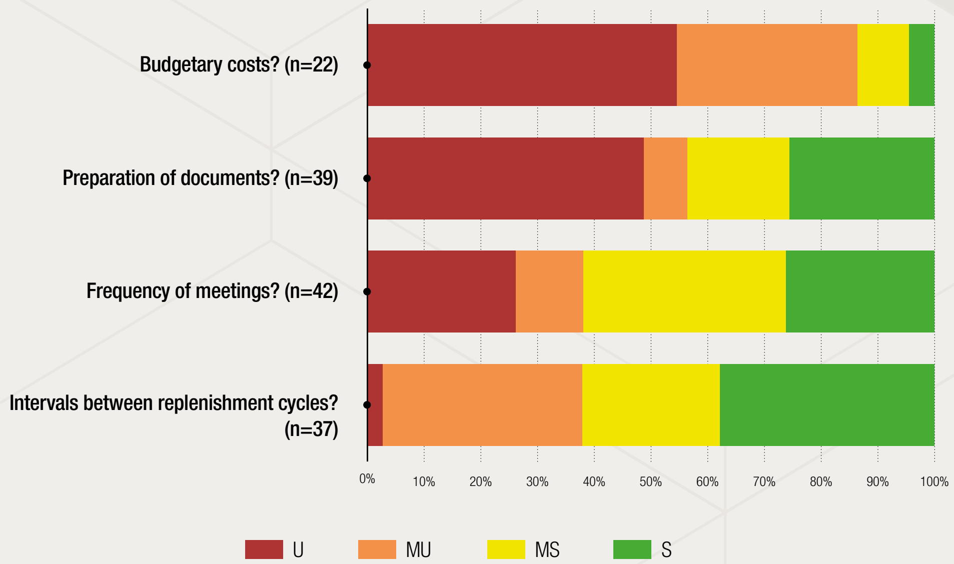
In your view, to what extent were the commitments aligned with the Bank's priorities, institutional needs and capacity, and with the priorities of its donors and shareholders?



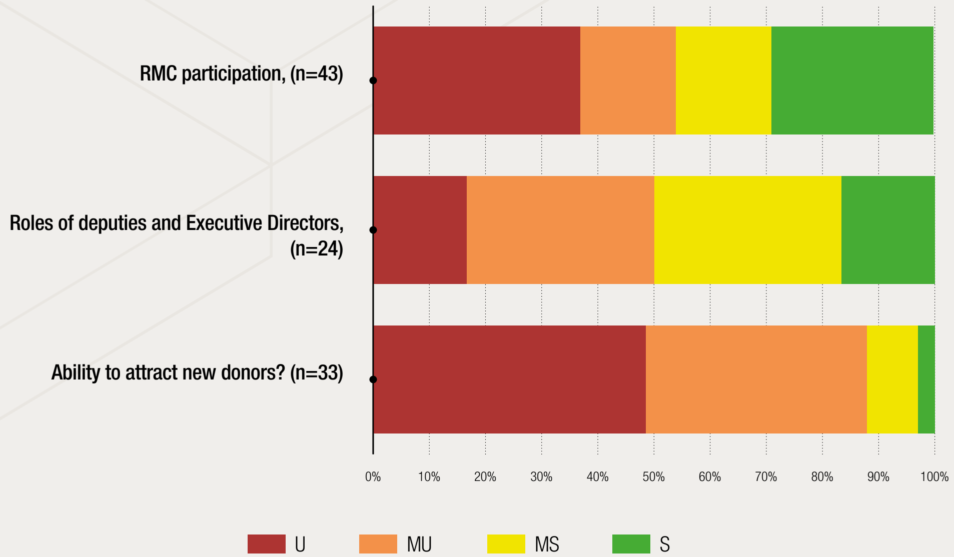
How satisfied are you with the effectiveness of the ADF/GCI commitment processes in terms of:

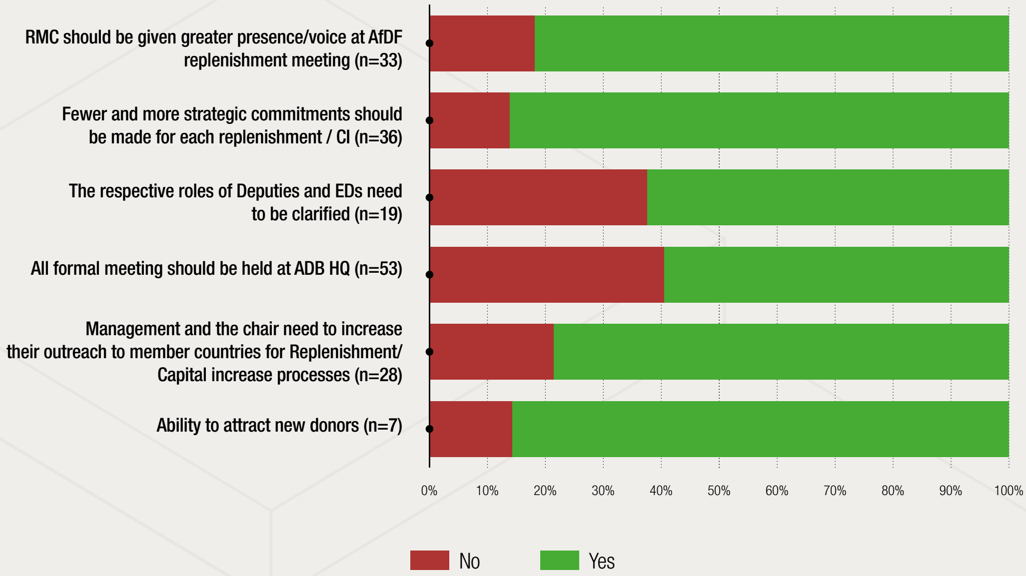


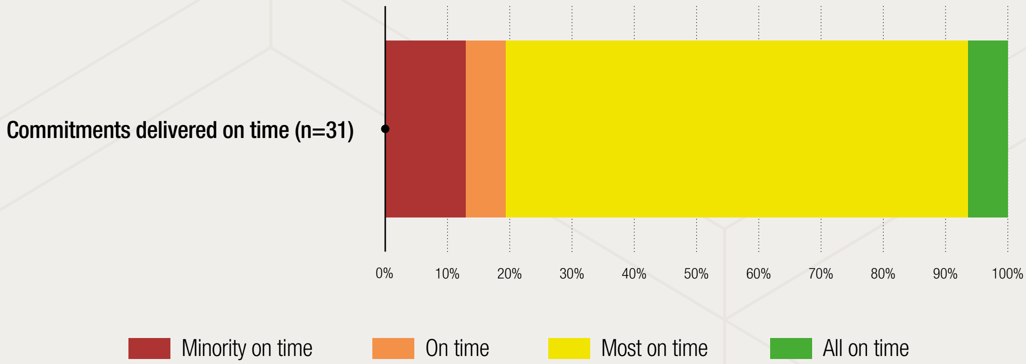
How satisfied are you with the efficiency of the ADF/GCI commitment processes in terms of:

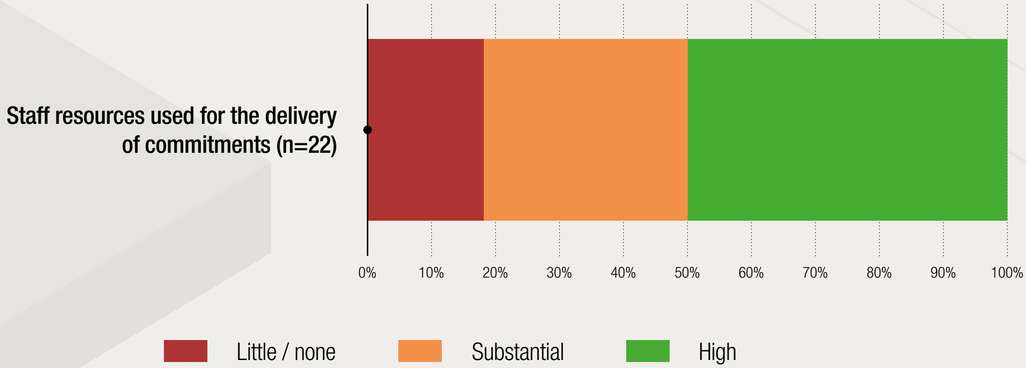


How satisfied are you with the governance of the commitment processes in terms of:

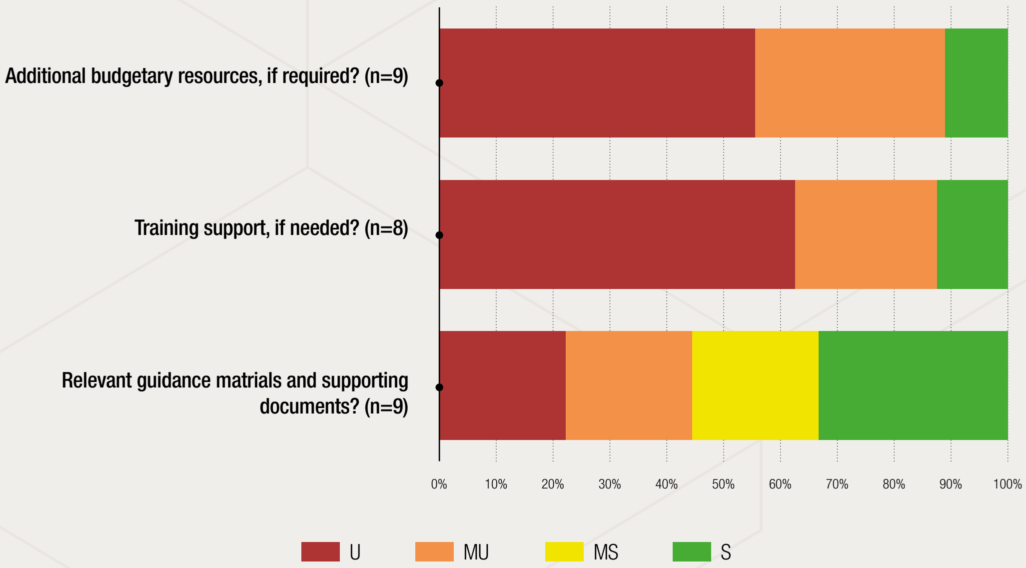



RMC should be given greater presence/voice at AfDF replenishment meeting (n=33)
Fewer and more strategic commitments should be made for each replenishment / CI (n=36)
The respective roles of Deputies and EDs need to be clarified (n=19)
All formal meeting should be held at ADB HQ (n=53)
Management and the chair need to increase their outreach to member countries for Replenishment/ Capital increase processes (n=28)
Ability to attract new donors (n=7)
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
No
Yes


Commitments delivered on time (n=31)
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Minority on time
On time
Most on time
All on time

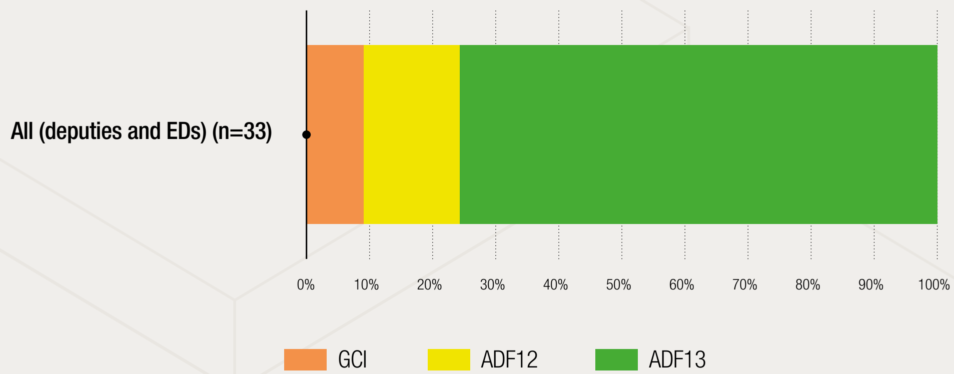

Staff resources used for the delivery of commitments (n=22)
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Little / none
Substantial
High

How would you assess the support provided by the Bank for the commitments you are familiar with, including availability of budget resources, necessary skills, guidance materials, training and incentives for implementation?

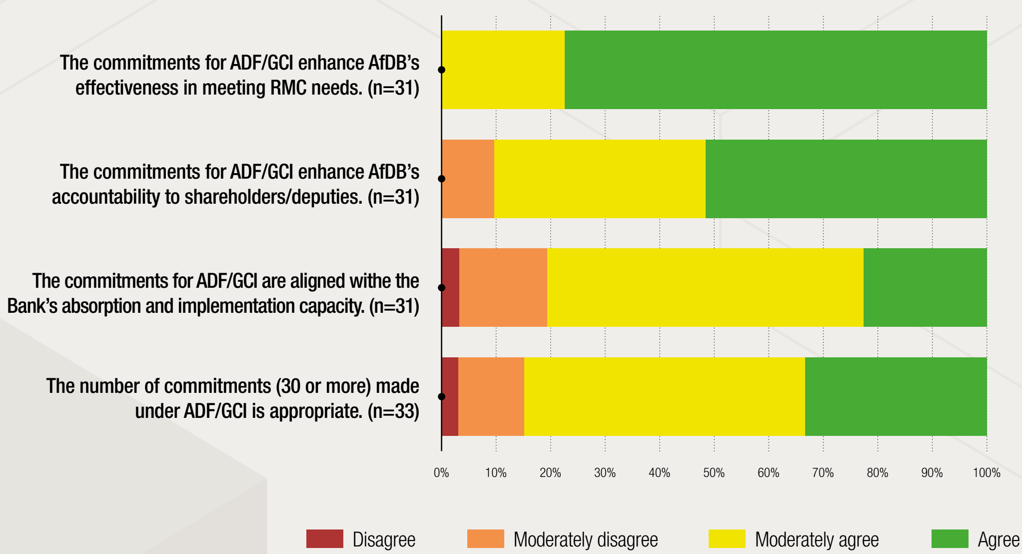


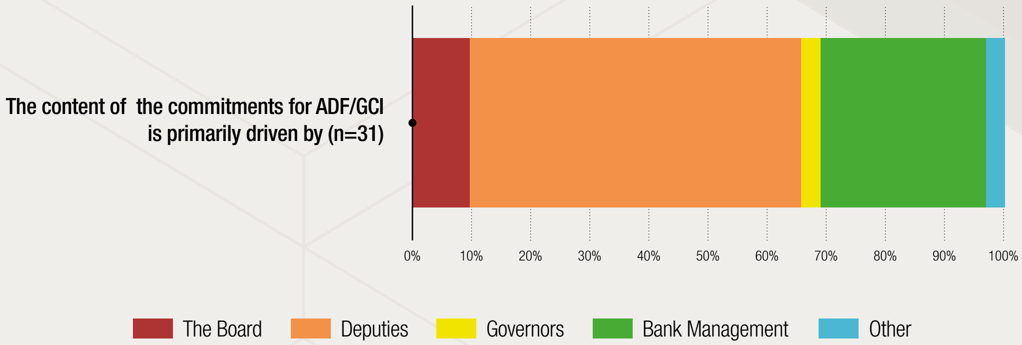
Annex 8 — Survey Results

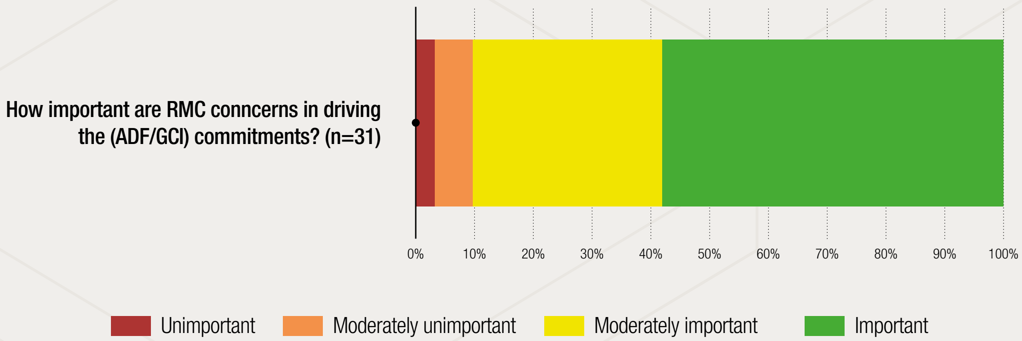
Please mark which replenishments/capital increase you are most familiar with.

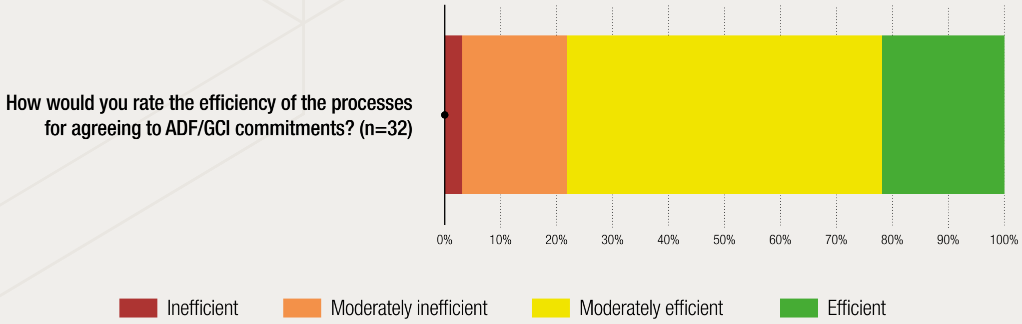


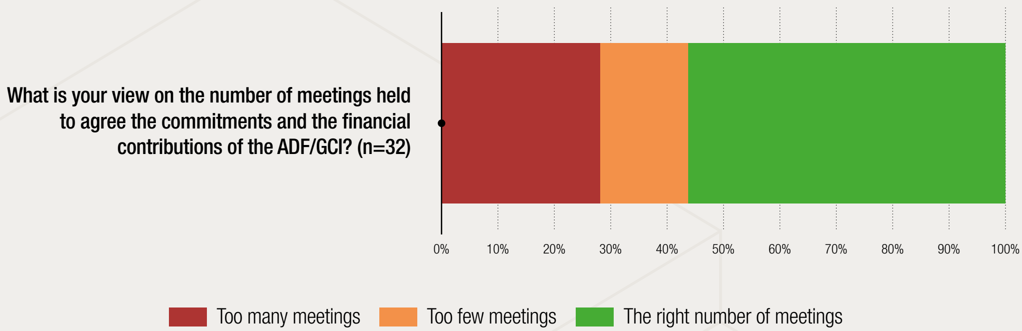
To what extent do you agree with the following statements about the commitments undertaken by the Bank for the replenishment/resource mobilization processes:

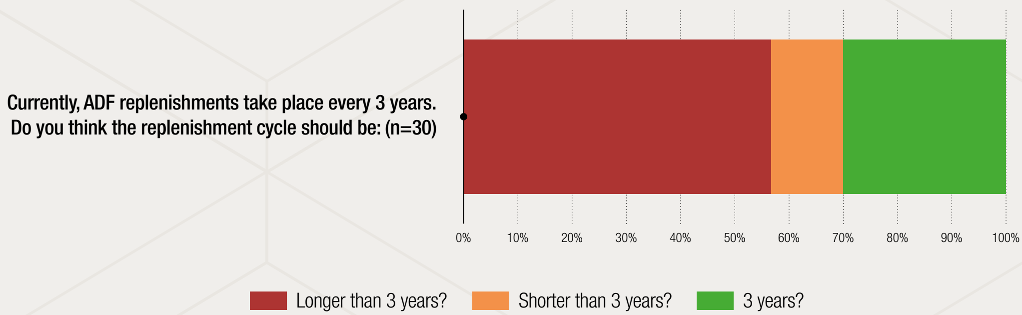


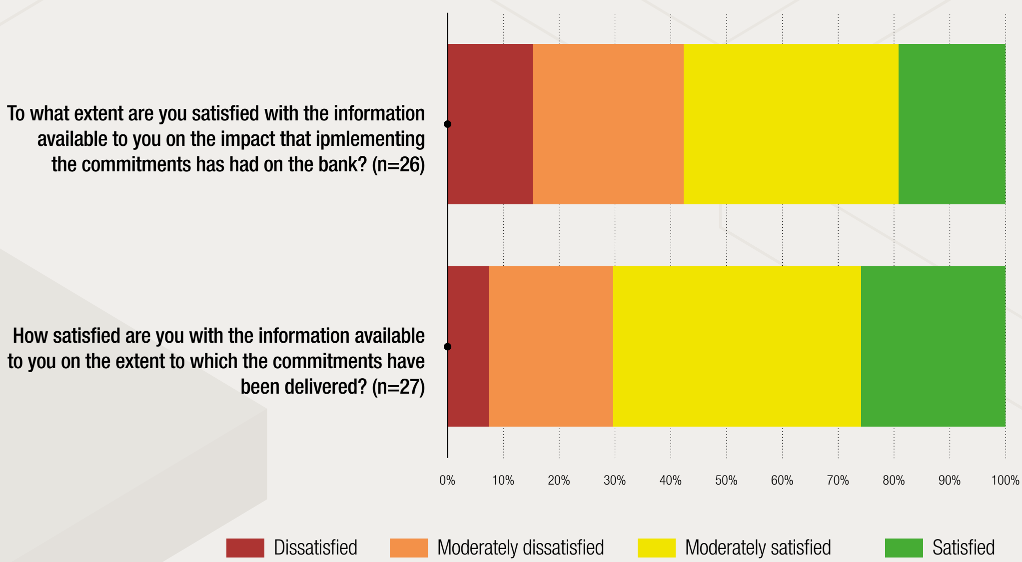

The content of the commitments for ADF/GCI is primarily driven by (n=31)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
The Board
Deputies
Governors
Bank Management
Other


How important are RMC conncerns in driving the (ADF/GCI) commitments? (n=31)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Unimportant
Moderately unimportant
Moderately important
Important


How would you rate the efficiency of the processes for agreeing to ADF/GCI commitments? (n=32)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Inefficient
Moderately inefficient
Moderately efficient
Efficient

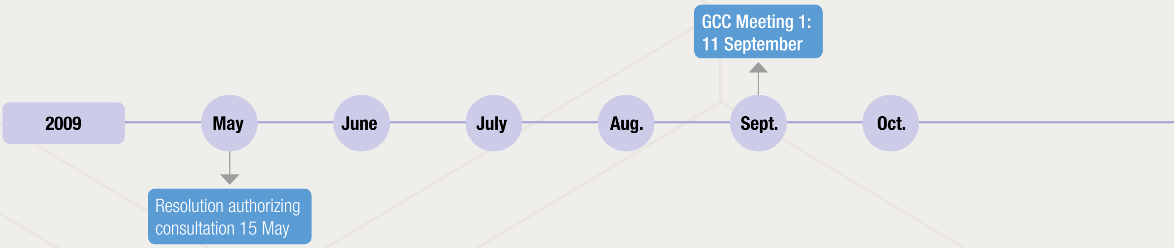

What is your view on the number of meetings held to agree the commitments and the financial contributions of the ADF/GCI? (n=32)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Too many meetings
Too few meetings
The right number of meetings


Currently, ADF replenishments take place every 3 years. Do you think the replenishment cycle should be: (n=30)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Longer than 3 years?
Shorter than 3 years?
3 years?

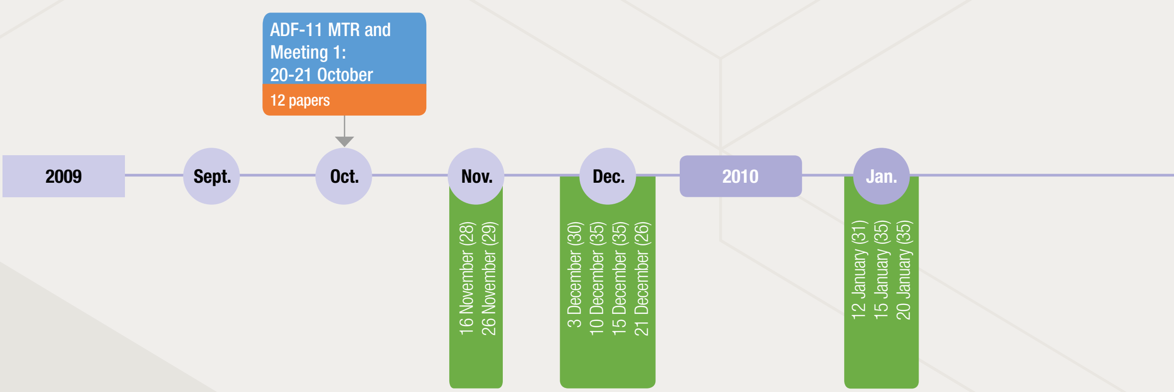

To what extent are you satisfied with the information available to you on the impact that ipmlementing the commitments has had on the bank? (n=26)
How satisfied are you with the information available to you on the extent to which the commitments have been delivered? (n=27)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Dissatisfied
Moderately dissatisfied
Moderately satisfied
Satisfied

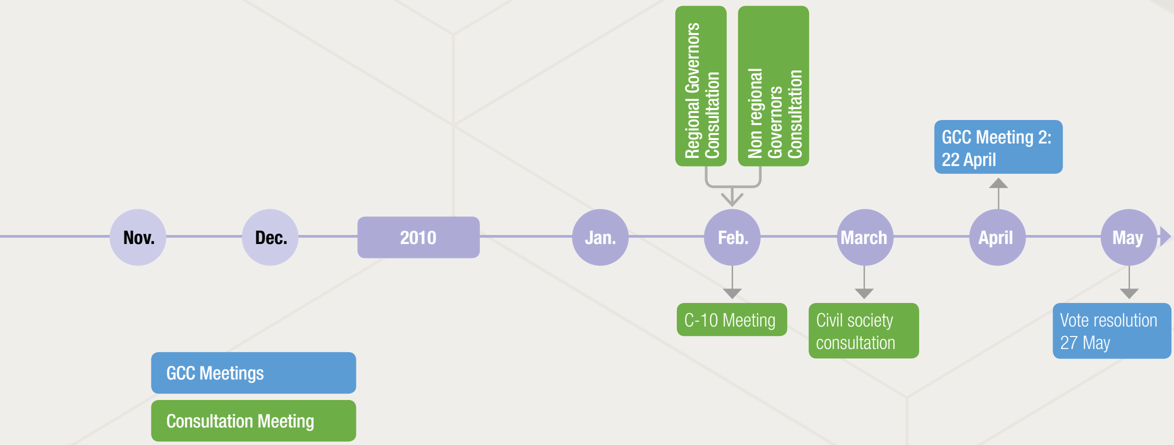
Annex 9 — Timeline for GCI-VI, ADF-12 and ADF-13

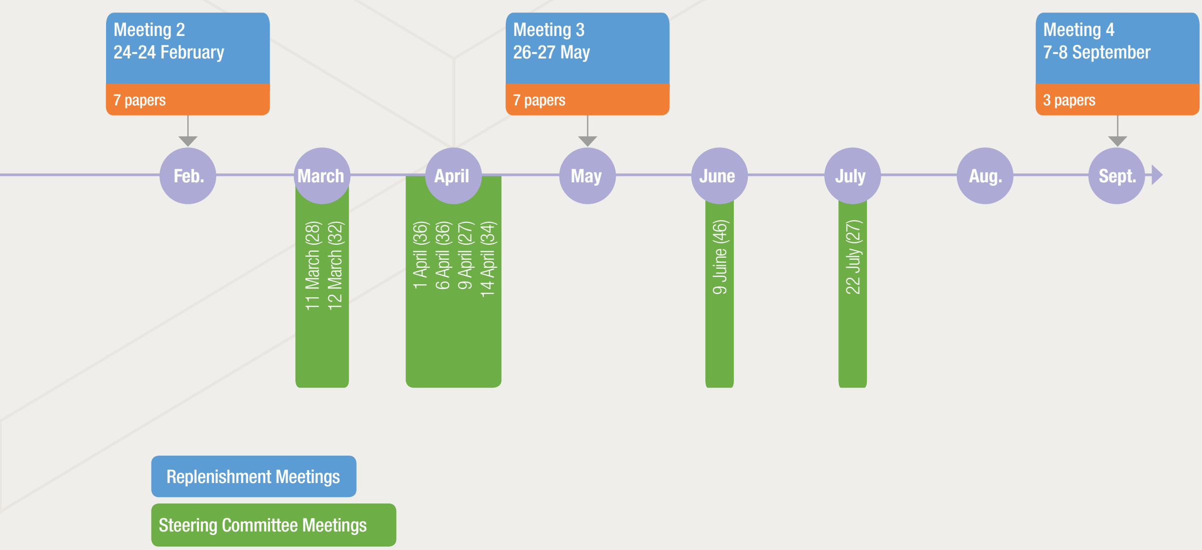
GCI-VI Process Timeline



ADF-12 Process Timeline

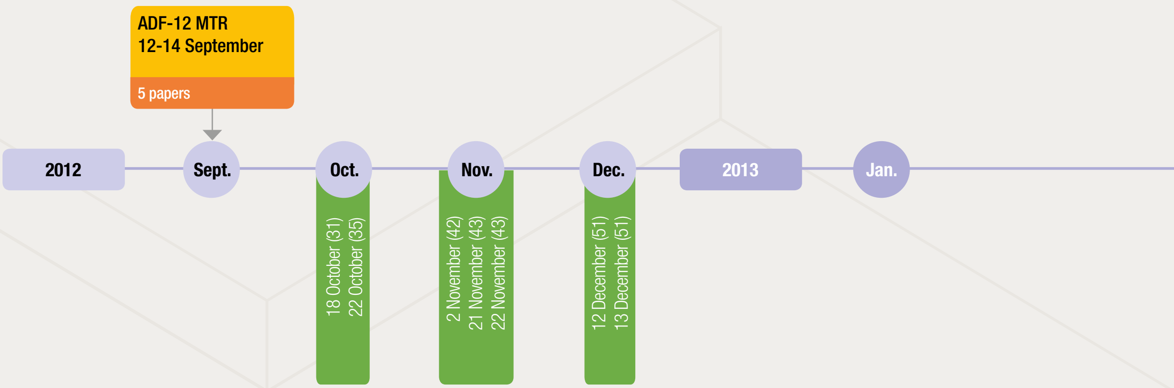


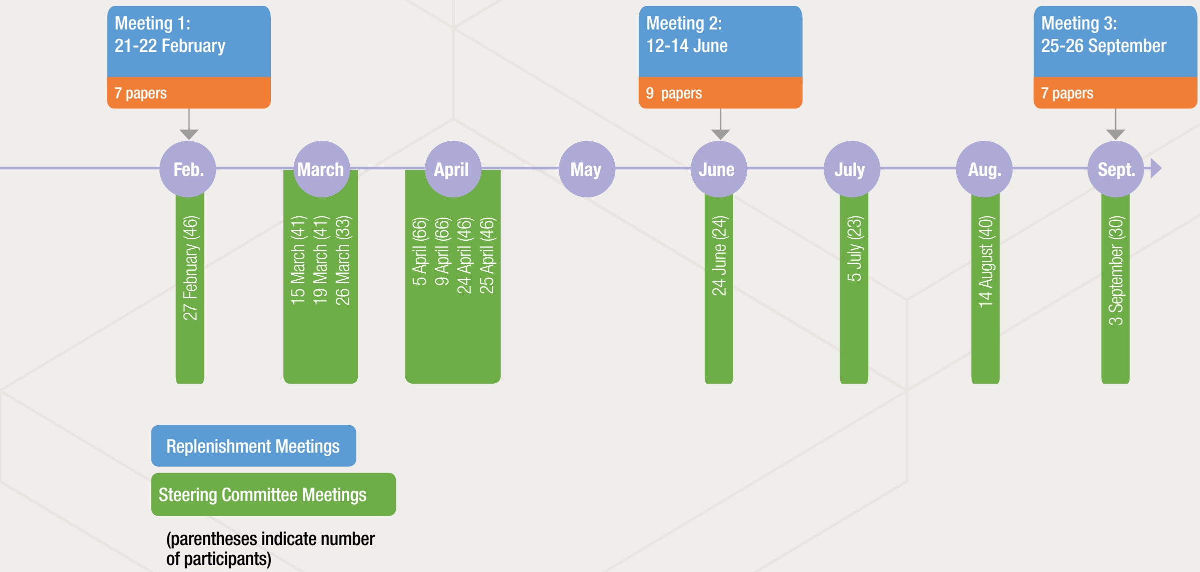




(parentheses indicate number of participants)

ADF-13 Process Timeline




Meeting 1:
21-22 February
7 papers
Meeting 2:
12-14 June
9 papers
Meeting 3:
25-26 September
7 papers
Feb.
March
April
May
June
July
Aug.
Sept.
27 February (46)
15 March (41)
19 March (41)
26 March (33)
5 April (66)
9 April (66)
24 April (46)
25 April (46)
24 June (24)
5 July (23)
14 August (40)
3 September (30)
Replenishment Meetings
Steering Committee Meetings
(parentheses indicate number of participants)

Annex 10 — Resources Mobilized for the Bank and Comparators

Table A10.1: GCI-VI resource mobilization

	AfDB	IBRD	IFC	AsDB	IADB	EBRD
Date Capital Increase Agreed	May 27, 2010	April 25, 2010	June 27, 2012[82]	April 29, 2009	March 23, 2010	May 14, 2010
Announced Capital Increase (US$)	US$66.5 billion	US$86.2 billion	US$200 million	US$110 billion	US$70 billion	US$15 billion
Proposed Increase, Percentage	200%	31%	8%	200%	100%	69%
Amount to be Paid-in by Shareholders (US$)	US$4.0 billion	US$5.1 billion	US$0	US$4.4 billion	US$1.7 billion	US$0
Amount Paid-in as a Percentage of Capital Increase	6%	6%	0%	4%	2%	0%

Table A10.2: ADF-12 and ADF-13 resource mobilization

	ADF-12	IDA 16	IFAD 8	AsDF X	GAVI 1	Global Fund 3
Size of Replenishment (US$)	US$9.5 billion	US$49.3 billion	US$3 billion	US$11.3 billion	US$7.4 billion	US$11.7 billion
Size of Previous Replenishment	UA 5.6 billion	US$41.6 billion	~US$2 billion	US$7 billion	N/A	US$9.7 billion
% Change from Previous Replenishment	3.2%	18%	~50%	38%	N/A	20.5%
Size of Donor Contributions	UA 3.8 billion	US$26.4 billion	US$1.2 billion	SDR 2.6 billion	US$4.3 billion	US$9.2 billion
% Change in Donor Contributions from Previous Replenishment	+6.6%	5.2%	N/A	15.6%	N/A	-2.1%
Donor Contributions as % of Replenishment	65.4%	53.7%	33.6%	37.7%	58.1%	78.7%
	ADF-13	IDA 17	IFAD 9	AsDF XI	Global Fund 4	
Size of Replenishment (US$)	US$7.3 billion	US$52.1 billion	US$3.5 billion	US$12.4 billion	US$12 billion	
Size of Previous Replenishment	UA 5.8 billion	SDR 32.8 billion	US$3 billion	SDR 6.9 billion	US$11.7 billion	
% Change from Previous Replenishment	-16.9%	5.5%	17.7%	11.1%	2.7%	
Size of Donor Contributions	UA 3.9 billion	SDR 17.3 billion	US$1.4 billion	SDR 2.9 billion	Not available online	
% Change in Donor Contributions from Previous Replenishment	1.3%	-1.7%	27.3%	11.5%	N/A	
Donor Contributions as % of Replenishment	79.8%	50.0%	39.7%	36.7%	Not available	

Annex 11 — Results Management Frameworks at International Financial Institutions

	AfDB	ADF-13	AsDB	IADB****	IFAD	IDA-17	World Bank (2013)	World Bank Group (2014)
Level 1/ Tier 1	What development progress is Africa making? (32 indicators)	What development progress is Africa making? (32 indicators)	Development Progress in Asia & the Pacific (22 indicators)	Regional Development Goals (23 indicators)	Global Poverty Reduction & Agricultural Development Outcomes (7 indicators)	IDA Countries Progress (41 indicators*)	Development Context (31 indicators)	Goals & Development Context (26 indicators)
Level 2/ Tier 2	How well is AfDB contributing to development in Africa? (47 indicators**)	How well is AfDB contributing to development in Africa? (46 indicators**)	AsDB's Contributions to Development Results (30 indicators)	Contribution of Outputs to Regional Goals (27 indicators)	IFAD's Contribution to Development Outcomes & Impact (14 indicators)	IDA-Supported Development Results (27 indicators)	Country Results Supported by the Bank (27 indicators)	Client Results Supported by World Bank Group Operations (15 indicators)
Level 3/ Tier 3	Is AfDB managing its operations effectively? (23 indicators)	Is AfDB managing its operations effectively? (20 indicators)	AsDB's Operational Management (28 indicators)	- Lending Program (4 indicators) - Operational Effectiveness & Efficiency (27 indicators)***	Concrete Country Program & Project Outputs (14 indicators)	IDA Operational Effectiveness (18 indicators)	Development Outcomes & Operational Effectiveness (26 indicators)	World Bank Group Performance (21 indicators of Development Impact, Strategic Context, and Operational Delivery for Clients)*****
Level 4/ Tier 4	Is AfDB managing itself efficiently? (15 indicators)	Is AfDB managing itself efficiently? (12 indicators)	AsDB's Organizational Management (9 indicators)	Operational Effectiveness & Efficiency (Human Resources - 3 indicators)***	Operational Effectiveness of Country Programs & Projects (20 indicators)	IDA Organizational Effectiveness (7 indicators)	Organizational Effectiveness & Modernization (25 indicators)	World Bank Group Performance (7 indicators on Financial Sustainability, and Managing Talent)*****

	AfDB	ADF-13	AsDB	IADB****	IFAD	IDA-17	World Bank (2013)	World Bank Group (2014)
Level 5				Organizational Effectiveness & Efficiency (15 indicators)				
Total indicators	**117**	**110**	**89**	**80**	**70**	**93**	**109**	**69**

* of which five are counted twice because they are gender disaggregated.

** of which 10 are counted twice because they are gender disaggregated.

*** IADB uses 30 indicators of Operational Effectiveness & Efficiency, three of which are on Institutional Effectiveness; the rest resemble Level 3 indicators at other international financial institutions.

**** IADB also reports on Output Contribution to Regional Development Goals in Fund for Special Operations (FSO) Countries (27 indicators), FSO Countries Lending Program Estimates (four indicators) & FSO Countries Operational Effectiveness & Efficiency (27 indicators).

***** The World Bank Group uses 28 indicators of World Bank Group Performance, seven of which are on Institutional Effectiveness; the remaining 21 resemble Level 3 indicators at other international financial institutions.

Endnotes

1. These commitments act as an agreement between the Bank and its shareholders in the case of GCI, and the Bank and ADF State participants and Donors in the case of the ADF replenishments.
2. The Bank's Board of Governors approved GCI-VI in May 2010; it included 35 commitments. The ADF-12 replenishment (2011-2013) included 32 commitments; and ADF-13 replenishment (2014-2016) 45 commitments.
3. One of the commitments in GCI-VI was for an independent evaluation of delivery of the commitments. This evaluation delivers on that commitment, but also addresses the request for an independent review of ADF-13 by mid-term, at the same time.
4. The ADF-13 matrix adopted a different format for institutional effectiveness than the rest and shifted to the use of the term "deliverables" therefore the total comprises "commitments" in the other areas and "deliverables" related to institutional effectiveness.
5. On delivery of this evaluation, the outstanding number will be only one and efforts are also underway for the other.
6. This approach was not consistently used at previous capital increases.
7. One of the commitments in GCI-VI was for independent evaluation of delivery of the commitments. This evaluation delivers on that commitment, but also addresses the request for an independent review of ADF-13 by mid-term, at the same time.
8. The verification of commitment delivery was initially done at the end of 2014 but updated in February 2015, and the report itself continued to be updated until end of March 2015.
9. A third special topic was also identified in the approach paper presented to the Committee on Operations and Development Effectiveness in 2014; however this evaluation was cancelled.
10. Inception report finalized September, 2014.
11. Two surveys were conducted, both with response rates of around 32 percent.
12. Technical report finalized March 2015.
13. For each of the main evaluation questions, broad ratings, on a four-point scale are given to provide an overview of areas of strength and weakness (see Annex 2).
14. For GCI-VI only one main paper was produced with successive iterations, plus an overview; while a large number of papers were produced for the replenishments. The specific topics covered by the papers were well aligned with the overarching goals of GCI-VI.
15. This figure includes three consultation meetings, and only two meetings involving detailed discussion amongst the governors (GCC). It does not include meetings at which the governors resolved that the process could begin.
16. Figure is a minimum, based on records found.
17. Ibid.
18. The increase went into effect on February 29, 2012.
19. Not identified specifically as commitments in AsDB's report on GCI-V but inferred from its text.
20. Noted as "mandated reforms" and included five specific sector strategies.
21. Andres Rigo Sureda. "Study on the Governance Structure of the African Development Fund: Legal and Financial Implications of the Second Option." ADF/BD/WP/2009/48. African Development Fund, 8 April 2009.
22. Papers counted do not include those produced for MTRs. At the time of writing as many as nine papers were being planned for the ADF-13 MTR scheduled for October 2015, though the number was not final.
23. The RMF was first introduced in connection with ADF-11.
24. Based on the external coordinators' summaries, for ADF-12, three RMC delegations participated in the consultation meetings (Burkina Faso, DRC, Liberia and Uganda); for ADF-13 four RMC countries participated (Kenya, Malawi, Ghana and Cote d'Ivoire).
25. Geoff Lamb for ADF-12 and Richard Manning for ADF-13.
26. This figure includes three consultation meetings, and only two meetings involving detailed discussion amongst the governors (GCC). It does not include meetings at which the governors resolved that the process could begin.

27. One meeting was held in Paris due to an ADF contributor's security concerns about Tunis at the time.
28. After ADF-13 responsibility for the replenishment process was moved to the Finance Complex.
29. In 2010 the Resource Mobilization and Allocation Unit had 10 professional staff, eight of whom played some sort of role in ADF. In 2009 the Operational Resources and Policies Department 2 had four professional staff.
30. Actual data from December 2014, before the MTS and some working group meetings.
31. These costs are a rough estimate based on the number of attendees at the steering committee meetings (listed in the minutes), an estimated average time commitment of the attendees per meeting, and the average salary for the attendees. They are likely to underestimate costs for ADF-12 where the time of the Vice-Presidents was higher than for ADF-13.
32. Terms of reference for the GCC (established by resolution B/BG/98/0629 May 1998).
33. Prior to ADF-13, cancelled loan amounts were ploughed back into the general resource pool available for allocation to all members and were counted as internal resources. Under ADF-13, 70 per cent of the cancelled amounts are reassigned to the same countries and not available for general allocation.
34. An RMC can contribute without becoming a full "state participant" (see box 1.2).
35. The initial review took place in October 2014 and was updated in February 2015. The review examined the Bank's own reporting and validated this by checking the delivery of final approved documents and other promised outputs according to Bank written records, with some information gaps filled by records of specific departments concerned.
36. The two commitments are: independent review of delivery of the commitments (which will be delivered with this evaluation and minimization of the costs of Board enlargement (discussions on Board efficiency measures were ongoing at the time of writing).
37. IDEV evaluation of policy and strategy making and implementation, 2015.
38. A separate evaluation was carried out on policy and strategy making and implementation and on management of the administrative budget linked to this evaluation. Information from those is included here. For the other areas, the assessment was done only in the context of this evaluation and was therefore necessarily limited in terms of depth.
39. IDEV evaluation of policy and strategy making and implementation, IDEV 2015 (forthcoming).
40. In March 2015 a draft volume of the new operations manual was shared with staff, and is currently being refined. It should help staff understand and access the overall suite.
41. In 2011 actual ADB lending was at 87 percent of the baseline lending scenario, in 2012, 59 percent, in 2013, 50 percent and in 2014, 70 percent. Projections from GCI-VI projections from "Review of the AFDB's Capital Resource Requirements (GCI-VI) - An Overview (Revised Version)" table 1, March 2010.
42. IDEV evaluation of CSP quality at entry, 2014.
43. 2014 Annual Development Effectiveness Report; these ratings are not validated by IDEV.
44. An Independent Evaluation of the Quality at Entry of Country and Regional Integration Strategies – IDEV, July 2014.
45. Some provisional discussions have been held about whether a similar type of framework might be useful on the public sector side.
46. Improving Portfolio performance at the African Development Bank. 2014. ADB/BD/IF/2014/210
47. 2013 Quality Assurance Dashboard – ORQR April 2014 and draft data for the 2014 dashboard supplied by ORQR in March 2015.
48. Improving Portfolio Performance at AfDB – Memorandum to the Board of Directors, 14 November 2014.
49. This separation is intended to reduce potential conflict of interest.
50. Independent Evaluation of Non-Sovereign Operations, 2006-2011 (2013, page 16).
51. IDEV Evaluation 2015 (forthcoming): Evaluation of Bank Assistance to Small and Medium Enterprises (2006-13).
52. Improving Portfolio performance at the African Development Bank. 2014. ADB/BD/IF/2014/210
53. ibid
54. Business Manual for Private Sector Operations.
55. The Medium-Term Financial Outlooks (MTFO) include monitoring of the different aspects of the income model amongst other data.
56. The most recent MTFO bases this projection on increased adjusted net income at 35 percent on 2014 levels, and an increase in administrative expenses of 1.5 percent.

57. A separate evaluation focused on the management of the administrative budget provides further information. IDEV, forthcoming.

58. The original management response to the MTR provided in 2014 was considered the original action plan (as per the commitment). The 2015 updated action plan goes into more detail.

59. Implementation of the Decentralization Roadmap, Report of the Mid-Term Review.

60. Evaluation of the Efficiency and Effectiveness of the African Development Bank's Operational Procurement Policy and Practices, August 2014.

61. Review of the African Development Bank's Economic and Sector Work (2005-10). OPEV 2013.

62. As acknowledged in the Bank's Human Resource Action Plan 2014.

63. Data from 2010 and 2013 surveys. At the time of writing the 2015 staff survey was about to be conducted.

64. There was until 2014 a focus on the Bank's vacancy rate, which drove efforts to improve the efficiency of the recruitment process. In the context of the strategic staffing exercise the importance of improving the quality of that process is also now highlighted.

65. The definition has evolved over time. Following a review and reclassification of the ratio of the work program activities of all units and the direct link to development projects and programs, 15 other organizational units in addition to ORVP, OIVP and OSVP are classified as 100 percent operations and numerous others as part operations.

66. Delivery only one month after the target date is counted as delivered on time. Where target is a quarter lateness counted from the end of that quarter to the beginning of delivery quarter. Final approval means last stage in process, in some cases this is Board approval, in others, Senior Management Coordination Committee or elsewhere.

67. 13 months for report to Board/Code, 2 years for IPR Staff training and 2 years 10 months for roll out.

68. Commitment was not for a full decentralization, only certain basic functions.

69. Now known as implementation progress reports (IPRs)

70. Note that OAGL has since moved to a risk-based approach to audit, and so is no longer taking this approach; however, the commitment is assessed as delivered because before the change in audit approach some field offices were audited in line with the commitment.

71. Some of the data still has to be checked manually. However, this is linked to a much broader data quality issue.

72. The management response to the MTR is counted as the initial action plan for the purposes of this exercise. However, at the time of writing the Bank was working on a detailed updated action plan in addition.

73. The outline for a revamped LMDP has been set out on paper but not implemented in 2014 as planned due to administration budget cuts.

74. Some training has been started but stopped due to budget cuts; some interviews are now being conducted at field offices, indicating some progress.

75. Due to the 2014 recruitment freeze this item was no longer considered a priority. On boarding for the move to Abidjan has been the focus instead, with the comprehensive on boarding program expected to be revamped in 2015.

76. Not all interviewees were asked or responded to all structured questions. Therefore, the numbers in Table A3.1 will differ from the numbers in analysis of interview respondents. In reporting on interview and survey data, the term deputies and executive directors are used as including their alternates and advisors.

77. The replenishment process for AsDF-X overlapped with that for ADF-11, and its implementation period (2009-2012) overlapped with that for ADF-11 and ADF-12.

78. Unlike ADF-12, where the deputies' report was discussed at the Fourth Replenishment Meeting, for ADF-13, the draft report was first discussed at the Second Replenishment Meeting, and then again at the Third (and final) Replenishment Meeting, where two papers were submitted – a paper with the comments and revisions on the draft report, plus a draft ADF-13 report – Supporting Africa's Transformation.

79. Review of the African Development Bank's Capital Resource Requirement (GCI-VI) – Fourth Working Paper. No Date.

80. Stepping up to the Future: An Independent Evaluation of African Development Fund VII, VIII and IX. OPEV, African Development Bank, July 2004. No Date.

81. Options to Improve the Cost-Effectiveness of the Replenishment Process. Background Paper. ADF-11. Helsinki, October 2009.

82. About 40 Bank managers/staff participated in the replenishment consultations; in addition the Bank paid for the participation of executive directors; one of the options put up for consideration was to have countries include executive directors in their delegations and hence pay for them, thus reducing the cost for the Bank.

83. The IFC Board of Directors recommended the capital increase in mid-2010. It was subsequently adopted by the Board of Governors on March 9, 2012 and became effective on the date above.

IDEV

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An IDEV **Corporate Evaluation**

About this Publication

This report presents the results of an evaluation of the Bank's commitments process and the implementation of commitments related to its Sixth General Capital Increase (GCI-VI) and African Development Fund 12th and 13th Replenishments (ADF-12 and ADF-13).

The evaluation aimed to draw conclusions and lessons about the (i) relevance of the agreed commitments to the Bank's challenges and priorities; (ii) efficiency of the processes in reaching agreement on a coherent and realistic portfolio of commitments; (iii) delivery of the commitments (outputs such as documents, establishment of new structures or processes); and (iv) effectiveness of their subsequent implementation. The evaluation also makes recommendations aimed at helping the Bank to improve in each of these areas.

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