



IDEV

Independent Development Evaluation
African Development Bank

Evaluation of the African Development Bank's Country Portfolio Review and Restructuring Policy

SUMMARY REPORT

February 2021



AFRICAN DEVELOPMENT BANK GROUP

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Acronyms and Abbreviations

AfDB	African Development Bank Group
APPR	Annual Portfolio Performance Review
BDEV	Independent Development Evaluation
CODE	Committee on Operations and Development Effectiveness
COR	Country Operations Review
CPPR	Country Portfolio Performance Report
CPR	Country Portfolio Performance Review
CPIP	Country Portfolio Improvement Plan
CPO	Country Program Officer
CSP	Country Strategy Paper
CSP-CR	Country Strategy Program Completion Report
DBDM	Development and Business Delivery Model
DO	Development Objective
IP	Implementation Progress
IPR	Implementation Progress Report
MDB	Multilateral Development Bank
MTR	Mid-Term Review
PIN	Portfolio Issues Note
PCR	Project Completion Report
RPPR	Regional Portfolio Review Report
RPR	Regional Portfolio Review
RISP	Regional Integration Strategy Paper
RMC	Regional Member Country
RMF	Results Measurement Framework
SNDR	Delivery, Performance Management and Results Department
TMSS	Transition Management Support Strategy

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Executive Summary

Introduction

This report presents the summary of findings, conclusions and recommendations from an independent evaluation of the African Development Bank's (the Bank or AfDB) portfolio review and restructuring policy and guidelines, and the experience of comparator organizations. The Bank Group's Policy on Portfolio Review and Restructuring¹ dates back to 1995, with revisions in 1999, 2004 and 2007 and, most recently, portfolio review exercises undertaken by the Bank using the 2011 Guidelines for Review of Country Portfolio Performance.² The 2011 guidelines state the following: "After five years of implementation, the guidelines should be evaluated in terms of improvements in project and program implementation and attainment of lasting development outcomes."

The purpose of this evaluation is to inform the revision of the portfolio review and restructuring policy and its guidelines. The evaluation covers the period of 2011 - 2019, takes into account the implementation of the latest guidelines and seeks to address four main questions:

- 1) To what extent are the portfolio review and restructuring policy and guidelines aligned with the evolving institutional context in the AfDB and are the Country/Regional Portfolio Performance Reviews (CPRs/RPRs) providing value addition to the existing portfolio management tools?
- 2) To what extent were the objectives identified in the portfolio review policy and guidelines achieved and do the portfolio improvement plans contribute to improving portfolio quality?
- 3) To what extent do the policy and guidelines provide an efficient means of managing the portfolio and is the process, as implemented, timely and cost effective?

- 4) How do the AfDB portfolio review and restructuring policy, guidelines and practices compare with those of key public and private comparator institutions as well as good practice standards, and what are the key areas of revision required?

Methodology

The evaluation approach comprised three interrelated components. The first was a review of the CPR/RPR policy framework and guidelines taking into account an evolving operating environment. It in particular assessed the relevance, efficiency and effectiveness of the current institutional framework for portfolio review and restructuring. The second was a comparative review: the evaluation benchmarked the AfDB portfolio review and restructuring policy (public and private sector operations) against those of other Multilateral Development Banks (MDBs), specifically the World Bank, International Finance Corporation, Asian Development Bank, and International Fund for Agricultural Development. The last component was a country review. Given the large number of countries and Country / Regional Portfolio Review Reports (CPRs / RPPRs), the approach adopted was to focus on a sample of twelve countries³ and one of the AfDB's regions (Central Africa).

The evaluation used a mixed methods approach in data collection and analysis. Information required for the evaluation was gathered through extensive document review (including policy, guidelines, CSPs⁴, RISPs⁵, CPRs and RPPRs) and consultations with stakeholders at the Bank's headquarters, Country Offices, the Regional Member Countries (RMCs) and comparator organizations. The results of the three reviews were aggregated and analyzed combined with portfolio data from the Bank's systems. After the above brief introduction and the evaluation methodology, the executive summary presents

¹ ADB/BD/WP/95/07/R rev.3

² ADB/BD/WP/2010/140/Rev.2

³ Cameroon, Central African Republic, Chad, Cote d'Ivoire, Djibouti, Egypt, Ethiopia, Kenya, Mali, Morocco, Mozambique and South Africa.

⁴ Country Strategy Paper

⁵ Regional Integration Strategy Paper

the key findings on the relevance of the portfolio review policy and guidelines in the Bank, the effectiveness and the efficiency of CPRs / RPRs as portfolio management tools. Finally, it describes the proposed recommendations.

Main Findings

Relevance of Country Portfolio Review

The CPR policy and guidelines took into account the decentralization process and had a clear set of measurable outcomes, though they are less relevant to the Bank's institutional framework today compared to ten years ago. The guidelines clarified the leadership role in the CPR process. Decentralization provides opportunities for quick portfolio management responses to emerging issues. However, many of the CPR processes do not take advantage of the country knowledge and client relationships built by staff in member countries. One of the new positions created to help strengthen portfolio management in the context of the Development and Business Delivery Model (DBDM) is a Portfolio Implementation Manager based in regional hubs. Feedback from interviews indicates a lack of clarity on the division of labor and responsibility between the Portfolio Implementation Manager and the Country Program Officer (CPO), who manages the CPR process.

The creation of a Portfolio Issues Note (PIN) was a potentially useful step in the CPR process towards identifying critical portfolio issues; however, the current CPR guidelines focus on processes rather than results. The PIN was expected to enable the CPPR to be more action-oriented and focused on designing solutions. There are clear portfolio performance indicators, standards and targets defined in the Results Measurement Framework (RMF) and Presidential Directive PD02/2015, but the CPR guidelines are not focused on outcomes and how the CPR process can help to achieve them. In this context, there could be a greater focus on the use of Bank systems to track portfolio performance, with less emphasis on the determination of portfolio ratings. Moreover, the guidelines do not reinforce one of the key objectives of the CPR, that being to track progress towards achievement of CSP results.

The CPRs are relevant as a dialogue tool to assist member countries in meeting current Bank

obligations. This was done by country teams utilizing the CPRs as an instrument for engaging the government on crosscutting implementation issues, mainly in the areas of procurement, financial management, project management and disbursement. Project management issues included delays in effectiveness and first disbursement. In about half of the twelve countries reviewed, delays in counterpart funding appeared in one or more of their CPPRs.

While the CPRs focused on implementation issues, they were only marginally relevant in addressing constraints to achieving the Development Objectives (DOs) of projects or the portfolio as a whole. Although the Implementation Progress Reports (IPRs) contain a section on progress towards achieving output and outcome targets as well as a section providing the justification for the DO ratings, the CPPRs generally did not discuss topics related to project DOs. The IPRs also reported on risks to development outcomes, but these were not part of the CPPR portfolio analysis. As important, the CPRs did not utilize the Project Completion Reports (PCRs) to track the development effectiveness of projects over time, identify constraints to achievement of project DOs, and build on lessons identified in the PCRs.

While some CPPRs reported instances of portfolio or project restructuring, the CPRs did not provide any value addition to this. At country level, only two cases of portfolio restructuring can be mentioned, but this was done outside the CPR process. At the project level, the evaluation team identified a few concrete examples of project restructuring in Kenya that were not labeled as such. There are no guidelines on the definition of and process for project restructuring, including identification of approval authorities. In contrast to the 1995 Portfolio Review and Restructuring Guidelines, the 2011 CPR Guidelines did not articulate a role of the CPR in the project restructuring process. Other MDBs have developed project restructuring policies to add to the tools available for portfolio management.

Effectiveness of Country Portfolio Review in portfolio management

Bank-wide indicators on portfolio performance during 2012-2019 showed positive trends in many areas, although important efforts are still required.

Overall, there were improvements in disbursement, procurement and project implementation indicators during 2012-2019. For example, the share of operations-at-risk showed significant decline. But the share of operations eligible for cancellation tripled, from 9% in 2012 to 30% in 2019, compared to a Bank-wide target of 12% by 2025. This jump was also associated with the introduction of the Presidential Directive in 2015 (PD02/2015) which set new rules that govern/define which projects are eligible for cancellation. A review by the Delivery, Performance Management and Results Department (SNDR) also found that the number of operations eligible for cancellation increased by 16% between 2015 and 2019. In addition, the data showed that the share of operations achieving DO targets fluctuated during the period, and was only 92% in 2019, below the 95% target.

Many of the underlying factors affecting portfolio performance will take time to address. Project implementation delays due to poor project readiness at entry are difficult to correct during implementation. Actions in the proposed Country Portfolio Improvement Plan (CPIP) to improve quality-at-entry will impact future portfolio performance, but only if implemented effectively. Institutional weaknesses are long-term issues that cannot be addressed with short-term training alone. In addition, many of the actions identified in various CPIPs are improvements in processing steps rather than fundamental changes to project design or portfolio management.

The CPRs succeeded in aggregating findings and information from the IPRs, but have not been an effective tool for rectifying the consequences of weak project design and poor project supervision. There are limited options in addressing the lack of project readiness issues other than implementing actions that should have been done prior to project approval. Deficiencies in project supervision such as inadequate frequency, team composition and follow up on issues, hindered the effectiveness of portfolio management as shown in the Independent Development Evaluation (BDEV)'s 2018 quality of supervision evaluation. Interviews with Bank staff in Abidjan noted concerns about the ability of task managers to resolve implementation issues due to either a lack of experience or being overstretched due to managing a large number of projects.

As a diagnostic tool for identifying problems impeding progress in achieving implementation

progress and DOs, the CPRs mainly utilized and consolidated information already available in the IPRs. About 55% of the countries reviewed had CPPRs that identified systemic issues, those being: i) predominantly poor quality-at-entry, especially with respect to readiness for implementation; ii) inadequate capacity and staffing of project management units; iii) cumbersome government disbursement systems; iv) lack of government ownership; and v) skills-mix issues in Bank supervision. The CPRs have not been effective as a diagnostic tool for identifying constraints and risks to the achievement of DOs. There has been no “deep dive” analysis of selected issues impeding the delivery of development results. However, in 2018, the Regional Vice Presidency Complex conducted a review of the implementation capacity of a sample of eight projects in Mozambique. From this review, the lack of CPPR focus on development outcomes, as opposed to project implementation, was a major weakness.

The portfolio ratings did not reflect the performance of the whole portfolio. The guidelines stipulate that only public sector loans and grant-financed operations (investment projects and program-based operations) would be incorporated into the portfolio performance ratings. Thus, the portfolio scores did not reflect the performance of the whole program, which also included private sector and non-lending operations.

Based on the review of the implementation of CPRs and RPRs, the CPR policy and guidelines were not effective in providing guidance on linking the portfolio with the CSP/RISP strategies and results. The CPR objectives aimed at ensuring achievement of CSP objectives and providing inputs for future CSPs were not addressed in more than 75% of the CPPRs reviewed. In addition, the CPRs were not able to adapt the portfolio to changing economic circumstances. Indeed, the intended contribution of the CPRs to the CSPs was merely to address project implementation issues. The CSP reviews have been the venue where the review and validation of the country program takes place. One of the main outputs of the CSP/CSP Mid-Term Review (MTR)/CSP Completion Report is an analysis of

how the country program contributes to intended CSP outcomes.

Efficiency of Country Portfolio Review

While the country reviews found that the CPPRs generally followed the guidelines on process and content, the frequency with which they were generated was less than 50% of what was specified in the guidelines. In addition, although the stakeholders are engaged in the CPR preparation process, they lacked ownership in monitoring the implementation of the CPIP. Lastly, the lack of data on costs to generate a CPIP also hampered the evaluation's ability to assess its cost-effectiveness.

Recommendations

The evaluation makes the following recommendations.

Recommendation 1: Refocus the CPR on the analysis of portfolio problems, with a view to problem-solving and promoting progress towards a country's development results. This should be done while using the existing and newly developed corporate level portfolio management tools (such as the Bank's Red Flag system in Flashlight Reports, Delivery Dashboard, Country Portfolio Snapshot) for portfolio monitoring.

Recommendation 2: Systematize and enhance support to Country Offices in the management of their country portfolio by clarifying the implementation support managers' roles and improve coordination and cross-fertilization.

Recommendation 3: Strengthen the CPIP to encourage follow-up actions to improve the health of the portfolio and track results targets. It should also be prepared in parallel to the CSP, with annual interim updates where

needed to maintain the health of the portfolio.

The CPIP remains a valid instrument to be used where there are portfolio level actions (beyond the capacity of project entities) that need to be taken. To this end, the Bank should:

- a) Identify portfolio issues that require additional analysis to determine the underlying problems and identify the actions required to address them.
- b) Ensure that actions in the CPIP result in the improvement of portfolio performance, as measured by the RMF and supplementary indicators.

Recommendation 4: Prepare a policy or guidelines on project restructuring, with appropriate incentives for staff to engage in project restructuring when needed. To this end, the Bank should:

- a) Update the restructuring policy along the principles of flexibility and proactive portfolio management.
- b) Consider restructuring projects as and when needed (rather than just at the MTR).
- c) Maintain a central data file of projects that have been or are in the process of being restructured.

Recommendation 5: Enhance the CSP/RISP results monitoring in the CPR/RPR, in particular for the stand-alone CPR/RPR. The 2011 guidelines on portfolio review performance already suggest an alignment in the CPR/RPR preparation to the CSP/RISP process. In this context, the CPR should contribute to the country results profile using the monitoring indicators in the CSP results framework. After the initial joint CPR/CSP, the succeeding reviews should include updates with simplified progress reports toward achieving CSP/RISP results.

1. INTRODUCTION

This report presents a summary of the findings, conclusions and recommendations from an independent evaluation of the African Development Bank's (the Bank or AfDB) portfolio review and restructuring policy guidelines; it also looks at the experience of comparator organizations. The Bank Group's Policy on Portfolio Review and Restructuring⁶ dates back to 1995, with revisions in 1999, 2004, 2007 and, more recently, portfolio review exercises undertaken by the Bank using the 2011 Guidelines for the Review of Country Portfolio Performance.⁷ The 2011 guidelines state that after five years of implementation, they should be evaluated in terms of improvements to project and program implementation as well as the attainment of lasting development outcomes. This evaluation seeks to provide evidence to inform the revision of the portfolio review and restructuring policy and its related guidelines, given the Bank's evolving institutional environment.

The summary report is structured as follows: Section 1 provides introductory information while sections 2 to 4 present the key findings of the evaluation; Section 2 assesses the relevance of the portfolio review policy and guidelines in the Bank; Section 3 examines the effectiveness of Country and Regional Portfolio Performance Reviews (CPRs/RPRs) as portfolio management tools; and Section 4 presents findings on the efficiency of the CPR/RPR policy and guidelines in the Bank. Finally, Section 5 provides conclusions and recommendations.

1.1. Evaluation Purpose, Objectives, Scope and Questions

The purpose of this evaluation is to inform the revision of the Bank's portfolio review and restructuring policy and its related guidelines. The main objectives of the evaluation are to: i) assess the relevance, efficiency and effectiveness of the current institutional framework for portfolio review and restructuring, both for sovereign and non-sovereign portfolios; ii) review the approaches, processes, format and content of the CPR/RPR reviews towards achieving effectiveness and efficiency; iii) identify best practices in portfolio review and restructuring from other Multilateral Development Banks (MDBs) and relevant organizations engaged in private sector (non-sovereign) operations; iv) assess the effectiveness of country and regional reviews as a dialogue tool to ensure delivery of results from the Bank's program in Regional Member Countries (RMCs); and v) provide recommendations for improving the CPR/RPR reviews, including reforms in the policy and institutional framework, as well as approaches, processes, and practices in format and content.

The evaluation covers the period 2011-2019, taking into account the implementation of the latest guidelines, and seeks to address four main questions; these questions are further developed in Annex 1:

1. To what extent are the portfolio review and restructuring policy and guidelines aligned with an evolving institutional context in the AfDB and, are the CPRs/RPRs providing value addition to the existing portfolio management tools?
2. To what extent were the objectives identified in the portfolio review policy and guidelines achieved and do the portfolio improvement plans contribute to improving portfolio quality?
3. To what extent do the policy and guidelines provide an efficient means of managing the portfolio and is the process, as implemented, timely and cost effective?
4. How do the AfDB portfolio review and restructuring policy and guidelines compare with those of key public and private comparator institutions and good practice standards; and what are the key areas of revision required?

⁶ ADB/BD/MP/95/07/R ev.3

⁷ ADB/BD/MP/2010/140/Rev.2

1.2. The AfDB's portfolio review and restructuring policy and guidelines

The AfDB has a long history of initiatives to improve country portfolio management to ensure that the development impact of projects and programs is maximized. Prior to 1995, the Bank had been conducting Country Operations Reviews (CORs) aimed at countries whose operations manifested implementation problems of a “generalized nature.” A review of eighteen CORs submitted to the Board found that 10 concluded with portfolio restructuring proposals, which required Board approval, and the remaining 8 were reports on the status of the portfolios. However, as the portfolio reviews might lead to a variety of actions requiring formal Board approval, the Board requested a policy on portfolio restructuring.

In 1995, the Bank adopted a policy on portfolio review and restructuring as a follow up to the Knox report⁸, which recommended the introduction of a country portfolio review as a useful complement to project supervision. The 1995 Policy identified two components for a country portfolio review: i) an assessment of recent developments in the economy, in particular their impact on the Bank's operations; and ii) a review of individual Bank projects with ratings assigned to each project and a composite rating for the portfolio. The restructuring component of the policy aims at reducing the Bank's exposure to countries with impaired creditworthiness. Country portfolio performance is also a factor in the Bank's performance-based allocation framework for allocating African Development Fund resources, where portfolio performance is a factor in the performance-based allocation formula. Since 1995, the policy and guidelines have been revised by the Bank's Management.

In 2005, the Operations Evaluation Department assessed the policy, format and guidelines of a sample of CPPRs completed during 2000-2004 and identified several shortcomings.⁹ These shortcomings were further confirmed in a 2010 approach paper¹⁰ on CPR in response to a memorandum of the Chairperson of the Committee on Operations and Development Effectiveness (CODE) to Senior Management in 2009 and were related to a lack of harmonization in the process as well as format, content and frequency of CPPRs. The review resulted in revisions and the issuance of the 2011 guidelines for review of country portfolio performance.¹¹ These identified six objectives for the CPR: i) improve the quality of the Bank's country portfolios; ii) assist member countries in meeting their current obligations to the Bank; iii) adapt projects and programs to changing economic circumstances through restructuring, cancellations or terminations, where necessary; iv) ensure that the implementation of Bank country programs is on track to deliver agreed-upon results linked to strategic objective priorities identified by the RMCs themselves; v) validate the linkage between the portfolio and the Country/Regional Integration Strategy Papers (CSPs/RISPs); and vi) provide guidance for future country and regional programming through the CSP/RISP process.

The 2011 CPR Guidelines were slightly revised in 2013¹² to clarify the reporting level and the frequency of the CPRs/RPRs. In particular, the CPPR is to be submitted to the full Board when jointly prepared with a CSP and to the Committee on Operations and Development Effectiveness (CODE) when it is jointly prepared with the CSP MTR or a CSP Completion Report, or if it does not recommend major changes. A stand-alone CPPR is to be sent to the Board for information only. Regarding the frequency, in countries with functioning Country Offices, the CPR exercise should be undertaken annually. In countries without functioning Country Offices, the CPR should be undertaken annually when portfolio performance is unsatisfactory, and at least once every two years for countries where performance is satisfactory. In the case of regional operations linked to RISPs, Regional Portfolio Performance Reviews (RPRs) should also be carried out every year per region following a process similar to that of the CPR.

8 ADB/BD/WP/94/46

9 ADB/BD/WP/2005/54

10 Country Portfolio Performance Review Approach Paper: Proposed Guiding Principles (ADB/BD/WP/2010/102)

11 ADB/BD/WP/2010/140/Rev.2

12 ADB/BD/IF/2013/83

In the intervening years, a Regional Portfolio Performance Improvement Plan (RPIP) will be prepared and presented to CODE for information.

1.3. Evaluation methodology and limitations

The evaluation is theory based. A theory of change behind the Bank CPR/RPR exercises was drawn up based on an in-depth review of the CPR/RPR objectives as articulated in the Bank's policy and guidelines, the CPR process and its key outputs, as well as consultation with the main stakeholders involved in the CPR/RPR process in the Bank. The overall theory of change, and more information about the methods applied, is included in Annex 1.

The evaluation comprises three interrelated components. The first is a review of CPR policy framework and guidelines taking into account the evolving operating environment. This includes the DBDM reforms and implementation, revisions in the policy and guidelines for CSPs and RISPs, and the introduction of the implementation progress (IP) report in 2013. The second is a comparative review. The evaluation benchmarked the AfDB portfolio review and restructuring policy (public sector and private sector operations) against those of other MDBs, specifically the World Bank, International Finance Corporation, Asian Development Bank, and International Fund for Agricultural Development (see Annex 4). The last component is a review of country-level experience. Given the large number of countries and CPPRs, the approach undertaken was to focus on a sample of twelve countries¹³ and one of the AfDB's regions (Central Africa region). The country and region selection criteria included: i) representation of the Bank's regions, income classification, and type of CPPR (combined with CSPs and stand-alone), ii) notation of with or without non-sovereign operations in the portfolio, and iii) transition states. The twelve selected countries represent about 25% of the total of CPPRs that were prepared during the evaluation period. The Central Africa region was selected given the diversity of the portfolio, the mix of countries in the region, and the previous experience of RPR amongst other factors (see Annex 1).

There were three layers of country reviews. The first layer looked at intensive country case studies of CPR processes and practices with field visits conducted in the Central African Republic, Djibouti, Kenya and Morocco. The second consisted of CPR desk reviews of projects in Mali and South Africa. The last layer included less intensive reviews of CPRs for six countries and one region, those being Cameroon, Chad, Cote d'Ivoire, Egypt, Ethiopia, Mozambique, and the Central Africa Region. The main documents reviewed were the CPPRs (including CIPs), the RPPRs (including RPIPs), CSPs, RISPs, IPRs, and BDEV country strategy and program evaluations as well as validations where available. Overall, some 53 CPPRs, 75 IPRs, more than 24 CSPs and 2 RPPRs were reviewed.

The evaluation used a mixed methods approach in data collection and analysis. Information required for the evaluation were gathered through extensive document review (including policy, guidelines, CSPs, RISPs, CPPRs, RPPRs) and more than 80 interviews with stakeholders at the Bank's headquarters, country offices, the RMCs and comparator organizations. The results of the three reviews were aggregated and analyzed. These were then combined with portfolio data from the Bank's systems, specifically the Portfolio Flashlight Reports and the Outliers and Exceptions Reports. In addition, the analysis utilized institutional outputs such as the Annual Development Effectiveness Reports and the RMF to examine the links between portfolio performance and development results.

There are certain limitations to this evaluation. Firstly, since BDEV has already evaluated project supervision¹⁴, the evaluation did not assess the efficiency and effectiveness of the policy and guidelines for project supervision and project cancellation; however, the evaluation did examine the links between portfolio review and project supervision. Secondly, as a main subject of the 1995 policy and the 2011

13 Cameroon, Central Africa Republic, Chad, Cote d'Ivoire, Djibouti, Egypt, Ethiopia, Kenya, Mali, Morocco, Mozambique and South Africa

14 BDEV (2018). An Independent Evaluation of the Quality of Supervision and Exit of African Development Bank's Operations (2012-2017), BDEV, October 2018.

guidelines on portfolio review and restructuring, the assessment focused mostly on CPR/RPR. Lastly, the team was not able to collect data on the actual resources (financial and time) allocated to the portfolio review exercise. As a result, the team was only able to make some estimates based on interviews.

Since the RPRs and CPRs are technically identical processes, CPR will be most frequently used for simplicity in the rest of the report. The terms “RPR” and “RPIP” will be mentioned only if there is a specific message.

2. RELEVANCE OF THE BANK’S PORTFOLIO REVIEW POLICY AND GUIDELINES

In this section, the evaluation assesses the relevance of the Bank's CPR policy, guidelines and process to its changing context. This is done with the objective of understanding how it acts as an instrument to provide value addition to existing portfolio management tools as well as compares its practices to those of other MDBs.

The main strength of the CPR is to provide a framework for dialogue on implementation issues with the government and project management units. This is done with the understanding that more could be done to identify systemic issues beyond aggregating the implementation problems identified in the IPRs. Nevertheless, there was a lack of focus on development outcomes of projects, project/portfolio restructuring and limited relevance of the CPPR to CSP preparation.

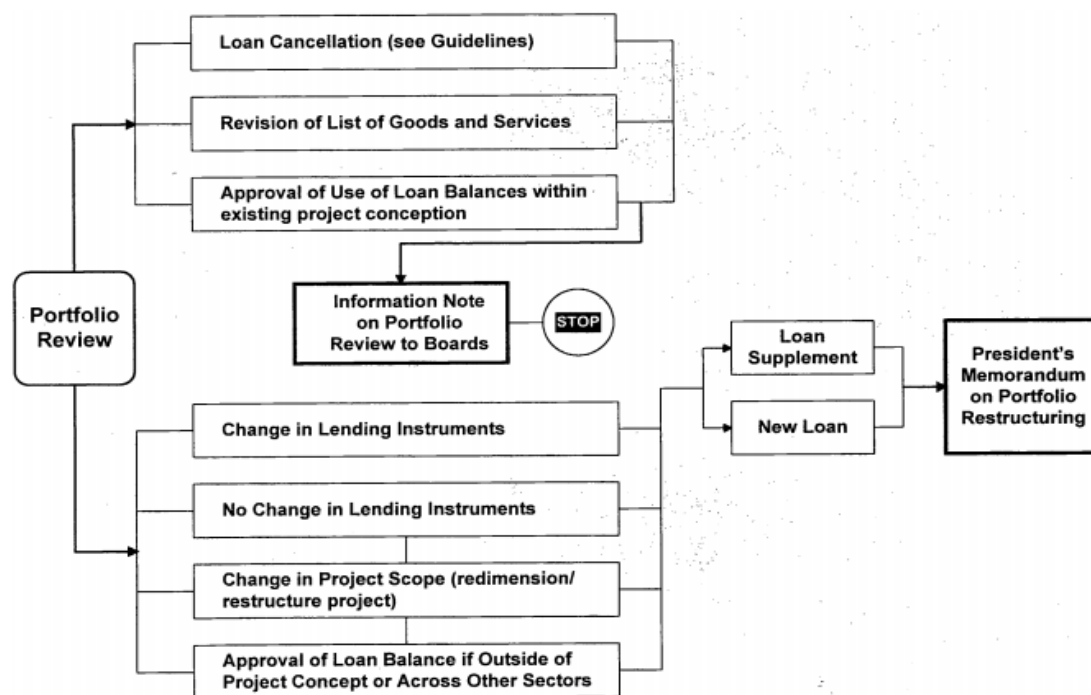
2.1. Relevance of the portfolio review policy and guidelines to the changing Bank context

The 1995 portfolio review policy had clear objectives focusing on strategic issues to support decision-making on portfolio restructuring. As stated in the 1995 policy, the main objectives emphasized the adaptation of the portfolio to changing circumstances and its contribution to future country programming. The guidelines included a review of recent economic developments and an assessment of lending strategy and experience based on changes in country context. The outcome of the exercise was the preparation of one of two types of documents, these being: i) a decision memorandum to be submitted to the Board in cases where problematic or completed projects had remaining resources to be reallocated to other priority areas; and ii) an information note to the Board when no resources were to be reallocated or there was a straightforward case of loan cancellation (without reallocation).¹⁵ The decision memorandum was further classified into two documents, one for a change of instrument and the other for applying loan balances to other operations in the country. Figure 1 below gives a clear link on the portfolio review and the decisions on portfolio restructuring.

The policy and guidelines took into account the Bank’s decentralization process in defining the leadership role in the CPR process. In RMCs where country offices were operational, the country manager (previously called Resident Representative) leads the CPR process with the CPO acting as the CPR task manager. The country manager is responsible for ensuring timely delivery of the CPPRs while the peer reviewers and the country team focus on the CPPR’s conformity to the Bank’s standards. In the case of RPPR, the regional office covering the region should take the lead in the RPPR process, in close collaboration with country offices covered by the RISP while the regional program officer is acting as the RPPR task manager.

¹⁵ Loan cancellations would be handled through established Loan Cancellation Guidelines.

Figure 1: Decision Tree from portfolio review to portfolio restructuring



Source: AfDB's Group 1995 policy on portfolio review and restructuring

A major output of the CPR is the CPIP (see Figure 1), which was expected to enhance the relevance of the CPR to the parties (country team and client) by proposing measurable actions to impact project and portfolio quality. The guidelines describe what the CPIP matrix should include and stressed the consultative process and the endorsement by all key stakeholders. However, the guidelines could have elaborated on how the CPIP was to be monitored beyond identifying the office and staff in charge of preparing it. Specifically, the guidelines could have discussed how the CPIP could be utilized as an effective management tool and how institutional arrangements could help ensure continued engagement of stakeholders in the implementation of the CPIP.

The CPR process has a clear set of measurable outcomes, though there are attribution issues. The outcomes included improvements over time in specific areas covering both implementation efficiency and portfolio performance. The stakeholder surveys were expected to enable measurement of stakeholder satisfaction with the Bank's operations and operational practices. However, as shown in the theory of change (see Annex 1), several inputs and Bank processes contribute to portfolio performance, notably the quality of project design, the readiness of project for implementation, and the quality of project supervision. It is inappropriate to attribute changes in portfolio performance to the CPRs alone.

The PIN was a potentially useful step in the CPR process towards identifying critical issues requiring attention by the CPPR. The PIN was expected to enable prioritization and selectivity of CPPR coverage and to identify areas where more intensive analytical work would advance the understanding of the underlying causes of systemic or crosscutting problems. Thus, the PIN was expected to enable the CPPR to be more action oriented and focused on designing solutions.

The portfolio review policy and guidelines are less relevant to the Bank's institutional framework today compared to ten years ago. Many of the areas covered by the 1995 policy underwent revisions that will require updating the policy. The cancellation policy was revised in 2011¹⁶ and more recently, in

16 ADB/BD/WP/2010/106/Rev.3

2020, the Bank approved a new policy on the utilization of savings¹⁷ with two levels of approval: Board approval if activities are outside the original project scope and Management approval if not. In addition, while the analytical review framework of the policy remains relevant in the current context of the Bank, the restructuring decisions will have to be made as part of the CSP MTR which is the main document that goes to the Board regarding revisions in a country program.

The evaluation found that many of the portfolio review processes do not take advantage of the country knowledge and client relationships built by staff in the country offices. Decentralization provides opportunities for a quick response to emerging issues, while CPRs were designed as a process-oriented annual exercise. In addition, one of the main CPR areas of focus is measurement of the portfolio performance. Even with clear portfolio management performance indicators and targets in the RMF - supported by the Bank systems that provide frequent and periodic reporting on portfolio performance - the CPR guidelines are focused on determination of portfolio ratings, rather than analysis and results.

The guidelines do not articulate how the CPR would complement and reinforce project supervision. With IPRs already including a matrix on problems affecting project execution, identification of issues, corrective actions, responsible parties, and deadlines, it is unclear what role the CPR was expected to play in enhancing project supervision and what exactly is the expected contribution from this process. A review of 75 IPRs in the country case studies found that project implementation issues were well known and were already reported in the IPRs. The IPRs reported the main obstacles to the execution of the projects and identified the corrective actions to address the implementation issues, including the responsible parties and timeline to implement the actions. The guidelines did not articulate how the CPRs provided value addition over and above what was in the IPRs.

The guidelines did not clarify the role of the CPRs, if there is to be a role, in the cancellation and restructuring of projects. The cancellation guidelines were revised in 2011 to improve the effectiveness of the policy in promoting proactivity in addressing projects eligible for cancellation; however, there have been no guidelines for project restructuring. While the 1995 Policy on Portfolio Review and Restructuring focused on the portfolio restructuring component, the CPR Guidelines did not articulate how the CPRs would ensure implementation of cancellation policy and support project restructuring to enhance efficiency in portfolio performance. As noted in the 2011 Cancellation Guidelines, the CPPR would include an analysis of the implementation of the cancellation policy and serve as input to the Operations Committee, that is charged with oversight of the cancellation policy.

Current CPR guidelines focus on processes rather than results. There are clear portfolio performance indicators, standards and targets defined in the RMF and Presidential Directive¹⁸ PD02/2015, but the CPR guidelines are not focused on the expected outcomes and how the CPR process can help achieve them. In this context, there could be greater focus on the use of Bank systems to track portfolio performance (such as the Bank's Red Flag system in Flashlight Reports, Delivery Dashboard, Country Portfolio Snapshot, etc.), with less emphasis on the determination of portfolio ratings in the CPPR. Moreover, the guidelines would be more useful if they reinforce one of the main objectives of the CPR, i.e. to track progress towards achievement of CSP results.

The DBDM reforms resulted in the acceleration of decentralization with more staff physically based in regional and country offices. This has increased their share of projects managed. The revised Delegation of Authority Matrix enabled devolution of authority to the staff in a member country. Although the BDEV evaluation of the implementation of the DBDM¹⁹ found positive effects of

¹⁷ ADB/BD/WP/2020/77/Rev.2

¹⁸ http://collaboration.afdb.org/SNVP/SNDI1/DirManage/_layouts/15/WopiFrame.aspx?sourcedoc=/SNVP/SNDI1/DirManage/Directives/PD.2015.02.EN.pdf&action=default

¹⁹ BDEV. 2019. Independent Evaluation of the Implementation of the Development and Business Delivery Model of AfDB. Abidjan: African Development Bank.

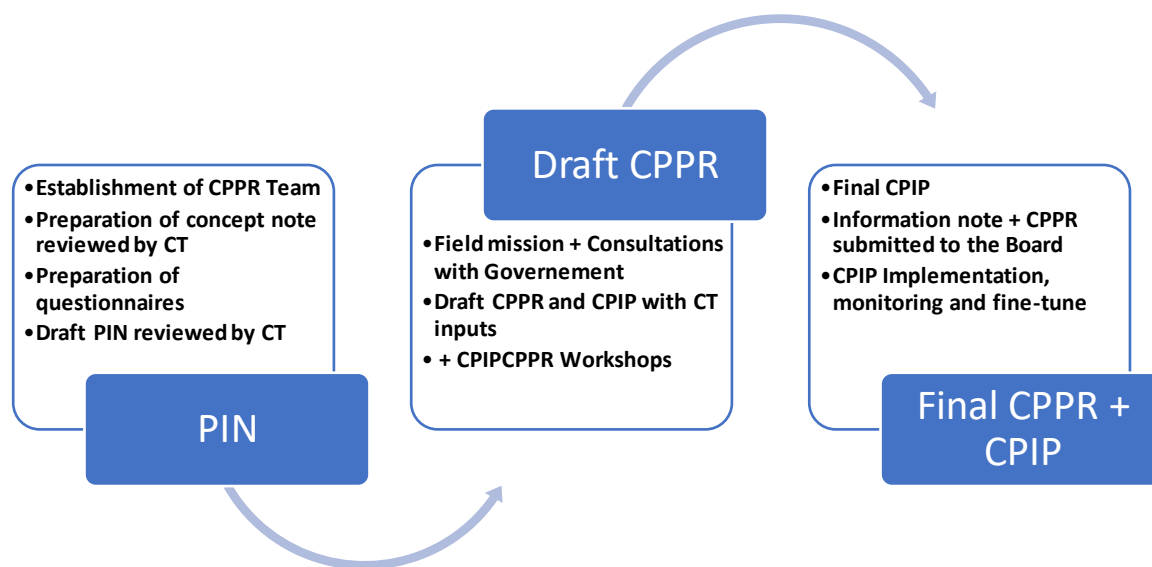
decentralization on the Bank’s engagement and responsiveness, the perception is that more decision-making powers should be devolved, especially in areas of procurement and disbursement.

There are four formal and structured stages prior to the finalization of the PIN (see Figure 2).

The process does not take into account the continuous dialogue and interaction between the Bank staff in a country with the Bank’s counterparts, as well as the familiarity of staff with the issues which are already being addressed. There is scope for simplifying and shortening the portfolio review process by building on the benefits and advantages of having staff based in the field. Regarding the role and responsibilities in the CPR process, one of the new positions created in the context of DBDM to help strengthen portfolio management is a Portfolio Implementation Manager based in regional hubs. However, feedback from interviews indicates a lack of clarity on the division of labor and responsibility between the Portfolio Implementation Manager and the CPO, who manages the CPR process.

There is only one set of policy and guidelines to cover the different stages of the CSP process (to which the CPR is linked) and different country contexts. The related policy and guidelines do not provide differentiated guidance on CPR processes and content in a new CSP, an MTR, and a Completion Report. In addition, the same processes apply to different country contexts, i.e. the size of the portfolio, diversity of instruments, different institutional capacities, country knowledge etc.

Figure 2: CPR process diagram



Source: AfDB’s 2011 Guidelines for review of country portfolio performance

2.2. Relevance of Country Portfolio Review’s Objectives

The CPRs are relevant as a dialogue tool to assist member countries in meeting current project management obligations to the Bank. This is done by country teams utilizing the CPRs as an instrument for engaging the government on implementation issues, mainly in the areas of procurement, financial management, project management, and disbursement. Common project management issues included delays in effectiveness and first disbursement. In about half of the twelve country cases as well as in the region in the sample, delays in counterpart funding appeared in one or more of the CPPRs that were reviewed.

While the portfolio review process was the main instrument to provide the Bank with an up-to-date and accurate status report on the portfolio at the country level, the Bank has now developed other portfolio management tools. Since 2014, the Bank introduced a portfolio tracking tool (called the Delivery Dashboard) which, unlike outliers and exception reports, can provide real-time information on the portfolio trend of a country or region. This tool can effectively flag delays in project implementation. This tool is complemented by other tools such as the Annual Portfolio Performance Report, a risk profile and outlook of the sovereign and non-sovereign portfolio (which monitors compliance with exposure limits), and Development Effectiveness Reviews which assess the contribution of AfDB-financed projects captured in PCRs to Africa's development results.

While the CPRs focused on implementation issues, they were only marginally relevant in identifying or addressing constraints to achieving the DOs of projects. Although the IPRs contain a section on progress towards achieving output and outcome targets as well as a section providing justification for DO ratings, the CPPRs generally did not discuss topics related to project DOs. The IPRs also reported on risks to development outcomes, but these were not part of the CPPR portfolio analysis. As important, the CPRs did not utilize the PCRs to track the development effectiveness of projects over time, identify constraints to achievement of project DOs, and build on lessons identified in the PCRs.

The CPRs were not relevant with respect to the objective of adapting projects and programs to changing economic circumstances through restructuring, cancellations, or terminations where necessary. None of the CPPRs proposed portfolio restructuring as defined in the 1995 Portfolio Review and Restructuring Guidelines. This may be because program design, including changes in the program during the CSP MTR, is within the purview of the CSP. Overall, there is a lack of clarity on the role of the CPR in country programming. For example, in Mali, the Transition Management Support Strategy (TMSS)²⁰ identified government priorities and emerging issues resulting from the political turmoil and fragile security situation without need for an updated CPR. In this case, there was a major portfolio restructuring but with no input from a CPR. In the case of the Central African Republic, the portfolio restructuring was designed and implemented in the context of CSP discussions rather than as part of the CPR process. For the Central Africa Region, the RISP discussed major restructuring initiatives which were not driven by the RPR.

While the CPRs received feedback on stakeholder views through surveys and interviews, the focus was on project implementation rather than on strategic issues, which is the main concern of the CSP. The CSP, rather than the CPR, process was the main instrument for generating feedback on government priorities and analysis of emerging issues as a result of changes in the country context. Thus, the CPRs were not generally relevant as an information tool on government priorities and emerging issues for the CSP, even with respect to portfolio management.

While some CPPRs, such as those in South Africa (Box 1), reported instances of project restructuring, the CPRs did not provide any value addition to this. In Kenya, there were no projects listed as having been restructured even though this evaluation identified a few concrete examples of project restructuring in Kenya that were not labeled as such. There are no guidelines on the definition of and process for project restructuring, including an identification of approval authorities. In contrast to the 1995 Portfolio Review and Restructuring Guidelines,²¹ the 2011 CPR Guidelines did not articulate a role of the CPR in the project restructuring process.

The CPIP – the main output of the CPR – has been a relevant monitoring tool for identifying project implementation issues and proposing cross-cutting actions to address them. The CPIP is typically developed in a participatory process and used by country offices in discussions with the

²⁰ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/Mali_-_2013-2014_Transition_Management_Support_Strategy__Addendum_APR_V.pdf

²¹ The 1995 Guidelines stated that the review of individual projects during the portfolio review may result in the recommendation that the project be redesigned requiring other more resources (supplementary loans) or less resources (downsizing the project).

government and project implementation unit. While the process had some shortcomings, the country review found about 70% of the CPPRs reviewed to be a useful monitoring and evaluation tool.

Box 1: Project restructuring in South Africa

South Africa CPPRs reported several instances of project restructuring. The 2015 CPPR discusses an experience with the restructuring of the non-sovereign loan to FirstRand Bank, which had not been signed eighteen months after the restructuring agreement with the restructuring process itself leading to almost three years of delays in project implementation. The lesson being that the loan should have been cancelled or restructured in a less complex manner. The Bank's staffing limitations were also a constraint to restructuring.

The 2017 CPPR described the restructuring of the Eskom Renewable Project (sovereign operation). The project had two components – a wind farm and a CSP plant. Given its unsatisfactory performance, the loan for the CSP plant component was cancelled and the CSP plant project exited. This was replaced by a solar photovoltaic project and a wind farm component which is performing well. This is considered a successful restructuring.

The 2017 CPPR also reported on the restructuring of a second tranche in the line of credit to the Land and Agricultural Bank (non-sovereign operation), which was earmarked to emerging farmers. Based on the credit disbursing too slowly due to competition from another lending window (subsidized credit) of the Land Bank, the AfDB agreed to reallocate the credit to commercial farmers, leading to full disbursement. This is another example of successful restructuring.

The above project restructurings were done in the context of normal project supervision processes. In none of these cases, were project restructurings driven by the CPPRs.

Source: South Africa Country Study

2.3. Extent of alignment of Country Portfolio Review practice with other MDBs

There is clarity of purpose and focus of portfolio reviews in most of the MDBs reviewed. For the World Bank, the portfolio review is a tool for portfolio management, rather than an accountability instrument. In the case of the Asian Development Bank, the portfolio review is an integral part of the country programming and CSP process, with achievement of CSP outcomes as the primary goal. For the International Finance Corporation, the portfolio reviews sought to disseminate information internally so as to support decision-making. By contrast, the AfDB CPRs have multiple objectives and target audiences with different needs and expectations.

The scope of the portfolio reviews was aligned with the intended utilization of the instrument in the MDBs reviewed. With the Asian Development Bank, the country programming exercise involved consultations with the government while in the case of the World Bank, the portfolio reviews are used as a tool for dialogue and monitoring both with government and public sector project management counterparts. Thus, the portfolio reviews of both institutions covered only sovereign projects. In the case of the AfDB, the portfolio reviews covered both sovereign and non-sovereign operations due to Board requirements, though the reviews were used mainly for dialogue and monitoring with government and project management counterparts.

The design of the portfolio reviews reflected changes in the operating environment and institutional context of the MDBs. Decentralization in the World Bank resulted in a rethink of the nature of project supervision. Consequently, the portfolio reviews, which are meant to enhance the project support function, are flexible instruments to be deployed when needed. In the case of the Asian

Development Bank, there was a shift in focus of portfolio reviews from project implementation to the achievement of Country Partnership Strategy outcomes with the introduction of the results-based Country Partnership Strategies. With increased emphasis on development impact, both the International Finance Corporation and the Asian Development Bank have incorporated the tracking of development impact indicators in their portfolio reviews and monitoring systems. Notwithstanding the development and use of the RMF for several years now, CPRs in the Bank have not been a results-focused instrument. In addition, while the Bank has had an Additionality and Development Outcomes Assessment in place since 2008 for non-sovereign operations, there has not been a mechanism for tracking development impact of non-sovereign operations in the portfolio reviews.

MDBs have developed project restructuring policies to add to the tools available for portfolio management. To date, the Bank has not introduced a project restructuring policy and guidelines. The ability to reallocate 70% of funds from restructured or cancelled projects to other projects in the portfolio provides some incentive for restructuring, but the lack of guidelines, the time involved, as well as a lack of skills discourages project restructuring. Project restructurings may come out of portfolio reviews but are more likely to be an outcome of the regular project supervision system. In contrast, the World Bank has implemented changes to make restructuring processes easier by reducing the need for Board approval or information.

3. THE EFFECTIVENESS OF COUNTRY PORTFOLIO REVIEW AS PORTFOLIO MANAGEMENT TOOL

This evaluation assessed the effectiveness of the CPRs based on four areas: i) Bank-wide outcomes; ii) improvements in country portfolio performance; iii) completion rates of CPIP actions in the CPPRs; and iv) inputs to the CSP process (see Annex 1).

Notwithstanding the use of the CPRs as a tool for dialogue, the evaluation did not find the CPRs to have any significant impact on improvement in portfolio quality. There were declines in implementation progress and DO performance in more than two-thirds of the countries reviewed. Only a quarter of CPIPs had an achievement rate of greater than 75%. In addition, the CPRs did not adapt projects and the portfolio to changing country contexts, nor were they effective in contributing to the design of new CSPs.

3.1. Contribution of Country Portfolio Review to Bank-wide Outcomes

Bank-wide indicators on portfolio performance during 2012-2019 showed positive trends in many areas, although important efforts are still required. Overall, there were improvements in disbursement, procurement and project implementation indicators from 2012 to 2019. For example, the share of operations-at-risk showed significant decline from 19% to 7% between 2012 and 2019. But the share of operations eligible for cancellation tripled, from 9% in 2012 to 30% in 2019, compared to the Bank-wide target of 12% by 2025 (Table 1). This jump was associated with new rules introduced by the PD02/2015 in 2015 which reduced the time allowed from signature to first disbursement down from 24 months to 3 months, leading to a substantial increase in projects eligible for cancellation. An SNDR review (2019) indicated an increase of 16% between 2015 and 2019 in the number of projects eligible for cancellation. In addition, the data also showed that the share of operations achieving DO targets fluctuated during the period, and was 92% in 2019, below the 95% target. Table 1 provides the indicators for Bank-wide portfolio performance.

Table 1: Bank-wide portfolio performance, 2012-2019

Portfolio Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2025 Target
Operations Achieving Planned Development Outcomes (%)	75	93	94	90	91	89	89	92	> 95
Non-performing Operations – Operations at Risk (%)	19	18	11	15	12	12	8	7	8
Non-performing Operations – Operations Eligible for Cancellation (%)	9	8	13	25	31	29	27	30	12
Projects Facing Implementation Challenges and Delays (%)	NA	NA	NA	29	29	36	23	27	15
Disbursement Ratio of Ongoing Portfolio (%)	22	24	19	21	17	23	22	16	24
Time for Procurement of Goods and Works (months)	8.0	9.0	9.0	8.5	8.2	8.2	6.5	7.5	6.0

Source: Annual Development Effectiveness Review, various issues.

The CPPRs succeeded in aggregating findings and information from the IPRs but did not make a significant contribution to providing the Board and Senior Management with credible portfolio performance ratings. The CPRs used the statistical average of IPR ratings, which had been found to lack candor in another BDEV evaluation²² and confirmed by the interviewees during the current evaluation. The CPPRs were expected to provide a more realistic rating of portfolio performance. However, the CPR guidelines relied on the realism and integrity of the project supervision ratings and assumed that the introduction of the IP and Results Reporting framework in 2013 would improve the quality of project ratings.

3.2. Effectiveness in country portfolio improvement

3.2.1. Improvement in Project IP and DO performance

Satisfactory performance tends to be the norm in the overall rating of the CPPRs. However, the data in the sampled countries show deterioration in Implementation Progress (IP) and DO performance. Rating data from the 205 CPPRs delivered over the evaluation period shows that the overall portfolio performance is rated satisfactory in most of the cases. On average, 93.6% of the CPPRs performance are satisfactory or above and this figure is slightly higher for CPPRs combined with CSPs, which are about 96%. However, in the sample of reviewed countries, only about 75% of them experienced a deterioration in IP scores during the evaluation period. DO scores deteriorated in about 67% of these countries. In Kenya, there have been no noticeable portfolio improvements. In Mali, a lack of Bank responsiveness and frequent changes in task managers contributed to a decline in portfolio performance in 2018. In South Africa, the effectiveness of CPRs in improving portfolio quality was mixed, with progress in some areas (e.g. disbursements) but lack of success in reducing effectiveness delays, an issue that was raised by several CPRs. However, in Morocco, the BDEV Country Strategy and Program Evaluation found the Bank's portfolio performing at a satisfactory level despite the complex nature of some of the projects in the portfolio.

Many of the underlying factors affecting portfolio performance will take time to address. Project implementation delays due to poor project readiness at entry are difficult to correct during project implementation. Proposed CPIP actions to improve quality-at-entry, if implemented effectively, will impact future portfolio performance; however, institutional weaknesses are long-term issues that cannot

²² BDEV. 2018. Quality of Supervision and Exit of the African Development Bank's Operations (2012-17). Abidjan: African Development Bank

be addressed by short-term training alone. In addition, many of the actions in the CPIPs are improvements in processing steps rather than fundamental changes to project design or to portfolio management.

CPRs have not been an effective tool in rectifying the consequences of weak project design and poor project supervision. There are limited options in addressing a lack of project readiness other than implementing actions that should have been done prior to project approval. Deficiencies in project supervision such as inadequate frequency, team composition and follow up of the issues, hindered the effectiveness of portfolio management as shown in the BDEV 2018 quality of supervision evaluation. Interviews with Bank staff in Abidjan noted concerns about the ability of task managers to resolve implementation issues because of either lack of experience or because staff are overstretched due to managing many projects.

As a diagnostic tool for identifying problems impeding progress in achieving IP and DO, the CPRs mainly utilized and consolidated information already available in the IPRs. About 55% of the countries reviewed had CPPRs that identified systemic issues, mainly poor quality-at-entry especially with respect to readiness for implementation, inadequate capacity and staffing of project management units, cumbersome government disbursement systems, lack of government ownership, and skills mix issues in Bank supervision. The CPRs did not serve as a diagnostic tool for identifying constraints and risks to the achievement of DOs. There has been no “deep dive” analysis of selected issues affecting the delivery of development results. However, the Regional Vice Presidency Complex conducted in 2018 a review of implementation capacity of sample of eight projects in Mozambique. The lack of focus of the CPPRs on development outcomes, as opposed to implementation, was found to be a major weakness.

There is little evidence that the CPR has been effectively used as a tool for management to take proactive decisions to address portfolio bottlenecks. In general, the Bank’s Delivery Dashboard can provide real-time basic information on the portfolio trend and structure and therefore flag projects experiencing delays. At the same time, the Annual Portfolio Performance Report (APPR) can provide a strategic overview at the Bank level. The CPIP does provide effective management with a tool to help in the implementation of actions proposed in the CPPRs. As shown in the country studies (Box 2), the usefulness of the CPR as a management tool was dependent on its quality in assessing the underlying factors behind poor portfolio performance, identifying appropriate lessons from portfolio implementation, and proposing recommendations on actions that would effectively address portfolio issues.

Box 2: Usefulness of CPR as a management tool in Morocco

In Morocco, the CPR was a useful tool to bring together the borrower and the Bank’s project teams to exchange ideas, draw lessons, and consider various options that could improve project implementation. On balance, even though the process frequently failed to permanently address portfolio constraints, it was useful in drawing attention to key constraints and to starting a process to address them.

Most of the corrective actions included in the CPIPs were relevant, but they frequently lacked specificity on how to proceed or when the issue was expected to be resolved. Although CPIPs included indicators to track progress, there was limited information to illustrate progress achieved in tackling the constraints, especially where the time frame is shown as “permanent”. Implementation of many recommendations in the CPIPs was shown as “continuous” but there are no indicators to effectively track and measure progress.

Nonetheless, when appropriately designed and utilized, the CPIPs are potentially useful management tools to address portfolio bottlenecks.

Source: Morocco Country Study.

The practice of averaging project ratings leads to misleading portfolio ratings. The mean of the aggregate DO and IP ratings of public sector projects was utilized to rate portfolio performance, with the average of the overall DO and IP ratings representing overall portfolio performance. For example, if four out of 10 ratings are unsatisfactory, the overall rating is still rated as “satisfactory.” As a result, portfolios are rarely rated unsatisfactory. A more appropriate approach would be to measure the relative performance, e.g., a portfolio with ten projects of which four are rated unsatisfactory would be rated 60% satisfactory or better. This approach would allow a more meaningful tracking of portfolio progress over time. In addition, there were issues with the candor and realism of project ratings (Box 3), which adversely affected the value of the portfolio ratings as a management tool to track performance.²³

Portfolio ratings did not reflect the performance of the whole portfolio. The guidelines stipulate that only public sector projects (loans and grant-financed operations) would be incorporated into the portfolio performance ratings. Public sector non-lending operations (including trust funds and other technical assistance), private sector operations, regional cooperation and integration projects implemented by external executing agencies or under the direct supervision of the Regional Economic Communities (i.e., where the RMC’s authorities have little or no direct responsibility for implementation) should be reviewed only in qualitative terms, according to the guidelines. As a result, the portfolio scores do not reflect the performance of the whole program, which also includes private sector and non-lending operations. However, in very few cases such as the Algeria combined 2011-2012 dialogue note completion report and CPR, the CPR rated the non-lending operations.

Box 3: Candor and realism in IP report ratings

The country case studies noted that the satisfactory ratings for portfolio performance, which were based on individual project ratings, were not consistent with the number of implementation issues raised in the CPPRs and the number of corrective actions in the CIPs.

The 2018 Independent Evaluation of the Quality of Supervision and Exit of the AfDB’s operations (2012-2017) reviewed a sample of IPRs by validating the ratings with information in Aide Memoires, Back to Office Reports, and Issues Notes. The evaluation found that less than 30% of the projects had ratings that were properly justified.

The evaluation listed the following challenges to candor and realism in project ratings: i) ratings were not aligned with the IPR scoring guidance; ii) weak evidence to support the ratings; iii) disproportional weight given to the “better performing” components of the project; and iv) disconnect between the ratings and proposed remedial actions.

Source: BDEV (2018): “Independent Evaluation of the Quality of Supervision and Exit of the African Development Bank’s Operations (2012-2017)”

CPRs were not effective in improving implementation or development effectiveness of Non-Sovereign Operations (NSOs). CPPRs did not have a methodology for tracking and assessing NSOs, and merely reported information already available in project documents. Consequently, the CPRs did not have value addition in reporting or improving NSO performance. Interviews indicated that the CPPR is viewed as covering only public sector projects. The discussion with staff working on NSO revealed

23 The guidelines noted the introduction of the Implementation and Progress Report Reporting framework in 2011 which aimed to strengthen the quality of reporting of projects during implementation. The Guidelines may have assumed integrity in IPR reporting as result of the new framework.

considerable uncertainty about their role in the CPR process, specifically in the qualitative assessment of NSO performance given that portfolio ratings do not include NSOs.²⁴

3.2.2. Effectiveness in implementing Country Portfolio Improvement Plans

Overall, the CPIPs were results-oriented though the implementation was mixed. In most of the CPIPs reviewed, the main problems are identified, planned actions were described and outcomes were well articulated. However, some CPIPs lacked monitorable results indicators and failed at identifying relevant actions to address the underlying issues faced by the portfolio. Regarding implementation, out of 32 CPIPs whose completion rates were measured and reported in the CPPRs, 28% had a completion rate of less than 50%, 47% had 50% to 75% and 25% had greater than 75% completion rates. The RPPRs reviewed also found the implementation of the RPIP to be modest, with only a 40% to 47% completion rate. Completion rates for each country also varied over time. Using completion rates of CPIP actions is a misleading measure for capturing effectiveness since all actions, whether critical or not, are included in the measurement. In addition, completion rates measure processes, e.g., more meetings, rather than results. Box 4 gives an example of shortcomings in measuring CPIP completion.

A more meaningful way of monitoring the effectiveness of CPIPs is to track the achievement of results (targets) during the CSP period, such as the way the CSPs monitor the objectives and outcomes. In the case of South Africa, the PIN identified an increase in delays in approvals and first disbursements over a three-year period as a portfolio performance issue to be addressed. The South Africa CPIP, which was part of a new CSP, included a monitorable indicator and target: time from approval to effectiveness not to exceed six months. At CSP-MTR, the CPR should report on the progress towards achieving the target accompanied by an analysis on whether the actions undertaken were effective or not, leading to possible adjustments to the actions and even the target itself. At CSP-CR, the CPR should assess CPIP performance during the CSP period with respect to the achievement of the target and derive lessons from the assessment. This process is consistent with the Bank's focus on managing for development results and is aligned with the CSP timetable.

The areas covered by the CPIP mirror the issues raised in the CPPRs. Actions on procurement and financial management were included in all country reviews. Delays in effectiveness and first disbursement as well as weaknesses in monitoring and evaluation were addressed in more than 75% of the country reviews. In addition to issues that were common across different countries, some CPIPs addressed country or region-specific issues such as compensation for people affected by road projects (Central Africa Region), resettlement action planning (Kenya), and right of way issues (Ethiopia). In three of the countries reviewed, the CPIPs was segmented into two parts: i) crosscutting issues and ii) project-specific issues focusing on selected a problem (to note, country management found this framework to be useful). Figure 3 gives the frequency of the main issues covered in the 53 reviewed CPIPs.

24 There is a different reporting system on NSO portfolio performance. The Bank's private sector Department (PINS) every year prepares an annual portfolio review report for NSOs to support the Board and Senior Management in their oversight and monitoring of NSO. It complements other periodic reports including the quarterly portfolio reviews, monthly status report, and early warning and watch list. In addition, the Special Operation Unit, provides the Board with a semi-annual report on distressed NSO projects.

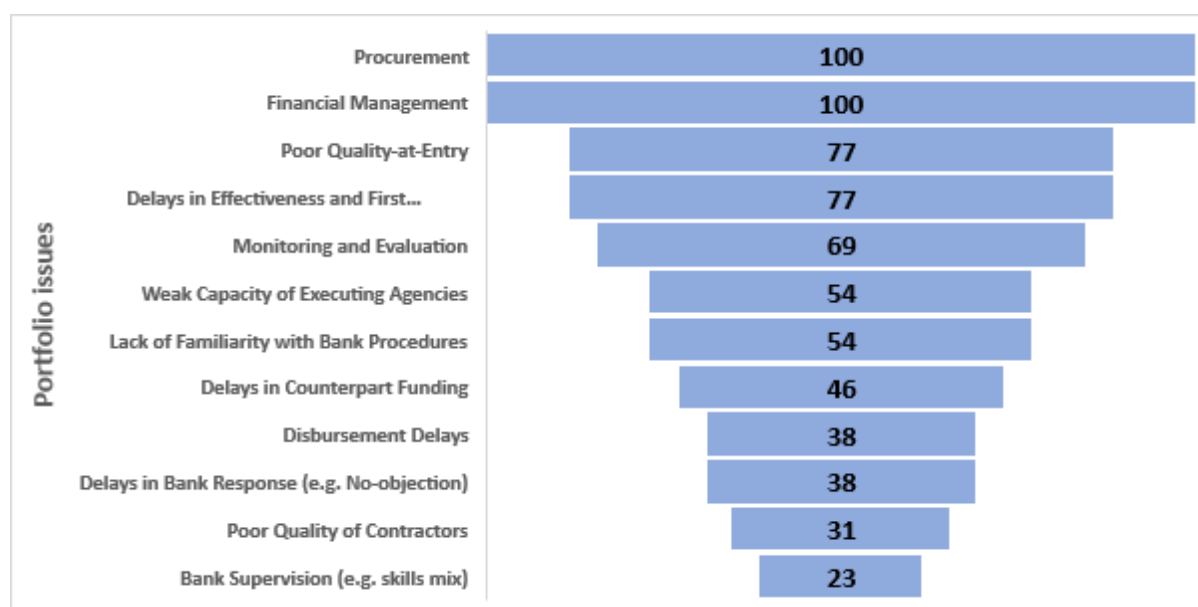
Box 4: CPIP assessment in Kenya country study

About 70% of all actions undertaken in the CPIP were shown as fully implemented. At first glance this appears to be a satisfactory outcome. However, there are several issues with the data. First, achievement of the actions' target is a misleading indicator since it measures a variety of activities to be undertaken, not resolution of the problem. A good example is the required action to resolve the issue/problem of failure to prioritize the budgeting for counterpart funds in Implementing Ministries. The required action was for RDGE Management to engage the Principal Secretaries (PS) or Senior Government Officials on the need for the PS to make adequate provision for the government contribution to projects. The status is shown as Fully Implemented, with four meetings having been held. However, these meetings failed to resolve the problem since according to the CPIP, 10 operations experienced issues with government counterpart funding. Second, frequently actions shown as "achieved" appear again as an issue in a subsequent year. A telling example here is the issue of the National Treasury and Ministries failing to adequately monitor project implementation. Although the 2017 CPIP shows the target, which covers steering committee and portfolio meetings, as having been achieved, interviews conducted by the mission with implementing agencies, the National Treasury and the country office revealed that nobody is closely monitoring the implementation of agreed activities.

Source: Kenya Country Study.

The share of start-up delays in total project red flags is increasing despite the frequency of CPIP coverage on delays in effectiveness and first disbursements, (see Table 2). The CPPRs attributed these delays to poor quality-at-entry, specifically weaknesses in project readiness for implementation. However, as noted above, addressing weaknesses in project readiness does not have an impact on the existing portfolio but will affect future projects. On the other hand, procurement and disbursement related CPIP actions (including those addressing lack of familiarity with Bank procedures and delays in Bank responsiveness) may contribute to improvements in existent procurement and disbursement indicators.

Figure 3: Frequency of portfolio issues raised in CPIPs (% of CPIPs)



Source: Review of 53 CPPRs

The CPIPs were not effective in providing sufficient information to the Board such that they could be used for tracking progress in the portfolio. The actions in the CPIPs reviewed were too granular and were not linked to improvement in certain aspects of portfolio performance and therefore providing limited insight to the Board. While the Annual Development Effectiveness Reviews track high level portfolio performance indicators, these reviews do not include analysis of constraints, effectiveness of actions taken, and recommendations for further improvements in performance. In the past, the Bank produced an APPR which looks back on the quality of an active portfolio over a year period and assesses the Bank’s progress on portfolio performance against relevant indicators in the Banks RMF. The preparation of this report has been discontinued since 2013 but was reinstated in 2019. By way of comparison, there is more analysis of factors driving portfolio performance in the World Bank Group’s annual Results and Performance reports and the Asian Development Bank’s annual Development Effectiveness Reviews. In addition, the Asian Development Bank produces the Annual Portfolio Performance Report which does a deep dive of factors affecting portfolio issues across regions.

Table 2: Share of project red flags

Portfolio problems	2015	2016	2017	2018
Start-up Delays	21%	24%	17%	29%
Slow Procurement	21%	24%	17%	18%
Slow Disbursement	58%	52%	66%	52%

Sources: Portfolio Flashlight by Country, 2015-2018

3.3. Usefulness of Country Portfolio Review to Country Strategy Paper priority setting

The CPRs were not effective in providing guidance to future country programming through the CSP process. This evaluation found that less than 10% of the countries reviewed validated linkages between the portfolio review and the CSPs, and less than 10% monitored the extent to which the country program was on track to deliver CSP results. The lessons emanating from the CPPRs were mainly focused on improving project implementation, rather than the design of future country programs. Because the CPPRs have been focused solely on implementation issues, the resulting lessons have not been terribly relevant to the design or restructuring of country programs. The lack of attention paid by the CPPRs on development outcomes hampered their ability to serve as an input into the country programming exercise.

A review of CPR implementation shows that the CPR policy and guidelines are not effective in providing guidance on linking the portfolio with the country strategies and results. The CPR objectives relating to ensuring achievement of CSP objectives and providing inputs for future CSPs were not addressed in the majority of the CPPRs reviewed. In addition, the CPRs were not able to adapt the portfolio to changing economic circumstances. The contribution of the CPRs to the CSPs was predominantly to address project implementation issues. CSP Reviews have been the venue where the validation of past performance takes place. One of the main outputs of the CSP/CSP-MTR/CSP-CR is the analysis of how the country program contributes to the CSP outcomes.

4. THE EFFICIENCY OF COUNTRY PORTFOLIO REVIEW IN THE BANK

The evaluation found general compliance with CPR guidelines in terms of approach, processes, format and content. However, the timing and frequency of the CPPR production have not been consistent with the guidelines. While the stakeholders are engaged in the CPR preparation process, they lacked ownership in monitoring the implementation of the CPIP. The lack of cost data made it impossible to assess the cost-effectiveness of the CPR exercise.

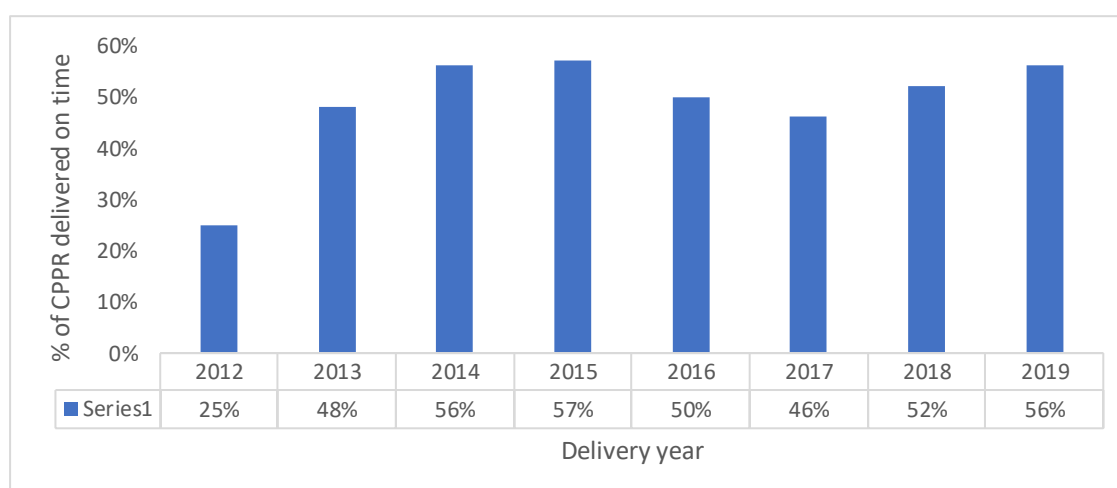
This evaluation assessed the efficiency of CPR practices based on compliance with the 2011 guidelines in terms of coverage and timeliness, efficiency in portfolio management, cost-effectiveness and stakeholder's engagement (see Annex 1).

4.1. Coverage and timeliness of Country Portfolio Review

The country reviews found that the CPRs for the most part followed the guidelines in terms of coverage. In general, the CPPRs included: i) a description of the portfolio, ii) a section on portfolio performance, iii) an assessment of the performance of the Bank, government, and development partners, iv) a report on implementation status of the previous CPIP, v) a short description of the updated CPIP, vi) a section on discussion topics during workshops, and vii) recommendations.²⁵ The review of the sample of CPPRs and the two RPPRs found that the CPRs generally followed the guidelines in terms of coverage; however, most of the CPPRs reviewed did not have the required annexes on the PIN, results of surveys (where applicable), nor results of validation workshops.

While the situation is improving over time, in regard to timeliness and frequency, CPPR production has not been consistent with the guidelines. While the guidelines required the production of CPPRs every year in countries with a country office and once every two years elsewhere, the Bank-wide performance was, on average, less than 50% of the frequency required during the evaluation period and below the institutional target of 64% in 2019 (see Figure 4).

Figure 4: Timeliness of CPPR delivery



Source: Development Effective Reports various issues

²⁵ In a joint CSP Review and CPR document, the section on recommendations combines both the CSP and CPR recommendations. The recommendations, whether in stand-alone CPPRs or joint CSP/CPPR reports, were typically segmented by Bank, government, and development partners.

Figure 4 is corroborated by the review of CPPR delivery in the sample of twelve RMCs and one regional hub. From 2011-2019, 53 CPPRs were delivered compared to a total target of 117 CPPRs which should have been produced in compliance with the guidelines' provisions. The frequency of CPPR production in the countries reviewed was about 45% of what was required, which is roughly the same as the Bank-wide average. Except for the Djibouti case, the frequency of CPPR production did not adhere to the CPR guidelines. At the regional level also, the RPPRs did not meet the frequency requirement.

4.2. Efficiency in portfolio management

The CPR successfully aggregates ratings from latest project supervisions but does not provide country management with an efficient means of managing the portfolio. The CPR aggregates ratings from latest project supervisions to estimate the DO, IP and overall CPR score. To explain those scores, CPRs identified problem or potentially problem projects. But in most cases, there was limited analysis of portfolio performance and the underlying factors affecting performance, as in the case of the Kenya CPPRs. Consequently, most of the actions in the CPIP were process-related (e.g., more meetings) or exhortations for authorities or the Bank to improve performance (e.g., improve responsiveness to requests for no-objection). Some CPPRs, especially in the second half of the evaluation period, began to identify poor project readiness or quality-at-entry and weaknesses in project supervision as underlying problems to be addressed. However, in most cases, the actions proposed are not commensurate with the severity of the issues. The case of Morocco is an exception. While the portfolio was facing persistent quality-at-entry issues undermining its quality and health, the government and the Bank worked together in 2016 to properly review the underlying bottlenecks and agreed on the strong actions required to improve portfolio performance; these have subsequently been implemented.

The value addition of CPR in terms of improving portfolio performance beyond that provided by supervision of individual projects is low. Since the CPR process depends heavily on information available in other reports or systems (e.g. Delivery Dashboard, Flashlights, IPRs), it is not especially relevant as a monitoring and evaluation tool beyond aggregating data from different sources. For instance, CPPRs in five of the six country case studies included information on cancellations or restructuring. However, these were initiated and implemented as part of project supervision or in the context of a new CSP, as in the cases of portfolio restructuring in Mali and Central African Republic.

4.3. Cost-effectiveness of the Country Portfolio Review process

In the absence of detailed cost data, it is difficult to judge the cost-effectiveness of the CPR process. The CPR process is led by the CPO with contribution from the country economist, particularly when it is combined with CSP process. However, the evaluation team was not able to collect accurate data on the costs of the CPR process. Rough estimates based on interviews with the key stakeholders in headquarters and country offices indicate that approximately 75 staff days were required, consisting of: i) pre-CPR phase – 25 days; ii) CPR phase, including the preparation of a report to the Board – 30 days; and iii) monitoring the implementation of recommendations and follow-up – 20 days.

4.4. Stakeholder engagement and ownership

While not always evidenced in the CPPRs, in most of the cases the portfolio review practices complied with 2011 guideline requirements with respect to government participation during the preparation of CPPR and CPIP. The CPR policy and guidelines emphasized stakeholder's participation. The guidelines include several instruments to ensure stakeholders' input and ownership, these being: i) questionnaire surveys; ii) interviews during field missions; iii) a workshop on portfolio issues; and iv) participation in the preparation and monitoring of the CPIP. In most of the cases, the practices complied with the guideline's requirements. In Morocco, an Annex on the Validation and

Feedback Workshops²⁶ for the Portfolio Performance Improvement Plan 2018-2019 provides useful insights into the government's role. The first workshop addressed Technical Assistance specific issues while the second, which was co-chaired by the Ministry of the Economy and Finance and the Bank's Office in Morocco, was the 2018 Portfolio Review Feedback Workshop. Also, in the case of exceptional context involving portfolio restructuring, such as in Mali in 2012 and the Central African Republic in 2014, the Bank's engagement with the country officials is more effective as acknowledged by the stakeholders consulted during field missions.

On the government side, there is a lack of ownership leading to low implementation of the CPIP.

In most of the countries reviewed, there is no framework to ensure implementation and monitoring of the CPIP. In practice, the department responsible for the implementation of agreed upon actions should report on a regular basis to the focal point, usually in the Ministry of Finance. But this practice was not effective in many cases. In Djibouti for example, the absence of a Bank office and substantive task managers for most of the active projects (especially between 2015 and 2018) have been aggravated by the lack of government ownership. As a result, the quality of the portfolio continued to deteriorate.

5. CONCLUSIONS, LESSONS AND RECOMMENDATIONS

5.1. Conclusions

Relevance

The CPR policy and guidelines take into account the Bank's decentralization process and have a clear set of measurable outcomes, though they are less relevant to the Bank's institutional framework today compared to 10 years ago. Over the past ten years, there have been significant changes in the institutional context, including the DBDM-related reforms such as decentralization and streamlining of business processes. Many CPPR processes did not take advantage of the deeper and more current country knowledge as well as the close client relationships built by the staff and managers in the field.

The CPR policy and guidelines were designed in response to Board requirements, rather than country needs. The CPPR was expected to be the main source of information for the Board on portfolio performance. However, the CPR has not been able to provide credible portfolio ratings or effectively assess quality of portfolio performance over time. With the establishment of the RMF and advances in Bank information systems, data on project performance are becoming available regularly, resulting in little value added by the CPR in tracking portfolio performance.

The current CPR guidelines focus on process rather than results and do not articulate how the CPR would complement and reinforce project supervision. With IPRs already including a matrix on problems affecting project execution, identification of issues, corrective actions, responsible parties, and deadlines, it is unclear what role the CPR is expected to play in enhancing project supervision and what exactly is the expected contribution from this process.

The CPRs have not been relevant to project or portfolio restructuring. Project restructuring has been driven by project supervision rather than by the CPR, while portfolio restructuring has mainly been implemented as part of the CSP Review.

While portfolio reviews are conducted in other MDBs, there are no separate formal guidelines for such reviews. In the World Bank, portfolio reviews are designed and implemented by the country offices and are not accountability instruments to be submitted to Senior Management or the Board. In

the Asian Development Bank, country portfolio reviews are done in the context of the country programming based on Country Partnership Strategy guidelines. The portfolio reviews in the International Fund for Agricultural Development are also part of the process in designing and implementing country programs, though the reviews also cover portfolio quality topics. With the International Finance Corporation, portfolio reviews assess implementation of International Finance Corporation country strategies and cover contribution to development outcomes as well as financial sustainability issues. Unlike the AfDB, none of these institutions have separate portfolio review policy and guidelines.

Effectiveness

The main strength of the CPR is in providing a framework for dialogue on implementation issues with the government and project management units, though more could be done to identify systemic issues beyond aggregating the implementation problems identified in the IPRs. Despite the importance placed in the policy on linkages between the CSP and the CPR, the evaluation found a lack of focus on development outcomes of projects and a lack of relevance to CSP programming.

Notwithstanding the use of the CPRs as a tool for dialogue, the country reviews conducted by the evaluation did not find evidence that the CPRs had a significant impact on portfolio quality. While satisfactory performance tends to be the norm in the overall ratings of the CPRs, there were declines in IP and DO performance in more than two-thirds of the countries reviewed. Furthermore, only a quarter of CPIPs had an achievement rate of greater than 75%.

The CPR/RPR has not been an effective instrument in contributing to the design and implementation of the CSP/RISP. This evaluation found that the CPRs did not link portfolio performance to CSP objectives, outcomes, and results. CSPs can make changes in programs even without inputs from CPRs, as shown in the country studies of Mali and the Central African Republic. More generally, the CPR had no value added to either project restructurings - which were driven by the project supervision process, or program (portfolio) restructurings - which were done in the context of strategic decisions in the CSPs. Thus, the CPRs did not lead to adaptation of the projects and the portfolio to changing country context, nor were they effective in contributing to the design of new CSPs.

Efficiency

While the country reviews found that the CPRs generally followed the guidelines on process and content, frequency was less than 50% of what was specified in the guidelines. The stakeholders are engaged in the CPPR preparation process, but they lacked ownership in monitoring the implementation of the CPIP. The lack of cost data impeded a detailed assessment of the cost-effectiveness of the CPR process.

5.2. Lessons

Several lessons have emerged from this evaluation. The five most important are as follows:

- 1) **Designing a policy instrument with too many objectives and multiple target audiences risks a loss of focus and effectiveness.** The CPR was meant to be a management tool to deal with implementation issues, a strategic instrument to provide inputs to the CSP, and an accountability report to the Board. With six objectives and four primary uses, the CPRs were unfocused and in the end could not satisfactorily meet most expectations.
- 2) **Defining clear and simple processes and providing incentives to contribute to development results can improve the usefulness and effectiveness of the portfolio management and restructuring policy / guideline.** This will require a shift of the perception that being candid about potential or problem projects – which may lead to restructuring – is not an indication of weak

performance on the part of the project and/or the Bank's staff. Also, cumbersome processes can prevent the portfolio or project team from initiating a project restructuring process.

- 3) **A well-designed, results oriented CPIP has the potential of becoming an effective tool for portfolio dialogue and monitoring.** The CPIP can provide an important venue for internal discussions as well as with counterparts on how to improve portfolio performance towards achieving development results.
- 4) **Institutionalizing a culture of quality and results can make an important contribution to project success.** Focusing on incentives and strengthening accountability will have to be addressed in any initiative to improve portfolio management that aims to achieve efficiency and results.
- 5) **The effectiveness of the CPR is dependent on the effectiveness of other instruments used across the project cycle such as the quality assurance (e.g. Readiness Reviews and supervision IPRs).** While there are opportunities for providing value addition, the CPR has limitations in rectifying a lack of project readiness or weaknesses in project supervision. Also, the quality of the data generated and the analytical content of the IPRs impacts the ability of the CPR to identify and address cross-cutting and systemic issues.

5.3. Recommendations

The evaluation makes the following five recommendations:

Recommendation 1: Refocus the CPR on the analysis of portfolio problems, with a view to problem-solving and promoting progress towards a country's development results. This should be done while using the existing and newly developed corporate level portfolio management tools (such as the Bank's Red Flag system in Flashlight Reports, Delivery Dashboard, Country Portfolio Snapshot) for portfolio monitoring.

Recommendation 2: Systematize and enhance support to the Country Offices in the management of their country portfolio by clarifying the implementation support manager roles and improve coordination and cross-fertilization.

Recommendation 3: Strengthen the CPIP to encourage follow-up actions to improve the health of the portfolio and track results targets. It should also be prepared in parallel to the CSP, with annual interim updates where needed to maintain the health of the portfolio. The CPIP remains a valid instrument to be used where there are portfolio level actions (beyond the capacity of project entities) that need to be taken. To this end, the Bank should:

- a) Identify portfolio issues that require additional analysis to determine the underlying problems and identify the actions required to address them.
- b) Ensure that actions in the CPIP result in the improvement of portfolio performance, as measured by the RMF and supplementary indicators.

Recommendation 4: Prepare a policy or guidelines on project restructuring with appropriate incentives for staff to engage in project restructuring when needed. To this end, the Bank should:

- a) Update the restructuring policy along the principles of flexibility and proactive portfolio management.
- b) Consider restructuring projects as and when needed (rather than just at the MTR).
- c) Maintain a central data file of projects that have been or are in the process of being restructured.

Recommendation 5. Enhance the CSP/RISP results monitoring in the CPR/RPR, in particular for the stand-alone CPR/RPR. The 2011 guidelines on portfolio review performance already suggest an

alignment in the CPR/RPR preparation to the CSP/RISP process. In this context, the CPR should contribute to the country results profile using the monitoring indicators in the CSP results framework. After the initial joint CPR/CSP, the succeeding reviews should include updates with simplified progress reports toward achieving CSP/RISP results.

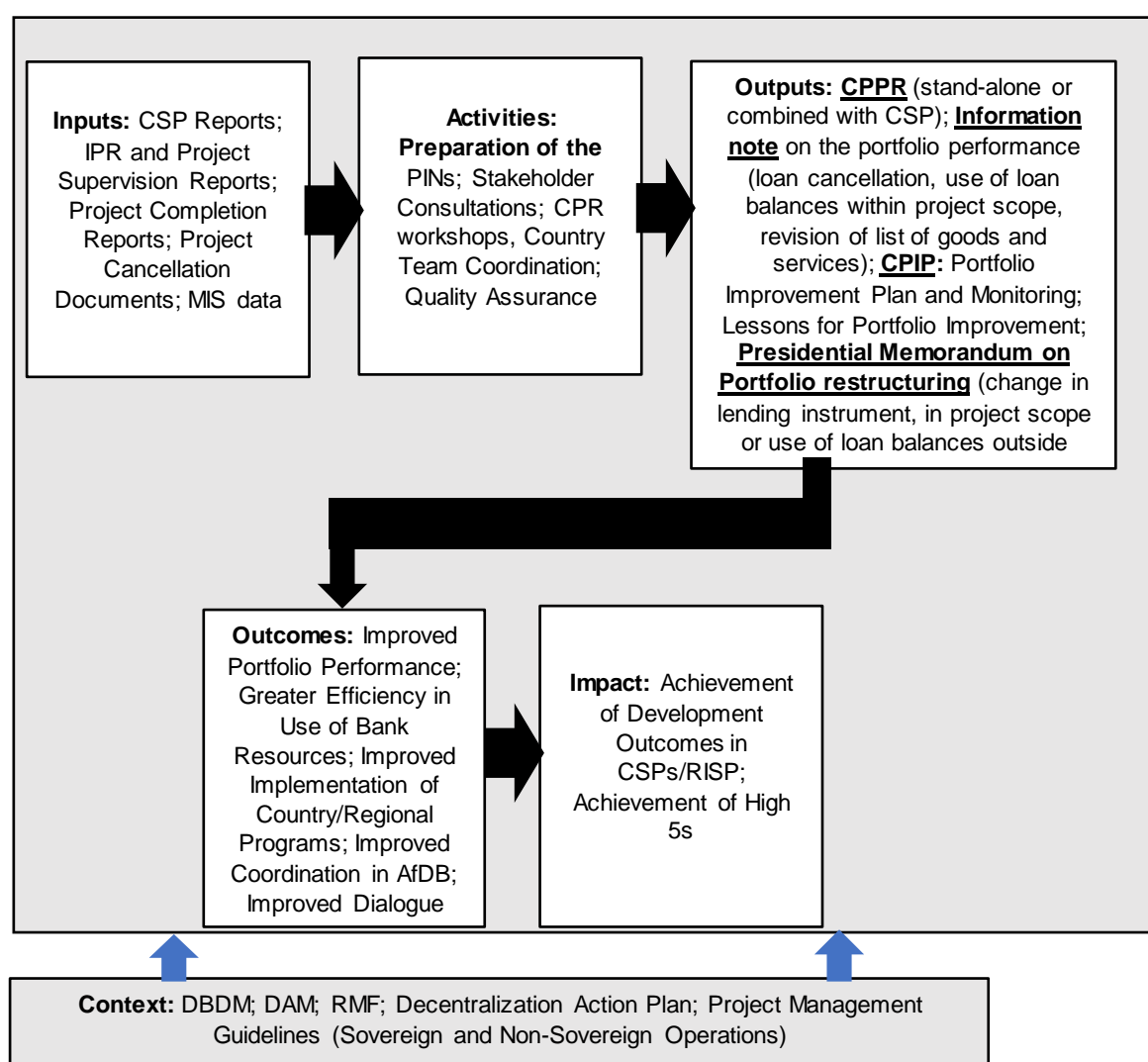
ANNEXES

Annex 1: Evaluation methodology

The purpose of this evaluation is to inform the planned revision of the portfolio review and restructuring policy and guidelines. It is a corporate (policy) evaluation, which distills common findings and draws lessons rather than providing formal performance ratings. The evaluation applied the international evaluation criteria of relevance, effectiveness, and efficiency to draw key findings and lessons.

Evaluation Design. The evaluation design uses a theory-based approach and incorporates robust methods to ensure that the evaluation delivers evidence-based quality results that can inform practical recommendations. A theory of change (see Figure A1.1 below) has been constructed based on information available in the portfolio review policy, document analyses and interviews.

Figure A1.1: Theory of Change



The main evaluation questions are grouped based on the evaluation criteria (see Table A1.1).

Table A1.1: Evaluation Matrix

Criteria	Evaluation questions	Sources of information*			
		PR	BR	CR	CPPR-R
Relevance	To what extent are the portfolio review and restructuring policy and guidelines aligned with the current institutional context in AfDB? How suitable are portfolio review and restructuring policy and guidelines to AfDB's approach to different RMC contexts? To what extent are the governance framework and incentive systems for the portfolio review and restructuring aligned with AfDB's portfolio management objectives?	X		X	
	To what extent is the CPR relevant (or providing value addition) to the objectives articulated in the 2011 CPR guidelines? To what extent is the CPR relevant (or providing value addition) as: i) a diagnostic tool beyond what is in the project supervision reports (PSRs); ii) a monitoring and evaluation tool beyond data and information available in other reports or systems; iii) an information tool for the CSP process on government priorities and emerging issues; and iv) a management tool to address bottlenecks in portfolio management? To what extent do AfDB's CPR practices comply with the provisions in the policy and subsequent guidelines in terms of approach, process, format and content?	X		X	
	How do the AfDB portfolio review and restructuring policy, guidelines and practices compare with those of key public and private comparator institutions and good practice standards?	X	X		
	To what extent were the objectives identified in the portfolio review policy and guidelines achieved? To what extent do the Bank's portfolio review and restructuring policy and subsequent guidelines and practices effectively support the implementation of country/regional strategies? What are the incentives in place to encourage staff to proactively address issues through the use of restructuring policy and subsequent guidelines? What is the level of awareness and ownership of Bank staff and managers of the portfolio review and restructuring policy and subsequent guidelines?			X	X
Effectiveness	How well were the portfolio improvement plans implemented and to what extent do they contribute to improving portfolio quality? How effective is the coordination between the regional and sector departments in addressing portfolio restructuring and implementation of portfolio improvement plans? How effective is the CPR as a dialogue tool to ensure the delivery of results from the Bank's programs? To what extent is the CPR effective in adapting the portfolio to changing economic circumstances? To what extent do lessons emerging from the CPRs (especially those combined with the			X	X

	CSP/RISP Completion Report) and restructuring practices influence the preparation of new CSPs and RISPs? What modalities are in place to ensure these lessons are incorporated?				
Efficiency	To what extent do the policy and guidelines provide an efficient means of managing the portfolio?			X	X
	To what extent does the CPR process provide an efficient means of managing the portfolio? Is the portfolio review and restructuring policy, as implemented, timely and cost effective?			X	X
	How efficient is the Bank's portfolio review and restructuring policy implementation compared to the identified sister organizations?		X	X	X
	What is the range of portfolio management tools (beyond CPR) used by comparator institutions?		X		
Lessons	What lessons can be learned from the implementation of the Bank's portfolio review policy and related guidelines? What factors enable and hinder effective implementation of the Bank's portfolio review and related guidelines? What are the key areas where the Bank should focus while revising the institutional framework, approach, process, format and content of the portfolio review and restructuring policy and processes to ensure effective program delivery under the DBDM? What lessons can be drawn from portfolio reviews and restructuring policy of the identified comparator MDBs? What are the key factors contributing to good and weak portfolio management plans? What incentives are effective to ensure candid assessments, proactive identification of project issues and corrective measures? What are the recommendations to improve the effectiveness and efficiency of the portfolio review process?	X	X	X	X

*PR: Policy Review; BR: Benchmarking report; CR: Country reviews; CPPR-R: CPPR reviews

Approach. The evaluation used a range of methods (mixed methods approach) to address the evaluation questions and ensure triangulation and validity of the findings. The evaluation considered the large number of countries and CPPRs relative to the evaluation’s limited resources, time constraints, and availability of documentation. The approach had four components:

- **Policy review:** The evaluation assessed the Bank’s overall institutional framework with respect to portfolio review and restructuring including the 1995 policy on portfolio review and restructuring in addition to the 2011 guidelines on portfolio review. The evaluation team gathered data on current AfDB institutional reforms and strategies to enable an assessment of the relevance, effectiveness and efficiency of the current policy and guidelines.
- **Benchmarking review.** The evaluation benchmarked the AfDB portfolio review and restructuring policy (public sector and private sector operations), practices, governance, CPPR content, and format, against those of the World Bank (public sector), International Finance Corporation (private sector), Asian Development Bank (public and private sectors), and International Fund for Agricultural Development. These comparators are selected given the similarity of their business model or institutional framework to AfDB.
- **Country case reviews.** This is a full and in-depth review of the implementation of the Bank’s portfolio management within countries. For these reviews, the team used a two-stage purposive sampling approach. The first stage was the selection of twelve countries and one region (See Table 1) representing about 25% of the 205 CPPRs collected from the Bank database during the evaluation period 2011-2019. The criteria considered were the country category (LIC or MIC), the fragility context, the region, the presence of Bank’s field office, the size and complexity of the portfolio, prior portfolio restructuring experience, etc. The evaluation team conducted case studies of CPRs in two countries. Out of the 12 countries, six were considered for the in-depth country review including four with field visits (Kenya, Morocco, Central African Republic and Djibouti) and two being desk-based given resource constraints. The field visits enabled interviews with relevant government and selected project counterparts to generate feedback on the relevance, efficacy, and efficiency of the CPR process. Based on the specific contexts and portfolio issues (from the desk reviews) in the countries selected, a more targeted set of questions and persons to be interviewed in the field were prepared. In addition, one AfDB’s region was selected using the diversity of the portfolio, the mix of countries, the experience of RPR, etc.
- **Quality review of CPPR samples.** In addition to reviews in the six countries mentioned above, the evaluation performed less intensive reviews of the CPPRs/RPPRs delivered in the remaining six RMCs and one region listed in table A1.2. These desk reviews assessed the format and the content of CPPRs as well.

Table A1.2: Characteristics of the Countries Covered by the CPR Reviews

Country	Region	A	B	C	D	E	F
Cameroon	Central	LM		3	3	21%	Yes
Central African Republic	Central	L	FCV	2	2		No
Chad	Central	L	FCV	3	3	9%	No
Cote d’Ivoire	West	LM	FCV	2	3	40%	Yes
Djibouti	East	LM		2	3		No
Egypt	North	LM		1	4	27%	Yes
Ethiopia	East	L		2	3	7%	Yes
Mali	West	L	FCV	1	2	36%	Yes
Mozambique	Southern	L	FCV	4	2	10%	Yes
Multinational	Central			0	3	45%	No
South Africa	Southern	UM		1	3	69%	Yes
Kenya	East	LM		2	1	13%	Yes
Morocco	North	LM		2	2	15%	Yes
Total (RMC CPPRs)				21	26		

Legend: A – Country Classification by Income (L – Low Income Country; LM – Lower Middle-Income Country; UM – Upper Middle-Income Country); B – Fragile, Conflict and Violent State (FCV); C – Number of Stand-Alone CPPRs; D – Number of Combined CSP/CPPRs; E – Share of Cancelled Loan Amounts to Total Approvals (2011-2019); F – Non-Sovereign Operations in Portfolio

Annex 2: Summary of Country Case Studies

RELEVANCE

The country case studies, and desk reviews found the CPRs to be relevant in identifying cross-cutting issues in the portfolio. While the CPRs tended to aggregate findings and information available in the IPRs, they provided a useful framework for dialogue with the authorities and a potentially effective management tool to resolve implementation issues. However, the CPRs were less relevant as a diagnostic tool. In addition, the CPRs were generally less relevant with respect to strategic issues, in particular portfolio contribution to CSP objectives and inputs to future CSP design. Furthermore, the CPRs had little value added in adapting projects and programs to changing economic circumstance through restructuring and cancellations.

Kenya

Despite some shortcomings, the CPRs provided a useful framework for identifying and addressing portfolio issues, through the CPIP in particular. The CPRs were also relevant as a management tool to help address bottlenecks in portfolio management, though there were challenges in resolving implementation issues. The CPRs were less relevant as a diagnostic tool – there was marginal value added to the information already available in the IPRs. The CPRs would have benefited from additional analytical work but lacked resources to conduct studies. The CPRs were not relevant as an information tool on government priorities to be used as inputs to the CSP.

There was limited evidence of the CPPRs examining linkages between the portfolio and the CSPs and assessing the contribution of Bank interventions to the country strategy. Not all CPPRs had lessons to be used in the preparation of a new CSP, though there was an example of a lesson resulting in actionable recommendations after escalating the issue to higher levels of government.

Morocco

The CPRs provided a useful framework for identifying and addressing portfolio issues, in particular through the CPIP. The CPR was also relevant as a management tool to help address bottlenecks in portfolio management. The CPRs were fairly effective in bringing implementation issues to the government's attention, and in many cases resulting in resolution of these issues. However, the CPRs were less relevant as a diagnostic tool and relied mainly on aggregating IPR findings and information. The CPRs were not relevant as an information tool to provide the next CSP with inputs on government priorities.

The CPPRs discussed restructuring, cancellation, and termination measures implemented by the Bank in response to changing economic circumstances. While these measures were initiated as part of the IPR process with little value added from the CPRs, their inclusion in the CPPRs helped ensure that the CSP program was on track to deliver the agreed results.

Central African Republic

The evaluation found improvements in various aspects of project implementation but did not find evidence that these were attributed to the CPRs. Thus, the relevance or value added of the CPRs to improving the quality of portfolio implementation was unclear.

Djibouti

The evaluation found the CPRs to be relevant by providing a platform to holistically discuss issues that undermined portfolio performance. The CPRs were also relevant as a diagnostic tool by analyzing the portfolio structure, synthesizing the findings of the IPRs, and addressing other aspects not included in the IPRs such as aid coordination. However, the evaluation found the CPRs to be less than relevant as a management tool, due mainly to weaknesses in the design of the CPIP, the lack of participation by the Bank's task managers in the CPR process, as well as a lack of CPIP ownership by stakeholders. The stakeholders' perception was that the CPR process was not sufficiently participatory.

The CPPRs identified and tried to address some systemic issues, notably poor quality-at-entry of projects and a lack of attention to capacity building. One of the CPPRs recommended the use of resources from a fragile and conflict affected situations facility to build capacity at the country level, and another CPPR highlighted the need for risk assessments to improve the integrity and transparency of the public procurement system. Nonetheless, most of the issues discussed in the CPPRs were related to efficiency improvements in procurement and disbursement activities.

Mali

The CPRs identified crosscutting and systemic implementation issues in several projects, including delays in counterpart funding and lack of capacity of project management units.

The CPRs were used as a management tool to address bottlenecks in project implementation, however, the CPRs were less relevant with respect to strategic issues, such as validating linkage between the portfolio and CSP priorities. The CPRs had little value addition as a diagnostic tool, and mainly reported issues that were already identified in the IPRs.

South Africa

The CPRs addressed project implementation issues, mainly being delays in effectiveness and disbursements. The CPIP was a useful organizing tool for dialogue with the government and project implementation units, however, the CPRs were not relevant with respect to restructuring of projects or the portfolio, nor did the CPRs validate the linkage between the portfolio and CSPs. The CPPRs did not include assessments of non-lending operations, which were an important component of the CSP.

EFFECTIVENESS

The evaluation did not find the CPRs to be effective in achieving their objectives; except for the Central African Republic, there were no significant improvements in the quality of portfolios. Implementation of CPIPs was mixed, with two of the countries having poor performance in terms of implementation of actions. In one country with relatively good implementation rate, the evaluation found issues with the measurement of success. In addition, the CPIPs focused on tracking actions, plans, and processes, rather than measuring actual results in portfolio quality.

Kenya

The CPRs did not prompt the government to ensure effective implementation of the portfolio, nor had there been noticeable portfolio improvements. In fact, there had been a downward trend in DO, IP, and overall ratings in IPRs during 2015-2018. Many of the issues in the CPPRs could have been just as easily and effectively handled at the project level by task managers. There was limited evidence to suggest that the CPR process had been effective in adapting projects and programs to changing economic circumstances through restructuring, though there had been some project cancellations and terminations.

There were several shortcomings in the CPIPs. First, there was no continuous monitoring of actions recorded as complied with. Second, although many plans were recorded as having been met, the indicators used to measure changes in portfolio performance were not helpful. Third, some plans that were not properly implemented were rated as partially implemented, providing misleading information. Fourth, while activities were undertaken and marked as implemented, the underlying problems had not been resolved. Finally, some actions that had already been “achieved” continued to appear in succeeding CPPRs. Thus, while almost 70% of actions in the CPIPs were shown as fully implemented, the score did not provide an accurate status of progress in implementing the CPIPs or in achieving the intended results.

Morocco

There has been improvement in reducing the number and rate of problem projects and projects at risk. However, there was limited success in reducing the length of time from Board approval to project

completion, especially in technical assistance projects. Overall, there was limited change in portfolio quality ratings during the evaluation period, though portfolio implementation performance at the beginning of the evaluation period was already high. The value added of the CPR process in sustaining portfolio quality was unclear.

Many of the issues raised in the CPPRs were successfully addressed. About 70% of the CPIP recommendations were fully achieved, with another 20% partially achieved. However, the evaluation found several shortcomings in the classification of the status of recommendations. In addition, there were no descriptions of how the various recommendations were implemented and whether the desired results were achieved. Overall, the evaluation could not determine whether the CIPs were contributing to the improvement of portfolio quality.

Central African Republic

The CPRs were effective in bringing issues to the attention of government ministries and agencies; they also provided a framework for monitoring portfolio management issues and ensuring smooth implementation of projects and had a positive impact on the implementation of the country portfolio, which underwent restructuring. As of February 2019, there were no problematic projects in the portfolio despite the difficult country context. Time taken to make the first disbursement decreased from 10 months in 2016 to 7 months in 2018.

Djibouti

The evaluation found issues with the reporting of portfolio performance, which had been consistently rated "moderately satisfactory" with no reported problem projects. The evaluation's review of IPRs indicated more problem or potentially problematic projects than were reported in the CPPRs.

Achievement of CPIP recommendations was dismal, with only about 20% fully implemented and 32% partially implemented. The time frame for implementing the CPIP recommendations was often unrealistic, resulting in carry-over of recommendations from one CPIP to the next. More important, there was weak involvement by Bank task managers in the CPIP process, low ownership by the government, and lack of systematic follow-up of CPIP recommendations.

Mali

There was a decline in overall performance of the portfolio during the latter part of the evaluation period after the restructuring of the portfolio. Feedback from the stakeholder surveys indicated a lack of responsiveness on the part of the Bank. The implementation of the CPIP actions was mixed but improved over time – 25% in 2014, 50% in 2015, and 75% in 2016.

South Africa

The effectiveness of the CPRs in improving portfolio quality was mixed. While disbursement rates improved, there was deterioration in overall efficiency as measured by indicators such as average time from approval to effectiveness. Based on BDEV evaluation findings, the CPRs were not an effective tool in improving coordination among project teams, especially between private sector and public sector teams.

EFFICIENCY

The evaluation found general compliance with CPR guidelines in terms of approach, processes, format and content. The CPO played an important role in performing the coordination function among team members and stakeholders. However, with the exception of Djibouti, the frequency of CPPR production did not adhere to the guidelines. In addition, there were overlaps between the CSP and CPR in several areas. Lack of cost data constrained the assessment of cost effectiveness.

Kenya

CPR practices in Kenya generally complied with the CPR guidelines in terms of approach, process, format, and content. There was, however, one notable deviation: only four CPPRs were produced

during 2011-2019, representing just 50% of the required reports. There were several areas of overlap between the CSP content and what the CPR was supposed to cover based on the guidelines. These areas included: aid coordination and collaboration with other development agencies, and implementation of commitments under the Paris Declaration on Aid Effectiveness.

Because the Bank did not maintain data on staff time and consultant cost associated with the CPRs, it was difficult to estimate the CPR costs. In addition, costs may vary depending on whether a CPPR was stand-alone or combined with CSP products. The country team estimated that a CPR required 50-75 days to carry out, though the evaluation found the number to be low given the number of days the CPO, country economist, and task managers needed to spend on various CPR activities and processes, including monitoring of CPIP.

Morocco

On balance, the CPPRs adhered to the guidelines and generated useful information about constraints affecting the portfolio. The CPRs conducted qualitative and quantitative analysis on the performance of projects and programs as envisioned in the guidelines. In addition to public sector operations, the CPRs covered issues in non-sovereign operations, partnerships, Bank and borrower performance, and monitoring of CPIP. However, there was a lack of consistency in the way the CPRs rated portfolio performance.

A total of five CPPRs were produced during the review period, or about 55% of requirements during 2011-2019. However, the evaluation questioned the value added of the required annual production of CPPRs. The guidelines do not differentiate approaches, processes, and content for CPPRs at various stages of the CSP during a five-year period.

Rough estimates prepared by the team indicated the following staff costs: i) 25 days for pre-CPR activities; ii) 30 days for conducting the actual review and preparing the report; and iii) 20 days for monitoring, follow-up, and implementation of recommendations. It is unclear whether resources would be more effectively spent on project supervision given that there had not been a noticeable improvement in portfolio quality attributable to CPRs.

Central African Republic

The CPRs followed the guidelines with the CPO playing a coordinating role in the preparation of the CPPR and in executing the CPIP. The CPO had follow-up meetings with project management units and sector ministries outside of the CPR process. The evaluation found project supervision to be satisfactory but also identified several factors adversely affecting project and portfolio management. First, the absence of a procurement specialist in the field office resulted in delayed responses to government requests. Second, project implementation units had generally low capacity. Third, the government coordinating structure was not yet operational, hampering the consultation process between the Bank and the government. Finally, frequency of CPPR production was only one-third of what was required in the guidelines.

Djibouti

Djibouti complied with the guidelines on frequency of production of CPPRs – since there was no country office, the CPR cycle was once every two years. The evaluation found that the team followed the guidelines on CPR process. The CPO played a leadership role with questionnaires prepared and sent to project implementation units, and the draft CPPR findings discussed in a workshop to validate the conclusions and proposed actions to address project and portfolio issues.

Mali

Mali CPPRs generally adhered to the CPR guidelines on areas to be covered, though some CPPRs did not include all of the required annexes. The Field Office led the CPR process with participation by government project management teams. However, there were gaps in the frequency of CPPR production – the lack of CPRs during 2012 and 2013 missed the opportunity to provide inputs to the design of the TMSS.

There was no data on costs to enable tracking of cost efficiency. As noted above, the non-production of CPPRs during 2012-2013 resulted in missed opportunities to restructure the portfolio. In addition, there were overlaps between the CPPR and other sections of the CSP which indicate weaknesses in coordination and waste of resources.

South Africa

The CPPRs covered the main topics in the CPR guidelines, including assessment of portfolio performance and reporting on results from consultations with stakeholders. All CPPRs produced CPIPs as well as tracked completion of actions in previous CPIPs. However, South Africa did not adhere to the required frequency of CPPR production.

CANCELLATION AND RESTRUCTURING

Five of the six countries included information on cancellations or restructuring. However, these were initiated and implemented as part of project supervision or in the context of a new CSP (in the case of portfolio restructuring). The CPRs had no value added in the cancellation or restructuring of projects or the portfolio.

Kenya

Project cancellation was used from time to time, the 2014-2018 CSP identified initiatives to restructuring non-performing projects within the framework of the cancellation policy. The limited use of restructuring was due in part to a lack of guidelines on restructuring, including how the process should be carried out, who would be responsible for approving different types of restructuring, and whether Board approval would be required.

Morocco

Cancellations and restructuring were carried out as part of the project supervision process, with little value added from the CPRs which nonetheless reported on these initiatives.

Central African Republic.

There was an extensive restructuring of the portfolio in 2014, with some projects cancelled and freed resources allocated to a budget support program. However, the portfolio restructuring was designed, negotiated, and implemented in the context of CSP discussions, rather than as part of the CPR.

Djibouti

The evaluation found no examples of cancellation or restructuring.

Mali

The TMSS 2013-2014 restructured the portfolio by cancelling half of the then on-going operations, including ten in 2013, in response to a dramatic change in the country context and resulting shift in the Bank's strategy. The previous CPR was in 2011 and had no input on the restructuring of the portfolio as part of the TMSS 2013-2014. The 2011 CPIP was prepared before the crisis and became largely irrelevant. The 2011 CPIP was revised in June 2014 when the TMSS was under implementation, by which time about half of the projects in the portfolio at the beginning of the TMSS period had been cancelled.

South Africa

The 2015 CPPR discussed an experience with one loan restructuring, which had not been signed 18 months after the restructuring. The restructuring process led to almost three years of delays in project implementation. The lesson being that the loan should have been cancelled or restructured in a less complex manner.

The 2017 CPPR discussed the following major project restructurings: i) the Eskom Renewable Project (sovereign operation) where one of its two components was cancelled; ii) the line of credit to FirstRand Bank (a non-sovereign operation) which was restructured as separate loan agreements with four FRB subsidiaries; and iii) the second tranche of a line of credit to Land and Agricultural Bank (non-sovereign operation), which was reallocated.

Project restructuring decisions were done in the context of project supervision, rather than driven by the CPRs. Portfolio restructuring decisions were made in the course of the preparation of the CSP and the CSP-MTR, and there is no evidence that the CPRs had substantive value added to decisions on the strategic directions of the portfolio.

Annex 3: Summary of Policy review

Relevance

The CPR policy and guidelines are less relevant today than they were 10 years ago. Many of the CPR processes do not take advantage of the country knowledge and client relationships built by staff in the field. Decentralization provides opportunities for quick response to emerging issues, while CPRs were designed as process-oriented annual instruments. In addition, one of the areas of focus of the policy and guidelines is the measurement of portfolio performance. With clear portfolio management performance indicators and targets in the RMF, supported by Bank systems that provide frequent and periodic reporting on portfolio performance, the CPR guidelines need to be refocused towards analysis and results, rather than determination of portfolio ratings.

There is only one set of policy and guidelines to cover the different stages of CSP process (to which the CPR is linked) and different country contexts. Unlike the old CORs that recognized different roles of the reviews over a five-year period (the duration of the CSP), the CPR policy does not provide differentiated guidance on CPR processes and content in a new CSP, an MTR, and a Completion Report. In addition, the same processes apply to different country contexts, e.g. size of the portfolio, diversity of instruments, different institutional capacities, country knowledge etc.

The CPR policy and guidelines were designed in response to Board requirements, rather than country needs. As a consequence, production of CPPRs during 2011-2019 was on average about 50% of the frequency envisioned in the guidelines.

Effectiveness

Based on the review of implementation of CPRs (see Chapter 5), the CPR policy and guidelines were not effective in providing guidance on linking the portfolio with the CSP strategies and results. Hence, the CPR objectives relating to ensuring achievement of CSP objectives and providing inputs for future CSPs was not addressed in most of the CPPRs reviewed. In addition, the CPRs were not able to adapt the portfolio to changing economic circumstances.

There are no clear staff incentives to restructure projects. There is no project restructuring policy that could have guided staff in deciding whether or not to restructure a project. With respect to portfolio restructuring, it is unclear whether this is done in the context of the CPR or the CSP. In the Mali and Central Africa Republic portfolio restructuring, the decision was made as part of the development of a new TMSS or interim CSP program without input from a CPR.

Efficiency

The CPR policy and guidelines do not take advantage of the benefits of decentralization. As discussed above, the approach and processes should be reviewed with an eye towards simplification by considering the advantages of decentralization. In addition, the guidelines are one-size-fits-all without differentiating the reviews at different stages of the CSP and different country contexts.

Annex 4: Summary of MDBs' practices by benchmarking topics

Benchmarking Topics	AfDB	IFAD	ADB	IFC	WB
Main Objectives/ Purpose/ Value addition	<ul style="list-style-type: none"> Measures progress and improves supervision Informs CSP and CSP MTR 	<ul style="list-style-type: none"> Project processes (quality-at-entry; supervision etc.) Country strategy, programming, MTR, etc. 	<ul style="list-style-type: none"> Management tool with actions to improve portfolio performance Input to portfolio review meetings with government 	<ul style="list-style-type: none"> High level institutional review of portfolio and country strategy 	<ul style="list-style-type: none"> Information tool for country team Instrument for dialogue with client and stakeholders
Target Audience	<ul style="list-style-type: none"> Board Management Client Co-financier 	<ul style="list-style-type: none"> Board Management Client Co-financier 	<ul style="list-style-type: none"> Country Management Government 	<ul style="list-style-type: none"> Management 	<ul style="list-style-type: none"> Country Team Government
Scope Instruments covered and Time period covered	<ul style="list-style-type: none"> Lending-sovereign and non-sovereign Annual 	<ul style="list-style-type: none"> Lending-sovereign Annual 	<ul style="list-style-type: none"> Lending-sovereign Lending- non-sovereign Annual 	<ul style="list-style-type: none"> Investments Annual 	<ul style="list-style-type: none"> Lending-sovereign Lending- non-sovereign When needed
What is being measured?	<ul style="list-style-type: none"> Project performance Implementation Outcome Portfolio performance AfDB performance Client performance 	<ul style="list-style-type: none"> Project performance Implementation Outcome Portfolio performance 	<ul style="list-style-type: none"> Project performance Implementation Outcome Portfolio performance 	<ul style="list-style-type: none"> Portfolio performance 	<ul style="list-style-type: none"> Project performance Implementation Outcome Portfolio performance
How is performance measured?	<ul style="list-style-type: none"> Project ratings on 1-4 scale from IPR Rating is simple average of project ratings 	<ul style="list-style-type: none"> Project ratings on 1-6 scale Portfolio ratings Links to country and corporate results measurement 		<ul style="list-style-type: none"> Profitability and risk analysis Development impact indicators 	<ul style="list-style-type: none"> Project ratings based on supervision reports

Benchmarking Topics	AfDB	IFAD	ADB	IFC	WB
	<ul style="list-style-type: none"> • Links to country results—no clear link to corporate results 				
Which stakeholders are involved?	<ul style="list-style-type: none"> • PIUs • Government agencies • Co-financiers (sporadic) • Beneficiaries (sporadic) • Civil Society (sporadic) 	<ul style="list-style-type: none"> • Reviews limited to IFAD staff 	<ul style="list-style-type: none"> • Government counterparts 	<ul style="list-style-type: none"> • Internal 	<ul style="list-style-type: none"> • Discretion of the country director
Governance of portfolio reviews	<ul style="list-style-type: none"> • Formal guidelines • Clear Task management • Procedures and signoffs • Requirement for Annual CPR • Done in regional or country offices • Done with Bank-wide coordination 	<ul style="list-style-type: none"> • Existence of formal guidelines • Clear Task management procedures and signoffs • Frequency - annual • Conducted at regional level at HQ and subsequently in an annual report sent to EDs • Within Program Management Department 		<ul style="list-style-type: none"> • Portfolio Management Unit is systematizing the reviews 	<ul style="list-style-type: none"> • No guidelines • Frequency dependent on country director • Decentralized country offices
Evidence of effectiveness (results)	<ul style="list-style-type: none"> • Mandatory requirement for Country Portfolio Improvement Plan (CPIP) • Feeds into new CSP 	<ul style="list-style-type: none"> • No improvement plans • Feeds into new Country Strategic Opportunities Paper 			<ul style="list-style-type: none"> • CSP reviews track portfolio performance

Benchmarking Topics	AfDB	IFAD	ADB	IFC	WB
Project restructuring	<ul style="list-style-type: none"> No clear process for project restructuring. However, the 2020 policy on utilization of savings introduce two level of approvals: (Board and Management) 	Two levels of restructuring: <ul style="list-style-type: none"> Level 1 by the Board Level 2 by the country Director 		Restructuring managed by Department of special operations	Two levels of restructuring: <ul style="list-style-type: none"> Level 1 by the Board Level 2 by the country Director

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