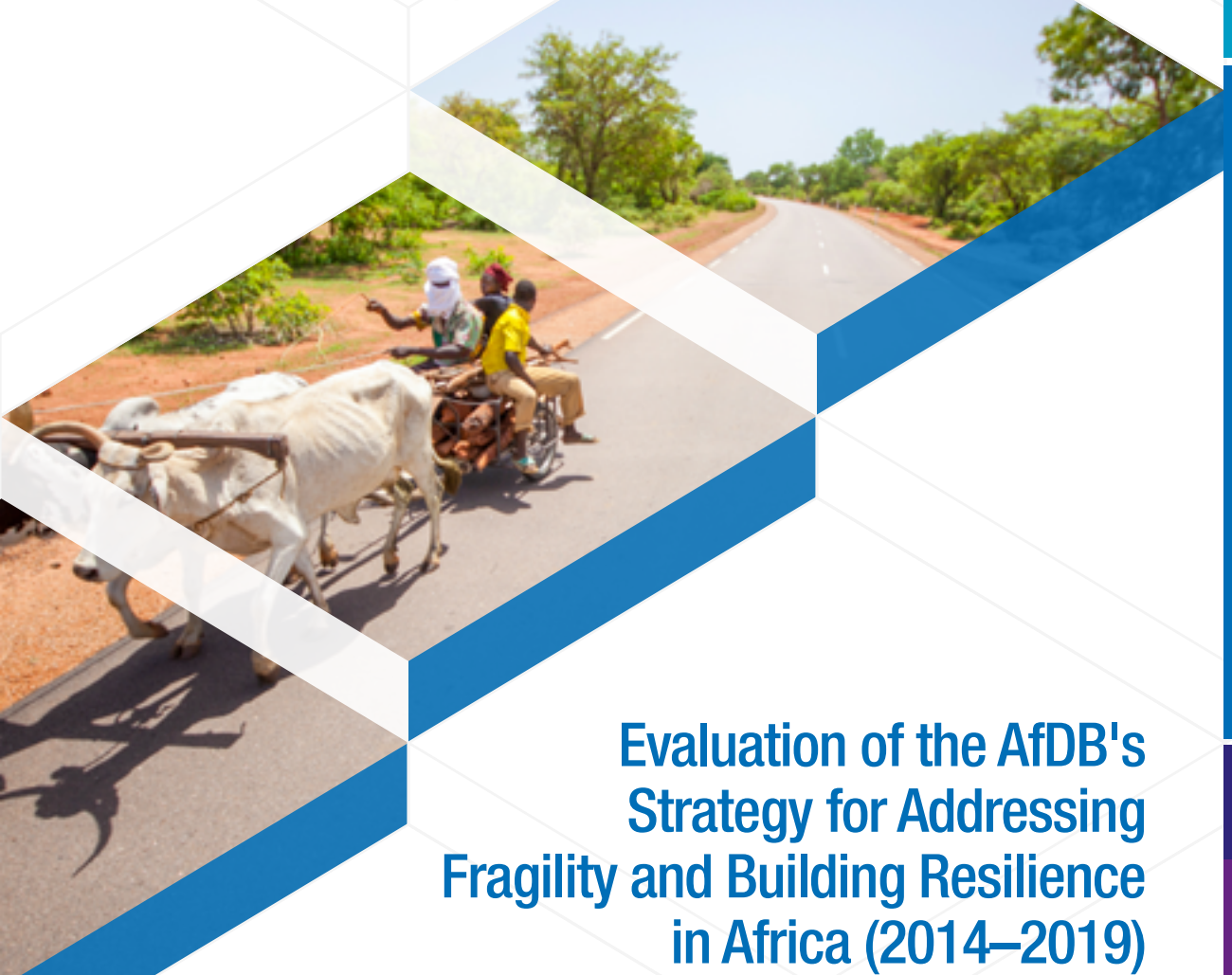




# IDEV

Independent Development Evaluation  
African Development Bank

*From experience to knowledge...*  
*From knowledge to action...*  
*From action to **impact***



## Evaluation of the AfDB's Strategy for Addressing Fragility and Building Resilience in Africa (2014–2019)

Summary Report

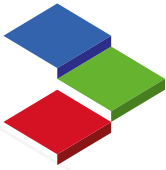


AFRICAN DEVELOPMENT BANK GROUP

June 2020

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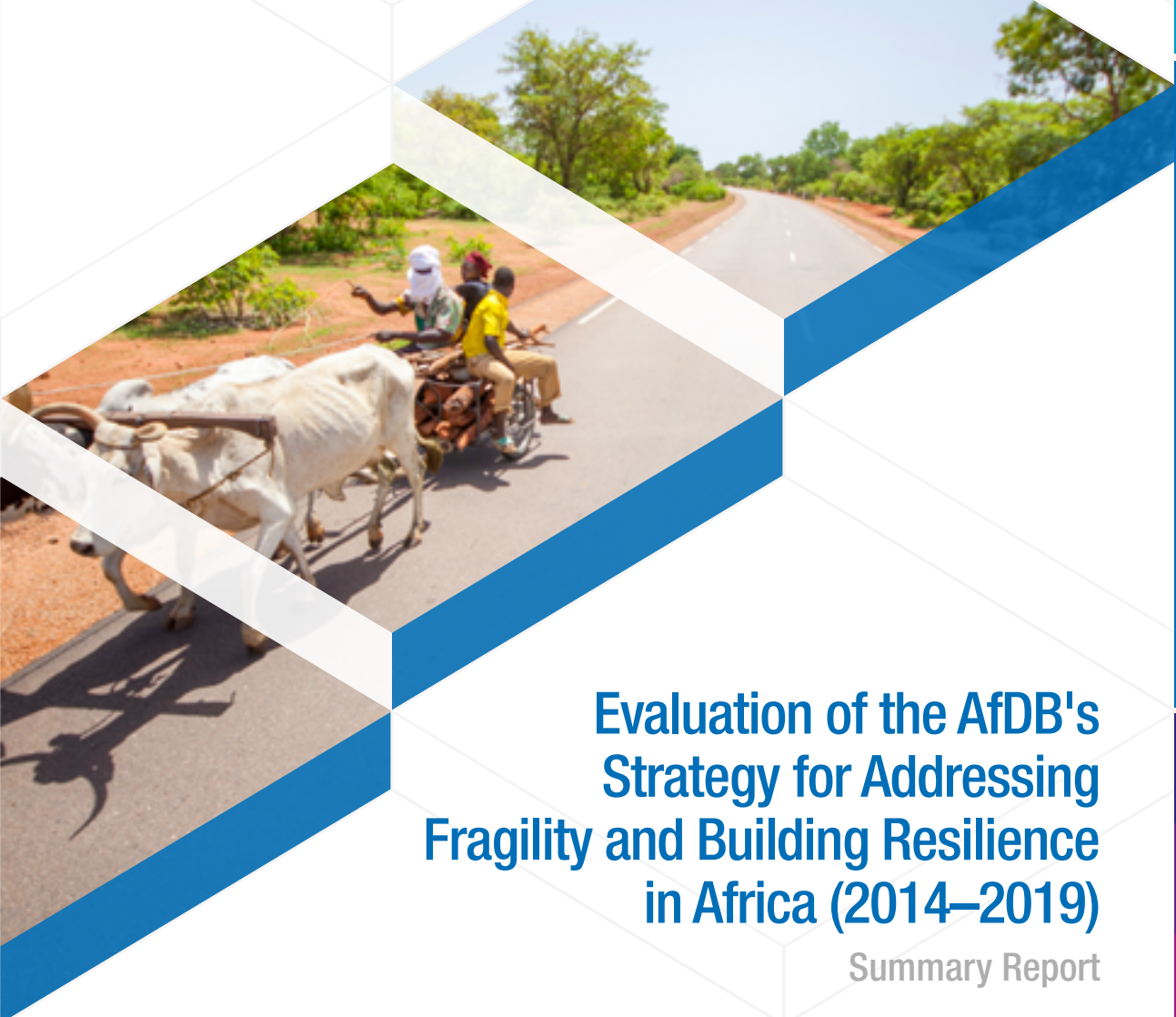




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Summary Report



AFRICAN DEVELOPMENT BANK GROUP

June 2020

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## Evaluation of the AfDB's Strategy for Addressing Fragility and Building Resilience in Africa (2014-2019)

An IDEV Corporate Evaluation, June 2020

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

### About Independent Development Evaluation (IDEV)

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

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## Abbreviations and Acronyms

<b>ADF</b>	African Development Fund	<b>IDEV</b>	Independent Development Evaluation
<b>AFD</b>	French Development Agency	<b>INCAF</b>	International Network on Conflict and Fragility
<b>AfDB</b>	African Development Bank Group	<b>KOAFEC</b>	Korea-Africa Economic Cooperation
<b>AHHD</b>	Department of Human Capital, Youth Employment and Skills Development	<b>MASU</b>	Management Advisory and Support Unit
<b>AHGC</b>	Gender Women and Civil Society Department	<b>MDB</b>	Multilateral Development Bank
<b>ALSF</b>	African Legal Support Facility	<b>NSA</b>	Non-state Actor Secretariat
<b>AU</b>	African Union	<b>NTF</b>	Nigeria Trust Fund
<b>AWF</b>	African Water Facility	<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>CBFF</b>	Congo Basin Forest Fund	<b>OPEC</b>	Organisation of the Petroleum Exporting Countries
<b>CDN</b>	Country Diagnostic Note	<b>PBA</b>	Performance-based Allocation
<b>CM</b>	Country Manager	<b>PBO</b>	Programme-based Operation
<b>COLR</b>	Country Office for Liberia	<b>PCR</b>	Project Completion Report
<b>COSS</b>	Country Office for South Sudan	<b>PFM</b>	Public Finance Management
<b>COTD</b>	Country Office for Chad	<b>RDGC</b>	Regional Directorate General for Central Africa
<b>CPIA</b>	Country Policy and Institutional Assessment	<b>RDGW</b>	Regional Directorate General for West Africa
<b>CR</b>	Craftsman-repairers	<b>RDTS</b>	Transition States Coordination Office
<b>CRFA</b>	Country Resilience and Fragility Assessment	<b>REC</b>	Regional Economic Community
<b>CSO</b>	Civil Society Organisation	<b>RFA</b>	Resilience and Fragility Assessment
<b>CSP</b>	Country Strategy Paper	<b>RISP</b>	Regional Integration Strategy Paper
<b>DBDM</b>	Development and Business Delivery Model	<b>RMCs</b>	Regional Member Countries
<b>DFID</b>	Department for International Development	<b>RWSSI</b>	Rural Water Supply and Sanitation Initiative
<b>DG</b>	Director General	<b>SME</b>	Small and Medium-sized Enterprise
<b>ECA</b>	Economic Commission for Africa	<b>SMI</b>	Small and Medium-sized Industry
<b>ECSA</b>	Vice-Presidency for Economic Governance and Knowledge Management of the AfDB	<b>SRF</b>	Special Relief Fund
<b>EITI</b>	Extractive Industries Transparency Initiative	<b>TS</b>	Transition States
<b>FAPA</b>	Fund for African Private Sector Assistance	<b>TSF</b>	Transition Support Facility
<b>FEC</b>	Congo Business Federation	<b>UA</b>	Unit of Account
<b>FRA</b>	Fragility and Resilience Assessment	<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>GEF</b>	Global Environment Facility	<b>UNS</b>	United Nations System
<b>GMS</b>	Gender Marker System	<b>WUA</b>	Water Users Association
<b>GTF</b>	Governance Trust Fund	<b>WB</b>	World Bank
<b>IDA</b>	International Development Association		





# Executive Summary

## Objectives of the Evaluation

The overall objective of this evaluation is to assess the relevance of the Bank Group's Strategy for Addressing Fragility and Building Resilience in Africa (hereinafter referred to as the Strategy) and the Bank's effectiveness in its implementation. The evaluation has two specific objectives: the first is an accountability objective, reporting to stakeholders on the Bank's relevance and performance in addressing fragility and building resilience in Africa; the second is learning, as the lessons from the evaluation will inform the Bank's future Strategy for fragility.

## Evaluation Scope and Issues

The evaluation covered the Bank's assistance to Low-Income Countries eligible for the African Development Fund (ADF) and featured permanently or temporarily on the Bank's lists of Transition States<sup>1</sup> during the 2014-2019 period.

The evaluation was designed to address the following four main questions: (i) To what extent has the Bank Group's assistance to Transition States been strategically relevant and adapted to the context of fragility? (ii) To what extent has the Bank's approach in Transition States evolved over time to allow it to operate differently in order to enhance its efficiency? (iii) To what extent has the Bank Group's assistance to Transition States produced the expected outcomes and contributed to reducing fragility while building resilience? and (iv) To what extent are the outcomes of the Bank's assistance to Transition States sustainable to help create an enabling environment for the long-term objective of exiting fragility while building resilience?

## Methodology

The evaluation was guided by the IDEV Evaluation Policy, the OECD/DAC criteria and the Evaluation Cooperation Group's Big Book on good evaluation practice standards. The evaluation is based on the Theory of Change. The construction of the Theory of Change identified relevant issues underscoring the complexity of the environment in which the Bank operates to deliver results in a context of fragility. The evaluation used a **mixed method** (quantitative and qualitative) that triangulated several information sources to answer the evaluation questions.

The evaluation consisted of six interdependent components: (i) a review of the Bank's Transition States portfolio; (ii) a meta-analysis on aspects of fragility; (iii) an institutional comparative analysis focusing on the World Bank (WB), the European Union (EU) and the French Development Agency (AFD); (iv) e-surveys of Bank and Transition States' staff; (v) case studies with field visits to four Transition States (Liberia, Democratic Republic of Congo (DRC), South Sudan and Chad); and (vi) an analysis of gender mainstreaming in Regional Integration Strategy Papers (RISPs), Country Strategy Papers (CSPs) and Bank operations in Transition States.

## Limitations and Mitigation Measures

The design and implementation of this evaluation faced the following major constraints: (i) the low number of operations approved during the Strategy (2014-2019) with "completed" status, eligible for outcome analysis; (ii) the unavailability or poor quality of existing secondary data; (iii) limited access to some project sites for security reasons or due to difficult access; and (iv) low response rates for electronic surveys. To preserve the robustness of

the evaluation results, the team took the following mitigating measures: (i) extension of projects eligible for case studies to projects approved during the previous Strategy (2008-2013); (ii) increase in the number of people interviewed (448 people, some of them by telephone); (iii) use of relevant reports/studies from other partners; and (iv) non-inclusion of the findings of the survey of Transition States nationals due to the low response rate.

## Relevance of the Strategy

The Strategy's relevance was deemed satisfactory overall. It is consistent with the Bank's Ten-Year Strategy (TYS) and other specific strategies. In addition, its three priority focus areas were relevant in meeting the specific needs of Transition States. Lastly, the Strategy is of good quality, despite some shortcomings.

**The Strategy is consistent with the Bank's TYS and other Bank strategies.** The Strategy was designed to guide the Bank in the implementation of the TYS from a standpoint of fragility. Moreover, fragility was one of the three focus areas of the TYS. Lastly, the Bank, through the TYS, undertook to make its twofold objective of inclusive growth and transition to green growth central to its engagement in Transition States.

**The Strategy is consistent with the Bank's specific strategies.** The Strategy does not propose new focus areas of intervention outside the TYS. It focused the Bank's interventions in Transition States on three priority areas in relation to the specific needs of Transition States which include: (i) building state and institutional capacity; (ii) fostering inclusion and building resilience; and (iii) strengthening leadership in dialogue, partnership and advocacy on fragility issues. These three thrusts build on the Bank's Governance, Private Sector Development, Gender, Youth Employment strategies and the High 5s.

**The quality of the design is good, although it is more focused on responsiveness than prevention.** The Bank has a clear definition of

fragility and its concepts. The Strategy's vision and objective are clear, but it does not make prevention one of its principles of engagement. Moreover, the challenges of migration and forced displacements as a source of fragility are not sufficiently taken into account. Lastly, the quality of its results framework is overall satisfactory though it does not take into account the third priority focus area of intervention.

## Approach and Actions

There are still some major challenges, although the Bank has adopted a different and systematic approach and actions to meet the significant and shifting needs of Transition States.

**The Bank stepped up its commitments in Transition States during the period under review in a context of declining ADF resources.** During the 2014-2019 period (ADF-13 & 14), the Bank approved operations totalling 4.7 billion units of account (UA) in Transition States. This corresponds to a 51% increase compared to the 2008-2013 period, despite a 17.9% decline in ADF resources over the same period. (In effect, the ADF decreased from UA 4,981.8 billion (ADF-13) to UA 4,088.1 billion (ADF-14).) This can be explained by the 7.5% increase in the Bank's Transition Support Facility (TSF) resources and the mobilisation of other financing instruments (ADB window, Trust Funds, etc.). The TSF provides additional resources to Transition States via three pillars (i) support efforts to develop; (ii) arrears clearance to enable eligible countries to normalise relations with the international community and access debt relief; and (iii) support for critical capacity building interventions and technical assistance that cannot be adequately addressed through standard projects and instruments.

**The Bank has taken several initiatives that have scaled up the share of Non-sovereign operations in the portfolios of Transition States.** Upstream budget and institutional support was provided to improve the business climate and build the capacity of actors. The Bank also took other downstream initiatives (loans, equity, PPPs; credit and risk

guarantees, private sector development facility, etc.) to encourage private businesses to invest in Transition States. As a result, the private sector's share of the Bank's total commitment in Transition States increased from 8% in 2016 to 12% in 2018. This is reflected in the approval of 15 Non-sovereign Operations (NSOs) for nine Transition States.

**TSF resources have a satisfactory absorption rate at the level of its Pillars I and III. Conversely, its volume and scope did not allow the Bank to respond adequately to certain difficult situations.**

Through TSF Pillars I and III, the Bank financed 88 projects in 21 Transition States between 2014 and 2019, with a cumulative absorption rate of 95%. On the other hand, Pillar II resources (payment arrears) could not be used because eligible countries did not meet the relevant conditions. The Bank's unallocated Pillar I reserves have allowed for substantial and rapid intervention in contingency situations such as the Ebola outbreak in Guinea, Sierra Leone and Liberia. However, the TSF's limited resources and eligibility criteria do not allow the Bank to intervene at scale to address the multifaceted and evolving factors of fragility and associated inequalities such as exclusion, irregular migration and forced displacement. In order to better address these particular challenges, the World Bank set up in 2018 a **USD 2 billion** financing window to provide rapid support to low income countries with internally displaced persons or hosting large numbers of refugees.

**The Bank prepared 64 knowledge products related to fragility, including 35 Resilience and Fragility Assessments (RFAs) for 21 Transition States and four regions.** Four RFAs were conducted jointly with other partners, including the WB, the EU and the United Nations System (UNS). In addition, 11 Regional Member Countries (non-fragile) were the subject of specific assessments in particular situations. In 2018, the Bank adopted the Country Resilience and Fragility Assessment (CRFA) tool. Optimal use of the CRFA is expected to build the Bank's analytical capability on issues of fragility. However, the CRFA was designed based on seven dimensions of fragility, while the Strategy addresses

only four dimensions. Lastly, the consideration of resilience in CSPs has grown in importance with the application of the CRFA.

**Application of the fragility lens has improved at the level of regional and country strategies. Efforts are still required at the level of operations.**

The review of three RISPs and 15 CSPs approved from 2014-2019 showed that the application of the fragility lens was effective for 80% of the CSPs, some with inadequacies. On the other hand, application of the fragility lens was effective in 45% of the 49 operations reviewed in the four countries visited. The low number of sector staff trained for this purpose and the low human capacity of the RDTS partly explain this situation. The dimensions of fragility were relatively well covered with the exception of the environment and natural resources. Gender mainstreaming is effective in 60% of operations. The contribution of operations to resilience is not clear.

**The Bank has shown flexibility and responsiveness, but no selectivity.** The Bank has shown great adaptability to better respond to the changing specific needs in the four Transition States studied. Conversely, these case studies revealed the Bank's difficulty in reconciling flexibility and selectivity. Indeed, the Bank is present in nine sectors in the DRC, six in Liberia and five each in Chad and Sudan.

**In the countries visited, the Bank has shown satisfactory continuity in its commitment at national or sectoral levels.** At the national level, the Bank remained engaged in the DRC despite the political crisis and unrest in Kasai. In all the four countries studied, the Bank remained engaged in the focus areas of intervention where it has accumulated experience.

**The Bank has made progress in adapting its policies, rules and procedures to situations of fragility.** Aspects of fragility have been satisfactorily mainstreamed into the new annotated RISP and CSP templates as well as into the Bank's 2015 procurement policy. Work is underway to mainstream fragility into the performance-based

resource allocation (PBA) system and the Bank's Operations Manual. This progress could be improved with good Bank-wide ownership of the Strategy. The recurrent use of waivers to exempt certain Transition States from the national counterpart contributions for investment projects shows the need to continue and speed up the adaptation of policies, processes, instruments to situations of fragility.

## Institutional Effectiveness

The Bank has made progress in building its institutional capacity to be effective in Transition States. Efforts are still needed.

**The Transition Support Department (ORTS) has been downgraded from a department to the Transition States Coordination Office (RDTS) under the new Development and Business Delivery Model (DBDM).** From 2014 to end-2019, the number of professional level staff in RDTS decreased by 30%, from 23 to 16, with two vacancies. This limited the operational capabilities of the entity.

**The Bank has moved closer to Transition States even if progress remains to be made:** The number of Country Offices in Transition States increased from 13 in 2015 to 15 in 2019 with the opening of the Niger and Guinea Country Offices. Professional level staff (local & international) increased by 12% in Transition States from 82 in 2015 to 92 in 2019. However, the Bank, at the time of the evaluation, had not yet succeeded in its objective of managing at least 50% of the portfolio from Country Offices at the end of 2019. This rate stands at 28.5%, 17%, and 0% respectively in the DRC, Chad and South Sudan, where the core team moved to Juba in December 2019. Liberia is the only exception with a rate of 83% of its active portfolio managed by the Country Office.

**Bank staff believe that working in Transition States is not sufficiently recognised and valued by the institution, particularly in terms of career development as it is apparently the case in other sister institutions, namely the WB.** In 2017, the Bank reviewed specific benefits for staff working in Transition States based on the level of risk incurred. These include: (i) monthly hardship allowances, (ii) home leave; (iii) rest and recuperation, and risk allowance. There are specific security arrangements depending on the risk level. However, the staff consulted feels that these benefits offer very little motivation to work in a Transition State. At the WB, working in a Transition State is an advantage for career development.

**The Bank trained more people on fragility issues than planned, but it failed to train its staff in charge of project preparation and implementation.** More than 445 staff members were trained on applying the fragility lens and the CRFA, including almost 83% of the Country Economists. Other training sessions involved representatives of the Regional Member Countries and other partner institutions. However, training reports indicate that very few sectoral and operations staff were trained.

## Reducing Fragility

**Overall, the Bank's support has produced concrete results, but not enough to significantly change the situation of Transition States.**

**The Bank has achieved tangible results in state-building and institutional stability; however, these results fall short of set targets and resources deployed.** Modest progress has been made in terms of non-oil domestic resource mobilisation in South Sudan and Chad, and overall, Public Finance Management systems continue to have serious inadequacies.

In terms of transparency, all four countries lost spots in the Transparency International index rankings from 2014 to 2018. Liberia lost 37 spots, South Sudan 7, DRC 6 and Chad 2.

Regarding business climate, the three countries in which the Bank has been active (DRC, Chad and Liberia) each lost 5 spots in the Doing Business rankings from 2016 to 2020.

Modest progress was made in Public Finance Management, without improving the Country Policy and Institutional Assessment (CPIA) scores of the four countries. On the contrary, their scores deteriorated over the period, particularly in terms of economic management, structural policies and governance.

**The Bank's support improved access to basic services (water and sanitation, roads, energy) in all countries. These outcomes are sometimes modest relative to the needs of the population such as the provision of large-scale access to electricity in Liberia.**

In Liberia, the national electricity access rate improved from 10.1% to 19.3% from 2013 to 2016. More than 16,500 new connections were made in the peri-urban areas of Kinshasa in the DRC.

Regarding transport, travel time between the regions and the city fell by 15% in Liberia. In the DRC, the National Highway 1 (RN1) has very significantly reduced the time and cost of transport between Kinshasa and the greater Kasai region. The price of rice has fallen by 30% and that of salt by 50%. In addition, the road has had a positive impact on security and social cohesion in Kasai, plagued by inter-community conflicts.

In addition, other results were recorded in the rural development and water and sanitation sectors

in the DRC and Chad. The Bank intervened on an emergency / humanitarian basis during the Ebola epidemics (Liberia and DRC), on a humanitarian basis during the floods in DRC and the famine in South Sudan. However, the outcomes have not been enough to produce an overall positive impact on social inclusion and equity in these countries. A comparative analysis on the basis of Project Completion Reports (2014-2019) shows that overall, projects in Transition States performed worse than projects in non-fragile ADF countries in terms of effectiveness, efficiency and sustainability. Only the relevance criterion shows better performance in Transition States projects.

**The Bank has been very active in terms of partnerships and dialogue on fragility issues at international and regional levels. At country level, the situation varies from one country to another.**

The Bank has established several partnerships at the international and regional levels with the objectives of (i) playing a leading role in discussions on fragility in Africa and (ii) strengthening regional responses in its focus areas of intervention and beyond, particularly on political and security issues. Interlocutors from other institutions have acknowledged the Bank's growing leadership on fragility issues. In the four countries studied, the Bank has been a reference partner for aid coordination in Chad and has provided leadership in the road sector in Liberia and the DRC. In South Sudan, despite significant potential, the Bank's role has been undermined by its limited physical presence in the country.

Partnership with civil society organisations (CSOs) and the private sector remains mostly limited to consultations during preparation missions for CSPs and/or certain operations and rarely culminates into concrete cooperation actions. The lack of an appropriate instrument seems to be the main reason.

**A number of factors have helped or hindered the Bank's performance in producing results, the most important of which are: Favourable factors:** (i) the Bank's experience in infrastructure; (ii) the Bank's status as a partner of choice; (iii) the integrated approach which ensured strong projects synergy etc.; **Unfavourable factors:** (i) the difficult economic, political and security contexts, lack of selectivity; (ii) modest budget allocations relative to the huge needs of Transition States; (iii) lack of political will to implement certain reforms; (iv) lack of a holistic approach; (v) lack or inadequacy of staff in Country Offices (South Sudan, Chad and DRC), etc.

## Efficiency

The Bank's performance in terms of compliance with schedules was deemed unsatisfactory overall. The Bank experienced delays in the Strategy's implementation. 40% of the 10 commitments assessed out of the Strategy's 11 were fully completed by the end of 2019. At the operational level, budget support operations were implemented rapidly (Chad and Liberia), but most infrastructure projects and emergency assistance operations suffered significant implementation delays.

## Sustainability

The sustainability of outcomes in the four countries was deemed unsatisfactory despite generally satisfactory technical compliance and some good examples of ownership. Sustainability remains a priority concern in Transition States. Several factors explain this finding. At the level of reforms, high mobility of qualified staff and lack of political will are the main reasons. In the case of infrastructure, despite good achievements, the sustainability of infrastructure is imperilled by weak institutional capacity, lack of ownership and limited resources for maintenance.

## Recommendations

IDEV makes the following recommendations:

1. Revise the Strategy to make prevention one of its principles of engagement and strengthen its overall relevance by aligning its dimensions of fragility with those of CRFA while taking into account migration and forced displacement as potential factors of fragility. Clear guidance should be given to improve selectivity in the context of fragility.
2. Strengthen the presence of the Bank in Transition States and the "**One Bank**" approach in the design and implementation of the future Strategy while continuing to adapt policies, strategies, instruments, rules and procedures to situations of fragility.
3. Create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the RISPs, CSPs and Bank operations in Transition States.
4. Focus on an integrated approach (strong synergy) for investment projects and a structural approach to capacity building while adapting the instruments and financing arrangements of the Private Sector Window to the realities of Small and medium-sized enterprises (SMEs) in Transition States.
5. Improve the motivation of staff working in Transition States by further improving living and working conditions while ensuring working in a Transition State is an advantage for their career development within the Bank.







# Management Response

*Management welcomes IDEV's evaluation of the 2014-2019 Strategy for Addressing Fragility and Building Resilience in Africa (the Strategy) of the African Development Bank Group. The evaluation analyses the strengths and areas for improving the Bank's engagement in transition States. Overall, Management agrees with most of the evaluation's lessons, conclusions and recommendations. These are timely as Management is developing the new Strategy and revamping the Transition Support Facility (TSF) as guided by the ADF-14 and ADF-15 discussions. This note presents Management's responses to key issues raised by the evaluation and provides ongoing and foreseen actions in line with IDEV's recommendations.*

## Introduction

Cognisant that most of the fragile situations in the world are in Africa, the Bank gives crucial importance to empowering African nations to transition out of fragility. Management recognises that the complexity and the multidimensional nature of fragility requires continuous improvement of strategic and operational approaches, analytical tools, financial instruments, as well as policies and procedures.

Management therefore welcomes IDEV's evaluation and takes note of lessons from the report, including the following:

- The three pillars of the existing Strategy were evaluated as satisfactory and coherent with other Bank strategies;
- Increased volumes of resources (both sovereign and non-sovereign) were provided to transition States over the implementation period of the existing Strategy;
- The Bank has demonstrated flexibility and responsiveness to meeting socio-economic infrastructure needs and strengthening the rule of law and state institutions in transition States;
- More beneficiaries than initially planned were trained on the Country Resilience and Fragility Assessment (CRFA) Tool and the Fragility Lens application; and

- Through its convening power, the Bank was pro-active in terms of building partnerships and advocating for its fragility agenda.

## Relevance of the Strategy

As recommended by the evaluation, Management will consider "prevention" as a key principle of the Bank's interventions in conflict-affected and fragile situations in the new Strategy in order to anticipate responses to emerging trends of fragility, such as migration and forced displacement.

Management also agrees with the evaluation that "responsiveness" and "flexibility" should not be achieved at the expense of "selectivity", which is critical to increase the Bank's development impact. Management will ensure that interventions, both at country and regional level, are selective, comply with the Fragility Lens application, and in line with Bank's approach to Selectivity.

Multilateral development banks harmonise their approach to countries in fragile situations through a harmonised list of fragile situations. Management's experience is that this requires careful consideration as the classification of "fragile situations" is not a static condition but one which is dynamic and context specific. For example, the World Bank Group's mandate is global, while that of the Bank is Africa-specific. Taking this into account, Management will explore under the preparation of the new Strategy a harmonised approach with relevant development

partners not only to deepen the Bank's own fragility agenda, but also, to strengthen collaboration with others.

Management notes IDEV's observation regarding the need to better articulate the new Strategy around the CRFA dimensions. However, it is worth clarifying that the CRFA is a data-driven analytical tool which aims to support the implementation of the existing Strategy. Its scope has proven its ability to: raise the Bank's understanding of drivers of fragility and sources of resilience; undertake fragility assessments and political economy analyses; and revamp the application of the Fragility Lens.

Therefore, rather than aligning the pillars of the new Strategy with the CRFA dimensions, Management will adopt a holistic resilience-based approach that covers a multidimensional spectrum helping to better contextualise the Bank's lending and non-lending interventions in fragile and conflict-affected situations. Under this approach, the CRFA will be used to guide and improve the quality of policy dialogue with stakeholders and scale-up the Bank's comparative advantage through operational coordination with humanitarian and peacebuilding actors when issues are beyond its mandate.

## **Bank's Engagement Towards Transition States**

The recently concluded fifteenth replenishment of the African Development Fund (ADF-15) will provide more resources to transition States through a larger TSF envelope and a fragility-adjusted Performance-Based Allocation (PBA) formula. Similarly, in line with the GCI-VII policy commitments, the portion of Non-Sovereign Operations (NSOs) in ADF countries, including transition States, is foreseen to increase. In addition, over the ADF-15 cycle, Management will pursue efforts towards mobilising resources through

additional bilateral contributions to the TSF, as well as forging partnerships with thematic Trust Funds and Special Initiatives.

To increase investments in NSOs in transition States, the NSO and Private Sector Support Department (PINS) is working with the Transition States Coordination Office (RDTS) on a range of actions, including (i) the review of NSOs operational tools to better tailor them to fragile situations, (ii) improvement of NSOs readiness and identification of more investment opportunities in transition States, (iii) building synergies between NSOs and sovereign operations through the development of country-led platforms; (iv) strengthening of blend financing as the optimum financing and de-risking approach of the Bank's commitments in transition States; and (v) establishment of a formal Development Finance Institution (DFI) collaboration mechanism to maximize the impact of collective interventions in transition States.

In addition, both departments are working to help improve the business environment in transition States, including implementation of tailored technical assistance programmes and tools to support the development of local Small and Medium Enterprises (SMEs) and value chains in sectors with high growth potential. This collaborative approach also involves working with other relevant Departments and Units such as Industrial and Trade Development (PITD) and Financial Sector Development (PIFD). Alongside, a stronger coordination with the Resource Mobilisation and Partnerships (FIRM) and the Syndications and Client Solutions (FIST) Departments will seek to leverage NSOs and SME operations in transition States through the existing de-risking and guarantee instruments, such as the Private Sector Credit Enhancement Facility (PSF), the Partial Credit Guarantee (PCG), and the Partial Risk Guarantee (PRG).

Management response to IDEV's finding of low level of utilisation of TSF Pillar II resources is that under the TSF framework, those resources are meant to clear arrears of eligible countries and not to finance operations in those countries. This mechanism has recently supported Somalia's sanctions' release following the country's completion of conditions set under the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiatives (MDRI). As discussions continue with Sudan and Zimbabwe to achieve a similar agreement, holding the resources available under TSF Pillar II is crucial for maintaining the dialogue and supporting future debt relief operations.

Management concurs with IDEV's recommendation on the systematic application of the Fragility Lens. While the progress has been rated satisfactory in the context of the Bank's strategic engagements (through country and regional integration strategies), more needs to be done to translate these into fragility-sensitive programming and to identify entry points for building resilience in public and private sector operations.

While recognizing that the application of the Fragility Lens has varied from country to country, Management will continue building the capacities of operational and sectorial Task Managers, on the usage of the CRFA tool and the application of the Fragility Lens in order to ensure that those instruments inform the design of operations in all ADF-eligible countries. A stronger focus will be given to ensuring that fragility mainstreaming is increasingly done at early stages of projects' preparation.

Moreover, as agreed under the ADF-15 discussions, the foreseen recruitment of 10 additional resilience and fragility experts will scale-up the ability of RDTs to backstop project design at earliest stages and

provide quality-assurance during the readiness reviews. RDTs will work closely with the Bank's Human Resources Department (CHHR) to ensure that this commitment is achieved.

## Institutional Efficiency

IDEV's evaluation found that the Bank has increased its footprint in transition States. Yet, several Country Offices — including three out of those covered by the evaluation — are understaffed. In line with the Development and Business Delivery Model (DBDM), Management will pursue the implementation of its decentralisation agenda.

However, increased support to transition States does not necessarily require opening new Country Offices, as the decentralisation objective can be achieved through other measures. Indeed, while presence in Regional Member Countries (RMCs) is critical, issues of scale, structure of offices, and potential fragmentation of staff skills also need to be considered. In addition, the *"One Bank"* approach articulated around the key principles of *quality, delivery and joint accountability* is expected to increase the Bank's efficiency and development effectiveness in transition States. Therefore, Management agrees on the need to reflect the *"One Bank"* approach in the new Strategy and to the extent possible, continue mainstreaming fragility considerations in the Bank's operational and strategic documents.

Management also recognises that there is still room for improving working and living conditions of staff posted in transition States as these are typically hardship duty stations. More specifically, stronger incentives are to be designed to attract high-skilled professionals, including rewarding performance and experience.

The ongoing review of the *Total Compensation Framework*, the development of the new *People Strategy*, and the *Strategic Staffing exercise* offer the Bank the opportunity to make significant strides in this area.

Management is already coordinating with the African Development Institute (ECAD) and the Operations Committee Secretariat and Quality Assurance Department (SNOQ) to deliver training using various platforms. This will be achieved through comprehensive e-Course modules hosted under the Bank's Operations Academy, which will provide accredited training courses on the Fragility Lens application to equip operational and sectoral Task Managers to address fragility in the Bank's operations.

### Bank's Contribution to Address Fragility and Building Resilience

Management recognises the persisting challenges in transition States, notably those related to rule of law and limited capacities of state institutions. Limited domestic resource mobilization, lack of transparency, weak accountability systems, and poor business environment are also areas that require special attention. Similarly, the evaluation notes that despite commendable support, the Bank's interventions did not result in significant improvements in terms of access to basic social services in the countries covered by the survey.

The development of the new Strategy will be an opportunity to rethink the Bank's engagement towards fostering influential policy dialogue and improving access to social infrastructure in transition States.

To improve domestic resource mobilisation, RDTS will work closely with relevant departments across the Bank — Regional Integration Coordination Office (RDRI), Governance and Public Financial Management Coordination Office (ECGF), African Natural Resources Centre (ECNR) and Africa Legal Support Facility (ALSF) — to implement concrete actions for addressing tax reforms, natural resource management, and to fight against illicit financial flows, as well as to strengthen capacities for Public-Private engagement as a way of intensifying partnerships with the private sector.

The Bank will place stronger focus on gender equality, youth and climate change in its engagement in Transition States. RDTS has already undertaken consultations with the Gender, Women and Civil Society (AHGC), Human Capital, Youth and Skills Development (AHHD), and the Climate Change and Green Growth (PECG) Departments, to combine efforts towards a harmonised approach for the application of the Fragility Lens on cross-cutting issues.

In line with the commitments agreed under ADF-15 and GCI-VII discussions, as well as for future ADF replenishments, Management will further scale-up resources allocated to transition States. While the financing needed for addressing the various conflict-affected and fragile situations on the continent are enormous, Management is cognisant that interventions of high quality based on selectivity are equally important.

### Operational Performance

IDEV's report indicates that the Bank's performance in meeting agreed timelines for project implementation have been generally unsatisfactory for investment operations and emergency aid.

Management, however, notes with satisfaction the positive assessment for the pace of implementation of Programme-Based Operations (PBOs). In the context of transition States, PBOs are relevant for tackling structural vulnerabilities through dialogue towards policy and institutional reforms, provided that these fit into governments' priorities and are aligned to the Bank's own programming priorities.

IDEV's evaluation concludes that, on average, the launch of projects' implementation is faster in transition States than in other ADF countries. Management welcomes this conclusion and will endeavour to do even better in the future.

Management also recognises that further efforts are needed to translate flexibilities — introduced in the Bank's procurement policy — into effective operational impacts on the ground. The enhanced readiness reviews will contribute in revamping the process and reducing delays between projects' approval and implementation. Among others, this will also allow a sharper focus on accountability, more rigorous compliance with fiduciary requirements, and better adherence to environmental and social safeguards.

While Management agrees that quality at entry is an important ingredient for sound development impact, the performance of projects' implementation depends on several other external factors, among which human and institutional capacities in beneficiary countries are extremely critical. For example, implementation and disbursements heavily rely on the capacities and efficiencies of National Executing Agencies whose performances directly impacts the pace of the project's life cycle.

## Results Sustainability

Management takes note of the rating of "unsatisfactory" with respect to the sustainability of the Bank's operations in transition States, the main reason being the underlying structural constraints in those countries. Management welcomes the "satisfactory" rating with respect to the compliance and technical soundness of operational' sub-components.

To consolidate on these achievements, Management will continue sensitising national authorities, as well as their counterparts, and raising their ownership of the Bank's projects. As far as "institutional and financial sustainability" and "political context and governance" are concerned, these are subject to improvement as they are structural constraints intrinsically related to the state of fragility.

## Conclusion

The valuable lessons and recommendations in the IDEV's evaluation report will inform and enrich the development of the new Strategy and beyond.

It will also help in shaping the Bank's analytical, strategic, and operational engagement in transition States.

Most of the recommendations are in line with the policy commitments agreed under the ADF-15 and the GCI-VII discussions. This gives Management confidence that the Bank is moving in the right direction.

Management Action Record	
IDEV's Recommendation	Management Response
<p><b>Recommendation 1:</b> Review the strategy to make prevention one of its principles of engagement and strengthen its overall relevance by aligning its fragility dimensions with those of CRFA, while considering migration and forcefully displaced persons as potential fragility factors. Clear guidelines should be provided to improve selectivity in the context of fragility.</p>	
<ul style="list-style-type: none"> <li>■ <b>Early and customised interventions to prevent or reduce the sources of fragility in transition States.</b></li> <li>■ <b>Clear articulation in the new Strategy of migration and forced displacement as sources of fragility.</b></li> </ul>	<p><b>AGREED</b> - Overall, Management agrees with this recommendation.</p> <p><u>Further actions:</u></p> <ol style="list-style-type: none"> <li>1. RDTS will work with SNSP and relevant units to ensure that the new Strategy reflects the principle of prevention and the focus of addressing drivers of migration and forced displacement. Clear indicators will be proposed in the logical framework to capture these themes. <b>[RDTS, Q2 2021]</b></li> <li>2. RDTS will coordinate with FIRM and relevant units to explore options under ADF-16 discussions to equip the Fund with targeted financing instruments to address migration and forced displacement. <b>[RDTS, Q4 2022]</b></li> <li>3. RDTS will work with SNSP and relevant operational and sectorial units to systematise the application of the Fragility Lens through the development of operational guidelines and capacity building campaigns, geared towards quality at entry and selectivity. <b>[RDTS, Q3 2021]</b></li> </ol>
<p><b>Recommendation 2:</b> Strengthen the presence of the Bank in transition States and the "One Bank" approach in the design and implementation of the future Strategy while continuing to adapt policies, strategies, instruments, rules and procedures to fragility situations.</p>	
<ul style="list-style-type: none"> <li>■ <b>Increase footprint in transition States.</b></li> <li>■ <b>Continuously adapting strategic and operational documents to the context of fragility.</b></li> </ul>	<p><b>AGREED</b> - Management fully agrees with this recommendation.</p> <p><u>Further actions:</u></p> <ol style="list-style-type: none"> <li>4. RDTS will work with CHHR to increase the number of fragility experts (initial proposal of 10 PL positions). In addition, as part of the rightsizing process, emphasis will be placed on adequately equipping regional hubs and country offices with required sector skills and fragility expertise. <b>[RDTS, Q4 2022]</b></li> <li>5. RDTS will coordinate with FIRM and RDRI to engage in discussions with the ADF-16 Working Group for a holistic review of the TSF's role and the effective adaptation of strategic and operational policies in preventing drivers of fragility, building country and regional resilience, and addressing structural vulnerabilities. <b>[RDTS, Q4 2021]</b></li> </ol>
<p><b>Recommendation 3:</b> Create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the RISPs, CSPs and Bank operations in transition States.</p>	
<ul style="list-style-type: none"> <li>■ <b>Effective mainstreaming of natural resources, environment, climate change and gender dimensions in Bank's operations.</b></li> </ul>	<p><b>AGREED</b> - Management fully agrees with the recommendation.</p> <p><u>Further actions:</u></p> <ol style="list-style-type: none"> <li>6. As part of the Fragility Lens Operational Guidelines, RDTS will work closely with RDRI, ECNR, PEGC, AHGC, AHHD and ECGF to ensure that their strategies, operational and policy dialogue activities are fragility-sensitive and contribute to building resilience in transition States. <b>[RDTS, Q4 2022]</b></li> <li>7. RDTS will coordinate with CHHR and ECAD to intensify trainings on the Fragility Lens application and will accelerate the ongoing work with SNOQ to launch online training modules through the Operations Academy. <b>[RDTS, Q4 2021]</b></li> </ol>

Management Action Record	
IDEV's Recommendation	Management Response
<p><b>Recommendation 4:</b> Promote an integrated approach (strong synergy) in transition States for investment projects and a structural approach to capacity building while adapting the instruments and financing arrangements of the private sector window to Small and Medium-sized Enterprises (SME) realities in transition States.</p>	
<ul style="list-style-type: none"> <li>■ <b>Integrated approaches for Bank's operations, including capacity building in transition States.</b></li> <li>■ <b>Continuous efforts to innovate and adapt Bank's response to situations of fragility, in particular to scale support to the private sector.</b></li> </ul>	<p><b>AGREED</b> - Management fully agrees with the recommendation.</p> <p><u>Further actions:</u></p> <ol style="list-style-type: none"> <li>8. In addition to the existing de-risking and guarantee instruments, RDTS will work with PINS, PIFD, PITD, FIST, FIRM and relevant units to explore options under ADF-16 discussions to strengthen the Bank's financing instruments towards improving the business environment and increasing NSOs and SME operations in transition States. <b>[PINS, and RDTS Q4 2022]</b></li> <li>9. RDTS will work with ECCE to train Country Economists, and Sector Experts, and provide capacity building activities in transition States in support of the development of resilience-based National Strategies and Development Plans. <b>[RDTS, Q4 2022]</b></li> </ol>
<p><b>Recommendation 5:</b> Improve the motivation of staff working in transition States by further improving living and working conditions while ensuring working in a transition State is an advantage for their career development within the Bank.</p>	
<ul style="list-style-type: none"> <li>■ <b>Improving living and working conditions for staff based in transition States.</b></li> <li>■ <b>Working experience in transition States as a factor for career development.</b></li> </ul>	<p><b>AGREED</b> - Management fully agrees with this recommendation.</p> <p><u>Further actions:</u></p> <ol style="list-style-type: none"> <li>10. RDTS will explore options with CHHR, under of the Total Compensation Framework, the People Strategy and the Strategic Staffing exercises, to (i) enhance working and living conditions, (ii) set up a rotation system, (iii) implement incentives for career development, and (iv) define key performance objectives for staff working in transition States. <b>[RDTS, Q2 2021]</b></li> </ol>





# Introduction and Methodology

## Background and Objective

This report presents the findings, conclusions, lessons learned and recommendations of the independent evaluation of the African Development Bank Group (hereinafter referred to as the Bank's Strategy for Addressing Fragility and Building Resilience in Africa for the period 2014-2019 (hereinafter referred to as the Strategy). It draws from nine background reports and a series of other tools such as focus group discussions and interviews with key stakeholders, including the direct beneficiaries.

The report highlights the main issues for consideration by the Bank's Management and Board of Directors. This evaluation is timely as it takes place at the close of this Strategy. As such, its objective is to assess the relevance of the Strategy, the efficiency of its implementation by the Bank and its effectiveness in term of results. Specifically, the purpose of the evaluation is twofold: (i) to report to stakeholders on the performance of the Bank's assistance in Transition States (TS); and ii) to draw lessons from the Bank's experience to inform its future Strategy in Transition States.

## Structure of the Report

This summary report is structured as follows: In addition to this Introduction and methodology, it covers the relevance of the Strategy, the Bank's engagement and approach to Transition States, the Bank's institutional effectiveness and contribution to the reduction of fragility, and conclusions, lessons and recommendations.

## Evaluation Scope and Questions

The Strategy's evaluation covered the Bank's assistance to Low-Income Countries eligible for the African Development Fund (ADF) that were included either permanently or temporarily on the Bank's Transition States lists for the 2014-2019 period (see list in Annex 1). The evaluation covered all the Bank's actions to reduce fragility and build resilience since the adoption of the Strategy in 2014 to end-2019. These include **programming aspects**, such as Regional Integration Strategy Papers (RISPs), Country Strategy Papers (CSPs); **operational aspects**, such as sovereign and non-sovereign operations, and **non-operational aspects**, analytical work (fragility assessments and other knowledge products), and partnership, advocacy and policy dialogue activities. In addition, the evaluation covered the institutional aspects included in the Strategy. Finally, the evaluation attempted to identify factors of success and failure (if any) in order to draw lessons from it and develop recommendations to guide the next strategy for Transition States in Africa.

The evaluation was designed to answer the four main questions below, which were broken down into sub-questions, addressed by several indicators (Annex 2).

1. To what extent has the Bank Group's assistance to Transition States been strategically relevant and adapted to the context of fragility?
2. To what extent has the Bank's approach in the Transition States adapted over time to allow it to operate differently and improve its efficiency?
3. To what extent has the Bank Group's assistance to Transition States produced the expected outcomes and contributed to reducing fragility while building resilience?

4. To what extent are the outcomes of the Bank's assistance to Transition States sustainable to help create an enabling environment for the long-term objective of overcoming fragility while building resilience?

The IDEV Evaluation Policy, the OECD Development Assistance Committee criteria and the Evaluation Cooperation Group's Big Book on Good Practice Standards guided the evaluation.

**Theory-based Methodological Approach.** A Theory of Change (ToC) was reconstructed by the evaluation team based on document reviews, consultations with stakeholders within the Bank and international best practices in evaluation in situations of fragility. This ToC identified the evaluation questions necessary to understand the complexity of the environment in which the Bank operates in order to achieve outcomes. Annex 3 provides further information on the methodology applied and includes the ToC.

**The evaluation comprises six interdependent components:** i) a review of the Bank's portfolio in the ToC; ii) a meta-analysis; iii) an institutional benchmarking with the World Bank (WB), the European Union (EU) and the French Development Agency (AFD); iv) e-surveys; v) case studies with field visits in four Transition States namely Liberia, Democratic Republic of Congo (DRC), South Sudan and Chad (see Annex 4 for selection criteria); and vi) an analysis of gender mainstreaming in the Bank's RISPs, CSPs and operations in Transition States.

**The summary was performed in two stages.** An initial summary report comprising document reviews (RISPs, CSPs) and the Bank's performance in the four countries studied. Elements of this first report were then combined with the other five components, together with findings from focus groups and interviews. Ratings were assigned according to four traditional evaluation criteria, namely: relevance, effectiveness, efficiency and sustainability. Other issues were also assessed, without a formal rating system.

## Limitations and Mitigation Measures

This evaluation encountered several limitations. Mitigation measures were taken to ensure the credibility and robustness of the evaluation results.

These include the following:

### ■ **Limited access to certain project outputs due to security issues or difficult access.**

Accordingly, in addition to the document review, which was extended to other partners' reports, the number of people interviewed was significantly increased and direct beneficiaries were interviewed by telephone.

### ■ **The limited number of projects eligible for in-depth studies.**

Eligible projects are those approved during the Strategy and with "completed" status. Fewer than ten projects were eligible. Therefore, the evaluation team turned to ongoing projects with disbursement rates of 75% or higher in the four countries and other projects that were completed but approved prior to the Strategy (2014) since the three priority focus areas of this Strategy are the same as those of the 2008 Strategy. This allowed the in-depth analyses to be extended to 61% (by volume) of the Chad portfolio and 27%, 19% and 18% respectively of portfolios for South Sudan, Liberia and the DRC. All projects with a disbursement rate below 75% were subject to a document review. In addition, an analysis of the performance of the Bank's operations in Transition States was carried out based on Project Completion Reports (PCRs) from 2014 to 2019.

### ■ **Secondary data was sometimes unavailable or of poor quality.**

The limited number of PCRs and project implementation reports combined with the absence of secondary data in Transition States also constituted a constraint in the evaluation. To this end, the evaluation team collected information and views from as many sources as possible (interviews, focus groups and an online staff survey) in order to fill the information gap.

### ■ **Low response rates to electronic surveys:**

Two e-surveys were launched as part of this evaluation. The first was addressed to Bank staff and the second to key stakeholders and direct beneficiaries in the four case-study countries. Despite multiple reminders, the response rates were 20% and 13% respectively for the staff survey and the four-country survey. Thus, the results of the survey of the four countries was excluded because of the very low response rate.

## Overview of the Strategy

This Bank Strategy was adopted in June 2014. Its preparation was guided by: (i) the recommendations of the 2012 [IDEV evaluation of the 2008 Strategy for Enhanced Engagement in Fragile States](#); (ii) the conclusions and recommendations of the High Level Panel on Fragile States (2014); (iii) the thrusts of the Bank's 10-Year Strategy (TYS) for 2013-2022; and (iv) changes in international practice (in particular the New Deal). The adoption of the Strategy was followed in January 2015 by the adoption of operational guidelines for its implementation.

The **main changes made to the Strategy in comparison to the previous one (2008)** are:

- The use of the concept of "situations of fragility" rather than "fragile states", which also reflects developments in the international community;
- Operationalisation of the "fragility lens", both at the country and/or regional programming levels and in terms of project design and strategic dialogue;
- Continuation of an integrated engagement framework to maximise development impact;
- Institutional and organisational strengthening to enhance the effectiveness of the Bank's action.

The **objective** of the Strategy is to place the Bank at the centre of Africa's efforts to address fragility and pave the way for a more resilient and inclusive growth trajectory. Its **vision** is to prevent fragility from degenerating into active conflict, to put affected countries and regions back on track and strengthen their resilience by integrating countries into the regional and global economy and closing the development gap on the continent.

To achieve its objective, the Bank chose to focus its action in Transition States on the following three main priority areas:

- Strengthening state capacity and supporting effective institutions;
- Promoting resilient societies through inclusive and equitable access to employment, services and benefits from resource revenues. Particular importance is given to interaction with the private sector and civil society in fragile situations;
- Strengthening the Bank's leadership role in policy dialogue, partnerships and advocacy on fragility issues.

In the Strategy, the Bank focused on **four regions** identified as deserving special attention: The Horn of Africa, the Sahel, the Mano River Union and Great Lakes, and Central Africa.



# Relevance of the Strategy

**The overall relevance of the Strategy is satisfactory. It is consistent with the Ten-Year Strategy (TYS) and other specific strategies of the Bank. Moreover, its three focus areas were relevant to the specific needs of Transition States and the quality of its design is satisfactory despite certain weaknesses.**

## Consistency with the Ten-Year Strategy, Other Strategies and the Needs of Transition States

**The consistency of the Strategy with the Bank's TYS and its three priority areas is satisfactory.** The Strategy was designed to provide guidance to the Bank on the implementation of the TYS from a fragility perspective. Furthermore, the TYS identifies fragility as one of its three focus areas, while committing to placing its twin objectives of inclusive growth and transition to green growth at the heart of its engagement in Transition States. It also recognises that scaling up the implementation of the High 5s will only be possible if cross-cutting areas such as fragility, gender, climate change and governance are fully mainstreamed into its operations. Moreover, 96.9% of participants in the electronic staff survey consider the Strategy to be well aligned with the TYS and the High 5s.

**The Strategy is consistent with other strategies.** The Strategy was designed to focus the Bank's interventions on three priority areas that draw on a set of Bank strategies. These are Focus Area 1 "Strengthen State Capacity and Support Effective Institutions" and Focus Area 2 "Promote Resilient Societies Through Inclusive and Equitable Access to Employment, Basic Services and Shared Benefits from Natural Resource Endowments", both part of the Governance Strategy, the High 5s, the Private Sector Development Strategy as well as the Gender

and Youth Employment Strategy. Focus Area 3, which is cross-cutting, supports the first two in order to amplify the impact of the Bank's interventions.

**The three focus areas, though relevant to meet the changing needs of the Transition States, do not provide enough guidance in terms of prioritisation.** The document review and case studies showed that the Strategy's three focus areas are relevant to meet the specific needs of Transition States, each characterized by weak institutional and state capacities, combined with poor basic infrastructure. However, these three objectives are very likely too general and do not provide guidelines to ensure selectivity within the focus areas to substantially meet priority needs.

## Strategy Design Quality

**In qualitative terms, the Strategy is overall satisfactory. However, it does not make the prevention of fragility one of its principles of engagement. Its results framework, though satisfactory, has some weaknesses and the issues of migration and displaced persons as a source of fragility are not sufficiently considered.**

**Definitions and Concepts:** The Bank has a clear definition of fragility. It views fragility as an imbalance between the pressures and challenges (internal and external) faced by a state and society and their ability to manage them. When extreme, fragility is expressed as conflict or collapse of state functions. The World Bank defines fragile states as those countries or territories with serious governance problems and a weak political and institutional framework that scores low on the Country Policy and Institutional Assessment (CPIA) index. In addition, it distinguishes between fragile states and those that face conflict or ongoing violence. Several other development

actors have their own definitions of fragility. Faced with this lack of consensus, some development partners, including the EU and AFD, have adopted the OECD definition.

The concept of "fragile situations" was already reflected in the 2007 OECD Principles for Good International Engagement in Fragile States and Situations. However, the Bank has thus far focused on fragile states, partly for operational reasons and partly to encourage the harmonised approach agreed upon by Multilateral Development Banks (MDBs) in 2007 to generate a common list of countries. While the harmonised CPIA-based classification has had the advantage of consistency and harmonisation across MDBs, it has several limitations that have long been recognised by the Bank and the broader development community. First, it is now widely recognised that fragility is a multi-dimensional phenomenon. Second, clearly, fragility is not solely a concern of developing countries; the challenges associated with it are universal. Comparative analysis has shown that the WB's and Bank's Transition States lists may differ from one year to the next, indicating the need to jointly redefine new eligibility criteria. One example is Malawi, which is on the WB's list of fragile states but not on the Bank's list.

**The Bank's Approach:** The Bank as well as other development actors (WB, AFD, EU etc.) recognise that there is no single, universal and effective approach that could be adapted to all situations of fragility. No one solution can be touted as complete, and above all, knowledge exchange and shared best practices between institutions should be encouraged. The Bank's approach includes the systematic application of the fragility lens to all its programme and operational instruments in Transition States and the adoption of the following principles of engagement: **flexibility, responsiveness, selectivity and staying engaged.**

The case studies confirmed the importance of these principles. Flexibility is necessary to adapt operations and their objectives (ambitions) to the context. Responsiveness is essential to address the unforeseen urgent needs that characterize situations of fragility. Selectivity in its activities allows for focus on areas where it will have the greatest impact and stay engaged across the spectrum of situations of fragility and helps to consolidate achievements. However, the evaluation notes that while the Bank recognises that Regional Member Countries (RMCs) with strong and capable institutions may experience episodes of instability and localised fragility, it does not make prevention one of its principles of engagement. Thus, the Strategy does not include any provision for the Bank to identify such RMCs at an early stage and intervene in a targeted manner to prevent them from descending into a full-blown state of fragility.

**Immigration and forcibly displaced persons were not identified as potential sources of fragility by the Strategy.** For the Bank, factors of fragility included economic, social, political and environmental dimensions. However, recently, immigration and internally displaced persons have been emerging as potential sources of fragility in several RMCs and regions. In response, the Bank has been working with the United Nations High Commissioner for Refugees (UNHCR) and the WB. Similarly, its Resilience Forum in 2019 focused on the theme "Fragility, Migration and Resilience" with the objective of better understanding the phenomenon in order to address the latter in its RISPs/CSPs and operations.

**The Strategy's results framework is satisfactory despite certain weaknesses.** Most of the commitments had appropriate indicators for which benchmarks and targets existed, although some may be viewed as very optimistic given the Bank's current performance. However, Focus Area 3, which concerns "Enhancing the Bank's convening role for deeper policy dialogue, partnership and advocacy around issues of fragility" is not reflected in the results framework. This is not only a focus area, but the case studies have shown the importance of this dimension and stakeholder expectations on this issue. In addition, the principles of engagement promoted in the Bank's approach to situations of fragility: flexibility - responsiveness and selectivity - staying engaged should also be translated into the results framework with indicators to measure the Bank's performance in the effective application of its principles.

**The Bank, like the WB and the EU, does not have specific procedures for monitoring its strategies and operations in Transition States.** However, the AFD does have a mechanism to closely monitor those countries. For the Bank, it is left to the Country Managers and their teams to determine a strategy to ensure the close and effective monitoring of operations. As concerns the Strategy, a mid-term review was planned at the end of its third year of implementation, but it could not be conducted. However, an auto-evaluation was carried out by RDTS at the end of its fourth year of implementation, the results of which informed discussions during the negotiations for the replenishment of ADF-15 and the seventh General Capital Increase of the Bank.





# The Bank's Approach and Commitments to Transition States

**The Bank has gradually adopted a differentiated and systematic approach while intensifying its engagement in Transition States. Some major challenges remain.**

The Bank's commitment and approach has been assessed in terms of its ability to implement the commitments and strategic measures undertaken in the Strategy to apply a differentiated approach to Transition States.

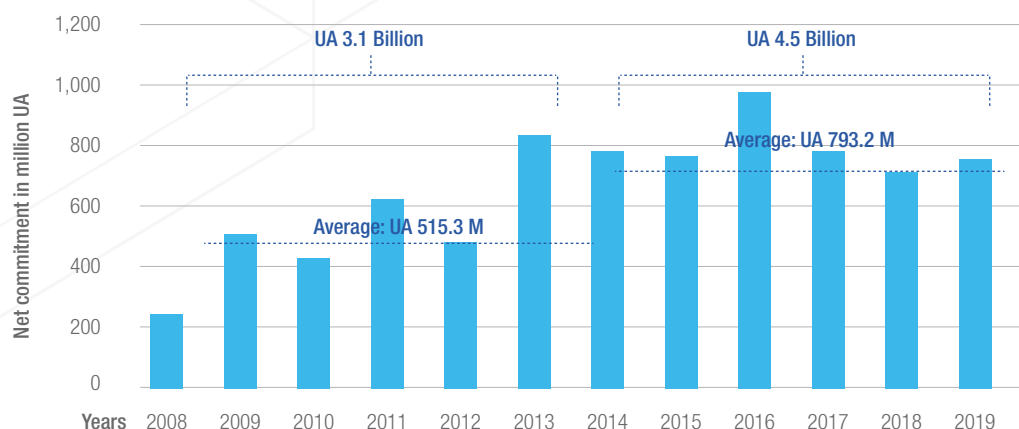
## The Bank's Engagement in Transition States

**The Bank increased its support to Transition States despite diminishing ADF resources.** As shown in Figure 1, during the 2014-2019 period (ADF-13 & 14), the Bank approved 354 operations for a total amount of UA 4.7 billion to support Transition

States. This represents a 51 % increase compared to the 2008-2013 period, which amounted to UA 3.1 billion. Thus, over the two periods, the Bank's average annual approvals in Transition States increased by 53%, from UA 515.3 million over 2008-2013 to UA 793.2 million over 2014-2019. This increase can be explained by a greater mobilisation of all financing instruments and particularly the ADF which, despite a significant drop of 17.9% between ADF-13 and 14, was able to gradually increase the share allocated to Transition States from 23% in ADF-12 to 40% in ADF-13 and then to 48% in ADF-14.

In addition, the Bank was able to mobilise other financial instruments such as the ADB window and Trust Funds. The sector breakdown of approvals by order of importance in Transition States is as follows: Transport (28%), Governance (19%), Agriculture (17%) followed by Energy (15%) and Social (7%).

Figure 1: Bank Support to Transition Countries (2008-2019)



Source: IDEV-SAP data

### *Non-Sovereign Operations in Transition States*

**The Bank took several initiatives that increased the share of Non-Sovereign Operations (NSOs) in Transition States portfolios.**

It intervened upstream through budgetary or institutional support operations to help Transition States improve their economic and financial governance as well as their business climate. To this end, 34 operations amounting to UA 322.1 million were approved for Transition States during the period under review.

In addition, downstream, the Bank took other initiatives, including loans, equity investments, public-private partnerships (PPPs); credit guarantees and partial risk guarantees, establishment of a private sector development facility, the African Legal Support Facility (ALSF) and many other instruments (TSF, KOAFEC, etc.) to support the private sector. Comparators like the WB Group, through the International Finance Corporation (IFC), revised their business model to better adapt to the situations of Transition States. In addition, since 2008, the IFC launched the Conflict Affected States in Africa (CASA) Initiative to support private sector development, job creation and to attract investment in conflict-affected states. The EU provided specific support to the private sector, including guarantees, capacity building and technical assistance.

As a result, the share of Transition States in the Bank's total support to the private sector increased by four percentage points from 8% in 2016 to 12% in 2018. This translates into the approval of 15 private sector operations benefiting nine Transition States for a total amount of UA 333.8 million.

The sectors that benefited from this support are: finance (39%), transport (20%), energy (18%), industry and mining (16%). Agriculture and the social sector came last at 6% and 2% respectively.

### **Financing Instruments for Transition States**

**The Bank's support to Transition States was channelled primarily through concessional ADF resources, which represented 74% of the total.**

Resources from the ADB window represented 17% of Bank support; more than ten special funds (NTF, AWF, CBFF, EU-AIP, EU-AITF, FAPA, GAFSP, GEF, OPEC, TSF, RWSSF, SRF and Zim-MDTF) provided 9% of the resources. The multitude of special funds was in line with the Bank's commitment, through its Strategy, to mobilise all the financial instruments at its disposal to support Transition States. It should be noted that the Transition Support Facility (TSF), which is primarily financed by the ADF, accounts for 26% of the total resources allocated to Transition States during the period under review.

#### *Transition Support Facility*

**The TSF resource windows have shown a satisfactory absorption rate through its Pillars I and III. However, its volume and scope did not allow the Bank to adequately respond to certain difficult fragility-related situations.**

As a reminder, the TSF was established in 2008 to address weaknesses in the performance-based allocation (PBA) of resources, which tended to be low compared to the needs and legitimate demands of states affected by fragility. The TSF provides additional resources to Transition States via three pillars to support efforts to develop and strengthen the state and institutions (Pillar I); arrears clearance to enable eligible countries to normalise relations with the international community and access debt relief (Pillar II); and support for critical capacity building interventions and technical assistance that cannot be adequately addressed through standard projects and instruments (Pillar III).

During the period under review (2014-2019), despite a 17.95% decrease in ADF-14 resources compared to ADF-13 which resulted in a 25.5% drop in PBA, TSF resources increased by 7.55% over the same period, showing the Bank's willingness to provide more resources to Transition States (see Figure 2). In line with its ambitions, TSF mobilised additional resources from DFID (UA 23.6 million) and Italy (UA 7.3 million) over the same period. In total, TSF allocations respectively enabled 7 and 14 Transition States to double their PBA under ADF-13 and ADF-14 respectively, showing the importance of this instrument in terms of financing for these countries.

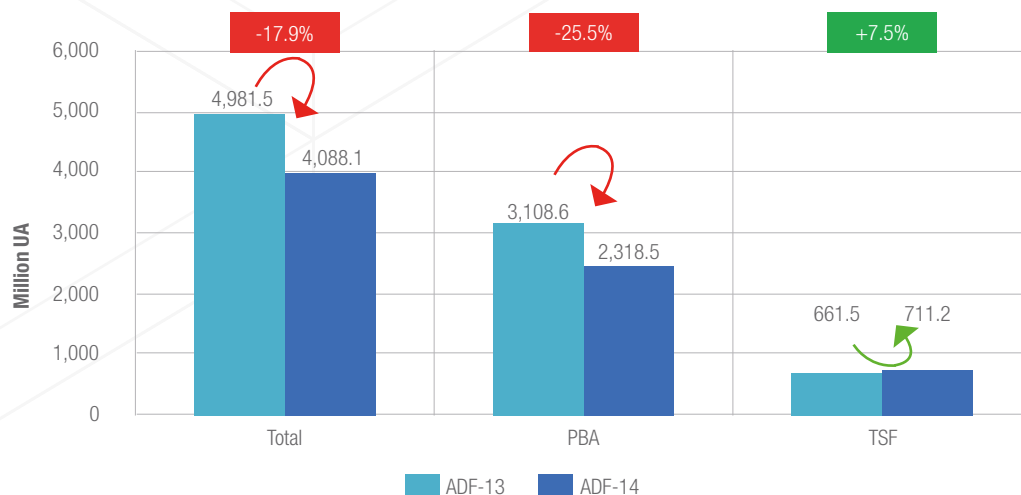
TSF Pillar I allocations helped finance 88 operations benefiting 21 Transition States in the governance (35%), social (15%), transport (14%), energy (13%) and water and sanitation (7%) sectors.

Twelve Transition States, including Guinea, Liberia and Sierra Leone, benefited from unallocated Pillar I resources (about 15%) during the 2014 Ebola epidemic.

For Pillar II, UA 392.3 million and UA 20 million respectively under ADF-13 & 14 were made available to three countries (Zimbabwe, Somalia and Sudan) to clear payment arrears. None of these three countries was able to meet the conditions. However, the TSF continued to provide special support to countries with outstanding payments where a commitment to settle their debts had been demonstrated, including those that had made nominal payments.

As for Pillar III, 67 projects were financed following calls for proposals between 2014 and 2019 benefiting 21 countries and 10 institutions for a total amount of UA 128.7 million. Some of the supported areas included the private sector, Gender and Women's Empowerment, High 5s, and Natural Resources.

Figure 2: Bank's ADF-13 and 14 Allocations



Source: IDEV, AfDB data

The cumulative absorption rate for Pillars I and III was 95.5% compared to 0% for Pillar II at end-2019. This rate may change further with the forthcoming approval of projects for Zimbabwe. This high utilisation rate indicates the relevance of the TSF for eligible countries.

The comparative analysis showed that none of the comparators has a specific instrument like the TSF to provide additional financing to Transition States. However, the TSF's limited resources and the eligibility criteria do not allow the Bank to intervene when necessary, at scale to combat the multi-dimensional and changing factors of fragility and the associated inequalities, in particular exclusion, uncontrolled migration and forced displacement. However, the WB has two specific instruments that enable the institution to assist its member countries in difficulty, including fragility. The first is the **State and Peacebuilding Fund**, which is the world's largest multi-donor global trust fund created to finance the innovative approaches of States and peacebuilding actions in regions plagued by fragility, conflict and violence. In addition, the WB has established a **USD 2 billion** financing window under IDA18 (2017-2021) to support Low-Income Countries hosting large numbers of refugees. After the first three years of operation, 14 countries became eligible for financing from this fund, including 12 of the Bank's regional member countries<sup>4</sup>. These two instruments allow the WB to intervene beyond the Transition States.

In terms of TSF monitoring, there is no mechanism to ensure that RDTs is informed in real time of how operational departments intend to use their country's TSF allocations. Two examples illustrate this weakness: i) the Board approval in 2019 of the Trans-Sahara Highway Project, Phase 2 with a TSF amount that exceeded the resources available for Mali and ii) the approval at the end of 2019 of additional financing for the Road Network Rehabilitation Project, RN2 (Moroni-Foumbouni) in the Comoros with errors in financing sources, particularly on the TSF, requiring the preparation of

an addendum for the Board to make the necessary corrections.

## Building Knowledge on Fragility Issues

**The Bank prepared 64 fragility related knowledge products, including 35 Fragility and Resilience Assessments (FRA) for 21 Transition States and four regions.** Over the Strategy period, all 21 Transition States underwent at least one FRA (or had an existing FRA updated), four of them jointly with other partners, including the WB, the EU and the UN. In addition, 11 RMCs (non-Transition States) underwent specific assessments in particular situations (see Annex 5). Note however, that the lack of a centralised archiving mechanism for the FRA limits their access, particularly to country team members, and especially those working in specific sectors.

In 2018, the Bank adopted the Country Resilience and Fragility Assessment (CRFA) tool. This tool provides a systematic and objective assessment of fragility risks and sources of resilience in all RMCs and regions based on quantitative data. However, this Strategy implementation tool has been designed on the basis of seven dimensions of fragility while the Strategy itself addresses only four, hence the need to improve harmonisation between the Strategy and the tool.

The Bank could fully leverage the CRFA's potential provided it meets its requirements, which are: i) strong Bank-wide ownership; ii) access to data, some of which is difficult to access (security, justice etc.); iii) qualified and sufficient staff at RDTs to manage the tool; iv) a robust data validation and analysis process.

Effective use of the CRFA combined with the FRAs on a qualitative basis could position the Bank among the leading institutions in terms of knowledge production on issues of fragility and resilience in Africa.

## Applying the Fragility Lens

**The application of the fragility lens has improved in RISPs and CSPs. Efforts need to be made at the operational level, particularly in the private sector.**

### *In Regional Integration Strategy Papers*

The review of the Regional Integration Strategy Papers (RISPs) for Central Africa (2011-2015) and West Africa (2011-2015) revealed a gradual improvement in the way fragility is taken into account through their mid-term reviews and extensions. The Bank has thus demonstrated adaptability and specific attention to the issue of fragility, especially after the adoption of the Fragility Strategy in 2014.

In addition, with the adoption of the new annotated template of the RISP and the CRFA, the recent regional strategy for Central Africa 2019-2025 includes a comprehensive analysis of the factors of fragility and sources of resilience, including a summary note appended to the document. Nevertheless, two remarks should be made:

- The revised RISP template stresses the inclusion of fragility at the level of diagnosis, knowledge of the context and strategic alignment (internal

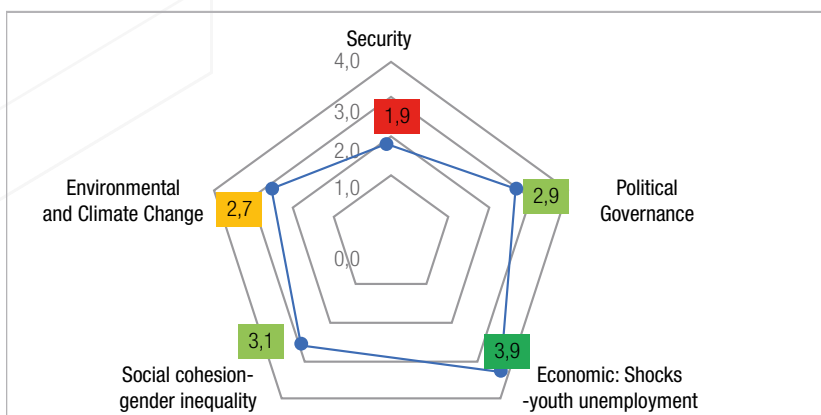
consistency). The treatment of fragility factors within the Strategy (pillars and their application in operations) is not explicitly addressed;

- Not all key dimensions of fragility seem to be addressed - for example, in the Central Africa Strategy 2019-2025, environmental factors (even more salient on a larger scale) and those related to the exploitation of natural resources are not explicitly included in the note on fragility and resilience.

### *In Country Strategy Papers*

**In Country Strategy Papers (CSPs), the application of the fragility lens has improved.** Out of 15 new or extended CSPs examined, fragility was satisfactorily analysed in 12 CSPs, with some inadequacies for some. Two factors explain this generally satisfactory situation: i) the training of almost all economists in the application of the fragility lens and CRFA and ii) the existence of FRA (new or updated) in all 15 countries examined, although slight delays were noted at this level, RDTs involvement in the preparation process of the 15 CSPs examined was 60%.

Figure 3: Importance given to dimensions of fragility in the CSPs of the 15 countries reviewed



Source: IDEV

As indicated in Figure 3, the dimensions of fragility on a scale of 1 to 4 have taken on greater significance in the CSPs. The dimensions of fragility best covered by the Bank's strategies are the economic and social dimensions, including employment. The political governance and environmental dimensions are not systematically covered. Consideration of the security dimension is limited to analysis of the situation. It should nevertheless be noted that the **environmental and climate change dimensions** have gradually gained ground in recent CSPs. Not surprisingly, the security dimension, which is outside the Bank's intervention mandate, is least integrated into CSPs. However, this component is not neglected in the CSPs, which include the latter in the analysis of the context and challenges, but is not included directly in terms of objectives, focus and operations.

**Analysis of sources of resilience has gained ground (12 of the 15 CSPs) and is found in the recent CSPs of the 15 countries selected for the literature review.** The potential sources of resilience and the themes/sectors covered in the CSPs are: **"natural resources"** (60% of CSPs); **"political will, peace, security and national reconciliation"** (53% of CSPs); continuation of reforms and institutional capacity building (47% of CSPs); geographical positioning and place in regional integration (47% of CSPs). These sources of resilience also include key economic sectors like agriculture (47% of CSPs), energy and industrialisation (40% of CSPs) and, to a lesser extent, tourism and the private sector (27%). Social cohesion and investments in social sectors are only marginally included as sources of resilience in the CSPs analysed.

### *At the operational level*

**At the operational level, the fragility lens is not satisfactorily applied in the four countries studied, although a fragility analysis was conducted for some operations but without explicit reference made to a fragility and resilience assessment (FRA).** Based on the analysis of 49 operations approved between 2014

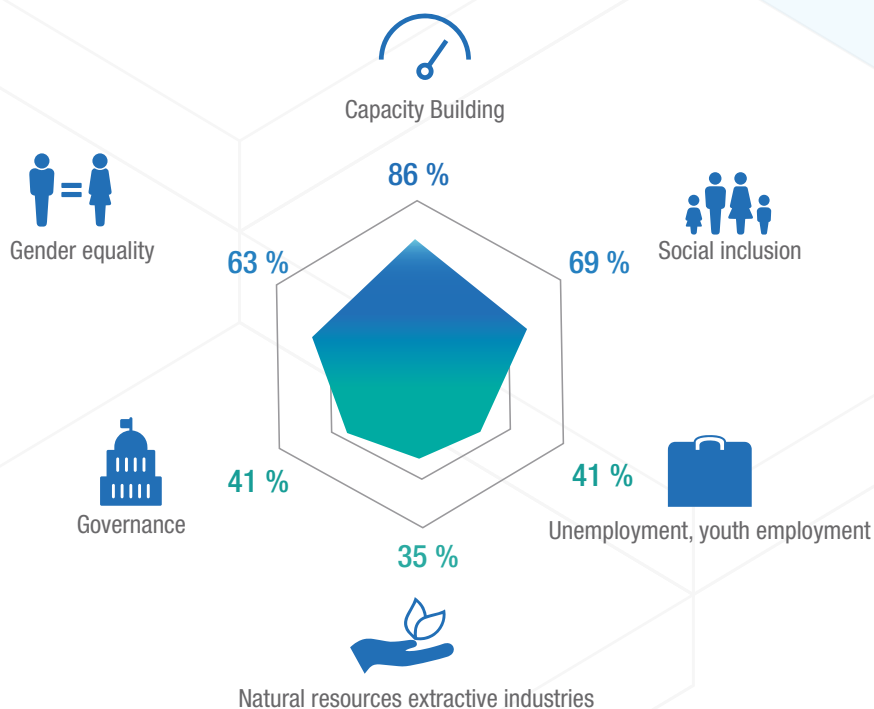
and 2019 (Annex 6) in the four countries studied, 45% analyse the relevant fragility factors relative to a target of 100%. For non-sovereign operations (NSOs), this rate is only 16%. RDTS involvement in the operations preparation process was only 31%, with 0% for NSOs. It should be noted, however, that the 45% rate masks great disparities between the four countries. Liberia is the exception with almost all operations (83%) presenting a satisfactory analysis of fragility factors. These general results stem from the combined effects of the following: (1) the lack of a mechanism that centralises FRAs such that they are accessible to sectors; (2) the limited number of sector staff trained in the application of the fragility lens; (3) the lack of guidelines that systematize application of the lens in Transition States; (4) the non-involvement of RDTS at the beginning of the preparation process for some operations; and (5) the RDTS' limited human resources needed to effectively support sectors to address the fragility factors in operations. Actually, some of the sector entities interviewed had never heard of the fragility lens, let alone its application.

## **Gender Mainstreaming in the Context of Fragility**

**Gender mainstreaming in situations of fragility was considered satisfactory overall, but stakeholders acknowledged that progress has fallen short of the Bank's current potential.**

The Strategy has committed to develop economic empowerment programmes for women in order to strengthen **their role as agents of change and encourage their participation in the processes of conflict prevention, peacebuilding and nation-building.** The approach entailed supporting the livelihoods of women and girls by promoting entrepreneurship, gender equality in operations and legal reforms, including women's land tenure security, while paying special attention to gender-based violence.

Figure 4: Taking into account the cross-cutting issues in operations



Source: IDEV

Thus, gender issues in Transition States are generally addressed under the dimensions of inclusion and social cohesion and are fully covered in the CSPs of the DRC and South Sudan, but only marginally covered in the CSPs of Chad and Liberia. Social inclusion is central to the goals and expected outcomes of the CSPs of Transition States, with particular attention given to employment, women's empowerment (gender equality aspect) and youth and women's employment. With regard to the RISPs, gender assessments have been conducted for both strategies (Central and West) to identify opportunities and constraints and to suggest intervention options to the Bank.

At the operational level, gender equality is increasingly mainstreamed into operations (60%) in the four countries studied. Gender is factored

into all activities and goals with near-systematic disaggregation of indicators and targets.

This trend can be ascribed to the 2018 Gender Marker System (GMS), which is a mechanism for categorising projects according to the extent to which their goals, components and expected outcomes address gender equality and women's empowerment. However, several Bank staff acknowledged that gender mainstreaming in the RISPs, CSPs and operations of Transition States could be better achieved through excellent coordination between the departments in charge of gender and operations and the RDTS.

## Adaptation of Bank Policies, Rules and Procedures to Factors of Fragility

**The Bank has made some progress in adapting its policies, rules and procedures to situations of fragility.** Its procurement policy adopted in 2015 introduces flexibilities that take fragility into account and the new annotated templates of the RISP and CSP adopted in 2018 includes the preparation of a Country or Regional Diagnostic Note (CDN) that includes the Country Resilience and Fragility Analysis (CRFA). Furthermore, the revised Operations Manual currently being validated refers to fragility in section 1.8 of Part B titled, "Policies and Processes Linked to Operations". Lastly, studies are underway to enhance the mainstreaming of fragility into the PBA system. Reflection is also underway on integration of the fragility lens into the readiness review process for RISPs, CSPs and operations. Nevertheless, several colleagues interviewed acknowledged that progress could be better achieved through greater ownership of the Strategy by all Bank departments, especially regarding their roles and responsibilities in the implementation of the Strategy. Thus, greater coherence should be applied by involving RDTs in the preparation of the Bank's (institutional and sectoral) strategies and policies. The recurrent use of waivers is intended to further address the need for flexible approaches in fragile contexts; for example, the need, in particular, to exempt certain Transition States from national counterpart contributions to projects. This shows the need to continue and to accelerate the adaptation of policies, processes and instruments to situations of fragility.

## Bank Responsiveness/Flexibility

**The Bank has shown flexibility and responsiveness in adapting its assistance to unforeseen situations in the Transition States.**

In Chad, the Bank has adapted quickly and has shown flexibility in tackling the macroeconomic shocks that the country is facing, following the decline in government revenue as a result of the drop in oil prices in 2014. From 2015 to 2018, the Bank implemented, within a short timeframe (3 to 6 months), four successive budget support operations geared towards economic recovery, public finance reform, alleviation of the State's cash flow problems and macroeconomic stabilisation.

The South Sudan Country Office has adopted certain measures in order to adapt to the context, namely: project extensions; reallocation of the budget to a humanitarian project; and recourse to other institutions with a comparative advantage over the Bank in the implementation of certain activities, particularly humanitarian operations.

In Liberia, the Bank showed great responsiveness to the Ebola pandemic and to changes made by the government in granting project extensions and reallocating the budget to Ebola control. Given the weaknesses in government capacity, the United Nations system was used to provide an emergency response. This helped to ensure that the response was rapid and in accordance with international best practices.



In the DRC, the Bank has been satisfactorily responsive to the shocks experienced by the country. On the economic front, given the decline in cobalt (-30%) and copper (-21%) prices, the Bank considered using budget support to address the shock, but this was not possible because the requisite conditions were not met. With regard to humanitarian interventions, the Bank has been called upon to intervene through six emergency humanitarian and health operations in crisis situations such as the Ebola epidemic and severe floods. It should be noted, however, that in the four countries studied, the Bank has sometimes received small ad hoc requests to which it is unable to respond due to lack of financial resources.

### Continued Commitment

**In the countries visited, the Bank demonstrated satisfactory continuity in global and sectoral commitments.** At the global level, the Bank remained committed despite the political disturbances that generated a crisis of confidence between the DRC and several development partners.

Moreover, it remained committed despite the security problems that plagued Kasai in 2017. It had to curtail its physical presence on project sites while maintaining its operations to the extent possible, with a view to resuming them normally once the situation improved. Such commitment during a difficult period was greatly appreciated by the public administration and civil society stakeholders encountered.

**At the operational level, the Bank remained committed to the main sectors where it has built up experience in the four countries visited.** However, this continued commitment did not prevent the Bank from opening up to new areas that better address fragility issues. In all, **analysis of the profile of operations in the four countries studied shows the difficulty encountered by the Bank in reconciling the selectivity requirement with the need to meet the urgent and specific needs of Transition States.** Thus, during the period under review, the Bank was active in nine sectors in the DRC, six sectors in Liberia and five sectors in Chad and South Sudan.



# Institutional Effectiveness

Responsibility for the implementation of the Strategy rested with all departments and staff of the Bank under the leadership of RDTS which is responsible for monitoring the effectiveness of such implementation. Accordingly, the Bank is committed to strengthening the operational capacity of RDTS and moving closer to Transition States in order to address the challenges of implementing its Strategy.

## Role of RDTS

**The evaluation found that the role of RDTS as defined in the Strategy remains relevant, but the gradual reduction of its human resources has impeded its operational capacity. RDTS has changed from a department to an office under the new DBDM.** Although the RDTS has been very active in partnerships, dialogues and staff training on fragility issues, it has been less effective in providing intellectual impetus and expertise to regional and sectoral departments in terms of operational prioritisation and quality control for the application of the fragility lens. Two factors account for this situation, namely: (i) the lack of clear guidelines for systematic quality control of strategies and operations by the RDTS (including that of the private sector); and (ii) the weak human capacity of the RDTS. Indeed, **RDTS gradually lost its human capacities over the period under review.** From 2014 to 2019, its professional staff decreased by 30% from 23 to 16 staff members (including two vacancies). By way of comparison, at the beginning of 2019, the World Bank units in charge of fragile countries had 40 staff members (including 8 in the field) for all continents, the EU (Unit B2) had 10 and the AFD had 12, with the intention of increasing this number to 17 by the end of 2019. The significant decline in human resources at the RDTS limited its operational capacity.

## Bank Presence in Transition States

**Through the new DBDM and its decentralization road map, the Bank has strengthened its presence in the Transition States, although progress remains to be made.** Data from the Bank's Human Resources Department indicate that the number of Country Offices in Transition States increased from 13 in 2015 to 15 in 2019 after the opening of Country Offices in Niger and Guinea. The number of professional staff (LP & PL excluding Côte d'Ivoire) has increased by 15% in Transition States, rising from 84 in 2015 to 97 in 2019. However, this increase masks major disparities between Country Offices, with Mali having 11 professional staff compared to three in South Sudan and the Central African Republic.

**Three of the four Country Offices assessed are understaffed.** The Bank's Country Manager (CM) position in DRC has been vacant for more than one year and there is a shortage of experts in key areas (energy, agriculture, governance), with two major vacancies, namely the positions of Country Economist and Transport Specialist. On account of the security crisis, the Bank has not had a permanent office in Juba since 2017. In December 2019, the office returned to Juba. The Chad office, after having been placed under sanctions, was subjected to significant restrictions in terms of resources and operating arrangements, which limited its ability to maintain close technical dialogue. Apart from the Country Manager, Programme Officer and Country Economist, only the Rural Development Sector Task Manager is based in the country. The Liberia Country Office staff strength has increased over time and today the Office's management of the current portfolio is assessed satisfactory overall.

Thus, only 28.5%, 17% and 0% of the active portfolio are managed by the Country Offices in the DRC, Chad and South Sudan respectively, values which fall short of the 50% target set for all Transition States. Hence, the bulk of the portfolio in these three countries is managed from the Regions and/or the Bank's Headquarters. The only exception is Liberia where 83% of the active portfolio is managed by the Country Office. Moreover, the context of fragility does not seem to have been fully considered when setting Country Office objectives, which some staff members find to be optimistic and consequently inconsistent with the context in Transition States and the Bank's (human and financial) capacities in the field.

## Incentives for Country Office Staff

**Bank staff feel that their service in Transition States is not sufficiently recognised and valued by the Bank, particularly in terms of career development as it is apparently the case at the World Bank. Some 62.5% of respondents to the e-survey believe that the Bank has failed to develop specific incentives to encourage its staff to work in Transition States.**

Consequently, the Bank has to ensure that staff members serving in Transition States are fully supported through mechanisms that guarantee a certain level of attractiveness, competitiveness and acceptable comfort. Accordingly, during the review of staff benefits in 2017, the Bank offered a number of specific benefits to its staff in Transition States, depending on the location and level of risk involved. These include: (i) a monthly hardship allowance; (ii) specific waivers for education expenses; (iii) home leave; (iv) rest and recuperation; and (v) risk allowance.

Regarding security, guards are paid by the Bank and even armoured vehicles and bulletproof vests are made available to certain Country Offices depending on the risk level. In addition, each Country Office has an evacuation plan and a business continuity plan that are regularly updated. Furthermore, the Bank is a member of the Saving Lives Together evacuation

programme of the United Nations system, which allows Bank staff to benefit from UN assistance in the event of an evacuation, albeit at a lower level of priority relative to staff from UN agencies such as the World Bank. However, some of the staff consulted consider that their service in Transition States is not sufficiently recognised and valued by the Bank, particularly in terms of career development.

Comparative analysis shows that most institutions offer relatively the same types of benefits to their staff but more consistently. Moreover, they have a rotation system that limits staff to a maximum of three years' residence in a high-risk country. Lastly, these institutions apply an "unwritten rule" that "service in a fragile country" is an advantage in the internal career development of their staff.

## Staff Training

**The Bank trained more people than planned, but it failed to train its staff in charge of project design and implementation.** A series of 11 training sessions were organised by RDTs and the Human Resources Department with the support of partners or jointly with others. In total, more than 455 staff members including managers, country officers and representatives of RMCs and regional organisations have benefited from these training sessions on topics related to fragility and resilience, the fragility lens and CRFA. As a result, about 83% of Country Economists have benefited from this training.

**It should be noted, however, that the Bank has failed to train most of its sectoral and operational staff at this stage, many of whom have recently joined the Bank.** By way of comparison, the WB organises an annual 4-day training session on fragility issues that brings together some 180 to 200 of its staff members. The EU organises training for its personnel that includes aspects of fragility, before deploying them to the field. The AFD organises two training sessions including, fragility aspects, twice a year at the institution's headquarters for its staff deployed in the various countries.

# Bank Contribution to Reducing Fragility and Building Resilience

The Bank's performance was assessed in terms of its three areas of intervention in the Transition States, based on the in-depth studies carried out in the four countries selected for the evaluation (see list in Annex 7). Furthermore, an analysis of the performance of completed projects based on PCRs from 2014 to 2019 supplemented the Bank's performance analysis.

## Capacity Building for States and Institutions

**Outcomes in the four countries visited show that tangible results were obtained in terms of capacity building for States and institutions, however, these remain insufficient in regards to set targets and are not commensurate with the means employed.**

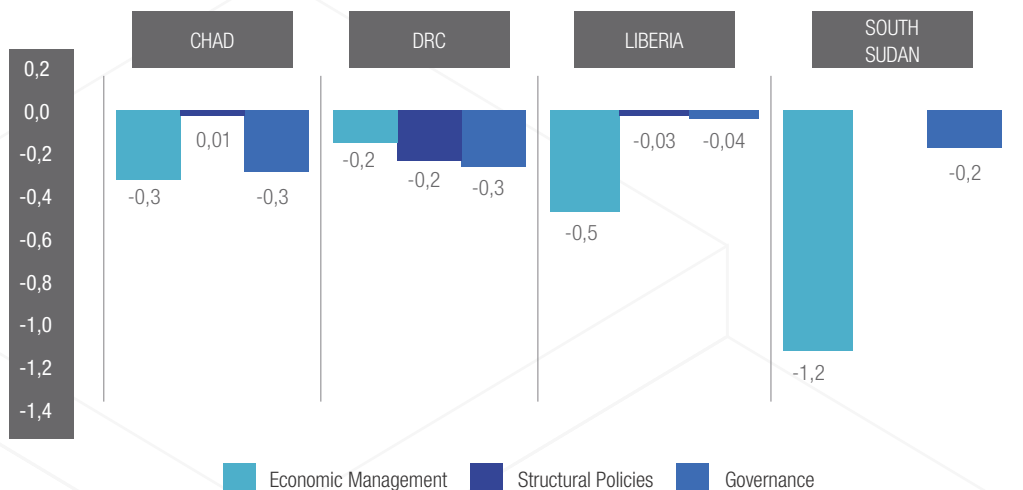
In terms of domestic resource mobilisation, non-oil resources in South Sudan are estimated to have surged from USD 4 million in the first half of 2019 to USD 36 million between January and June 2020. In Chad, tax revenue, based on the Government financial operations table (DFOT) data, should return to its 2019 pre-crisis level of FCFA 450 billion in 2014. However, performance under the four successive budget support operations between 2014 and 2018 has not improved the Public Finance Management (PFM) system and it is still fraught with many weaknesses, with few improvements noted over the last 10 years, even though several reform plans have been adopted and partially implemented.

Regarding transparency, the four countries have made little progress despite the actions taken. They have all fallen behind in their Transparency International rankings. Between 2014 and 2018, their rankings declined as follows: Liberia - 37 spots, South Sudan - 7 spots, DRC - 6 spots and Chad - 2 spots.

In regard to the improvement of the business climate, the three countries (DRC, Chad and Liberia) in which the Bank has been active each lost 5 spots in the Doing Business ranking of 54 African countries between 2016 and 2019. For example, UNCTAD data indicate that between 2015 and 2018, the volume of foreign direct investments (FDI) plummeted by 80.5% in Liberia and 10.5% in the DRC. However, FDI rose by 18% in Chad during the same period, indicating that investors factor other elements into their decision-making.

Overall, the generally modest progress in the four countries was not sufficient to significantly improve their overall PFM performance, as shown in Figure 5. Therefore, almost all CPIA indicators in terms of economic management, structural policies and governance have declined. The factors mentioned are: (1) limited resources (DRC and South Sudan); (2) lack of political will to implement certain reforms (all four countries) and resistance to reforms (all four countries).

Figure 5: Selected CPIA Score Trends for 2014-2018 in the Four Countries Visited



Source: IDEV, CPIA data

## Improving Equitable Access to Basic Services and Employment

Improving access to basic services has been one of the Bank's important priority area in the countries visited, through budget support to safeguard social spending as well as infrastructure projects in the transport, electricity, water and sanitation sectors. In all countries, positive results have been recorded or are sometimes expected on a large scale, such as access to electricity in Liberia. However, the results obtained often fall short of demand and, in general, CPIA indicator trends show that the situation has deteriorated in the DRC, Chad and South Sudan. It is only in Liberia that the indicator has evolved positively.

In Liberia's **energy sector**, the number of households with electricity in Monrovia rose from 17,000 to 83,000 by mid-2019, and the national electricity access rate grew from 10.1% in 2013 to 19.3% in 2016. In the DRC, more than 16,500 new connections have been made in the peri-urban area of Kinshasa (Kimbanseke).

With regard to **transport**, in DRC, after having asphalted sections of National Highway 1 (RN1) in perfect synergy with the World Bank and the EU, the Bank has been paving nearly 215 km since 2018, in addition to ancillary infrastructure (schools, health centres, boreholes, etc.), whose impact is already being felt (see Box 1). Furthermore, in the long term, the rehabilitation of RN1 should reduce travel time on the Kinshasa - Tshikapa route by several days. In Liberia, three successive operations have been implemented since 2013, including one that is underway. This has made it possible to reduce travel time at this stage between the regions and the city by 15%, relative to the projected 33% to 40%.

As shown in Figure 6, the positive outcomes obtained are not enough to make a positive impact on social inclusion and equity in Chad and the DRC. This demonstrates the need to further concentrate available resources on a few sectors with a view to providing meaningful responses to the ever-changing needs of Transition States.

**Box 1:** Impact of Road Works at Tshikapa in Kasai, DRC

**Effect of Works on Price:** The opening up of the country has resulted in an increase in trade between the provinces in the central zone and the capital province of Kinshasa: “Everything you find in the Kinshasa market can now be found in Tshikapa market”.

Participants in the discussions gave concrete examples of the decline in commodity prices in Tshikapa town: the price of a 25 kg sack of rice (in Congolese francs) has fallen from CDF 45,000 to CDF 32,000; a can of sardines costs the same in Tshikapa as in Kinshasa; the price of a 25 kg sack of salt has dropped from CDF 18,000 to CDF 9,000; the price of a sack of cement has fallen sharply from USD 30-45 to USD 15; the price of Wax loincloth has fallen from CDF 30,000 to CDF 22,000.

**Effects of the Highway on Safety and Social Cohesion:** “There have been wars here, inter-community conflicts. Because of inter-community conflicts, I couldn’t travel at night. With the new road, I can drive night and day. Our roads used to be narrow and there were few people. With the new road, the situation is better, we can see everyone. Today, people have accepted each other. There is social cohesion. Labourers on construction sites work together, without bothering to differentiate between people.

**Source:** Group discussion at Tshikapa.

## Strengthening Advocacy and Dialogue/ Partnership on Fragility Issues

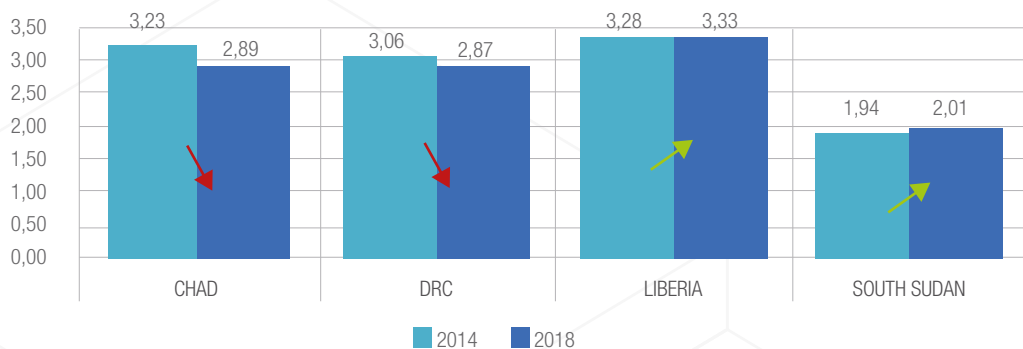
Given the complexity of fragility issues that go beyond its traditional focus areas, the Bank, through its Strategy, committed to intensifying partnerships and dialogue with other development partners. However, it did not set clear objectives and specific targets in its Strategy that would allow an objective assessment of its performance. Nevertheless, **the information collected shows that the Bank has been very active in partnerships and dialogue on fragility issues at both the international and regional levels. The situation varies from country to country.**

At the **international level**, the Bank established several partnerships with the objective of playing a leadership role in discussions on fragility in Africa. For example, it is an active member of the High Level Panel on International Migration in Africa and the MDB Coordination Platform on Economic Migration and Forced Displacement, of which it was co-chair at the time of the evaluation. Moreover, the Bank is a founding member of the Sahel Alliance, a platform created to ensure rapid development and stability in the Sahel Region by coordinating and pooling resources with key partners. Several other partnerships have been established to achieve

specific objectives with, inter alia, the World Bank, UN agencies, bilateral donors, the OECD through the International Network on Conflict and Fragility (INCAF), the Oslo Consultative Group on Prevention and Stabilisation in the Lake Chad Region.

**At the regional level**, several partnerships have also been established with the overall objective of strengthening regional responses in its areas of intervention and beyond, including on political and security issues. To this end, partnerships have been established with the African Union Commission (AU) and Regional Economic Commissions (RECs) as well as with the UN Economic Commission for Africa (ECA). Furthermore, in terms of dialogue, the Bank has initiated the African Resilience Forums to strengthen its role and leadership in dialogue on issues of fragility in Africa. Thus, from 2016 to 2019, it successfully organised three forums on resilience in Africa focused on various themes, each of which brought together several hundred participants, including political figures, researchers, representatives of international institutions, civil society and the business world, and enabled participants to reflect and share experiences, innovative approaches and partnerships. Although the impact of some partnerships and dialogue may not always be visible to some, several personalities from other institutions interviewed for the comparative

Figure 6: CPIA Indicator Trends for Social Inclusion &amp; Equity for 2014-2018



Source: IDEV, CPIA data

analysis acknowledged and commended the Bank's growing leadership on fragility issues in Africa and the world. However, some staff members interviewed within the AfDB are concerned that the Bank is spreading itself too thin by forging partnerships and rather suggest that the Bank should further sharpen its focus in order to achieve maximum impact with its limited resources.

**At the RMC level, the Bank played a central role in donor coordination in three (DRC, Liberia and Chad) of the four countries assessed, serving as a reference partner for aid coordination in Chad and a leader in road sector projects and operations in sensitive areas in Liberia and DRC. However, despite its significant potential, the Bank's role in South Sudan was undermined by its limited physical presence in the country. In terms of policy dialogue, the outcomes vary from country to country (see Box 2).**

**Partnership with the private sector: The Bank recognises the major role that the private sector can play in creating wealth and employment in a context of fragility.** Direct institutional support has been initiated for the benefit of the Congo Business

Federation (FEC) in the DRC and the Chamber of Commerce in Chad. However, this support failed to yield any concrete achievements due to project implementation difficulties. For private sector stakeholders in the four Transition States assessed, the conditions of access to the Bank's private sector window resources are not adapted to the realities of local Small and medium-sized enterprises (SMEs) Small and medium-sized industries (SMIs).

**Partnership with Civil Society Organisations (CSOs) was mostly limited to consultations during missions for the preparation of CSPs and/or certain operations and hardly led to concrete cooperation actions.** During focus group discussions with CSOs in the four countries, CSOs expressed their frustration with the Bank. The main reason for this frustration was the lack of appropriate instruments within the Bank in this regard. Therefore, it should be noted that the Bank's Civil Society and Community Engagement Division (AHGC.2), established in 2016, is in the process of finalising guidelines and an action plan to eventually integrate the civil society into Bank operations.



**Box 2:** Outcomes of Policy Dialogue in the Four Countries Visited

**In the DRC**, the policy dialogue objectives were explicit and particularly ambitious, mainly focusing on economic management, structural policies and governance reforms. Thus, from 2015-2016, the Bank actively engaged in advocacy with other Technical and Financial Partners (TFPs) to sustain the country with budget support to enable it cope with declining commodity prices, but its efforts were unsuccessful due to the changing political context. There was dialogue on the issue of economic diversification, especially by underscoring the importance of transforming the agricultural sector (an export diversification strategy is being prepared with Bank support).

Undoubtedly, regarding the political and institutional situation, the ambition of the policy dialogue from 2017 was to focus primarily on the improvement of portfolio performance and the sustainability of the investments financed. There were also plans for dialogue on economic diversification and inclusiveness, governance and skills development. Based on discussions by the evaluation team, the policy dialogue during the period was limited due to the political context, the challenge in conducting a PBA and the absence of a Country Manager for more than a year.

**In South Sudan**, despite strong potential, the Bank was unable to achieve concrete policy dialogue results. The Bank is seen as the government's trusted partner and can, therefore, influence policy. For some development partners, "The AfDB should leverage its good relationship with the government to influence certain decisions, especially decisions on good governance and accountability". According to a stakeholder, since no development partner really plays a connecting role between the Government, the civil society and development partners, and among the development partners, the Bank could play such a role.

**In Chad**, the Bank has remained an "important facilitator of ongoing dialogue between the government and TFPs". In addition, through the Support Project for the Improvement of Economic Programming, Institutional Management and the Business Framework (PAGECICA), the Bank helped with the organisation of the Paris Donor Round-Table in September 2017. However, it is worth underscoring the challenges faced during this period in holding substantive dialogue on fragility, which explains the limited progress achieved. The main challenges relate to the crisis, lack of TFP coordination post emergency and specific issues faced by the Bank's Country Office which must operate with a small team and limited resources. For some partners, the four budget support operations were a missed opportunity to conduct sustained dialogue to push forward certain important reforms.

**In Liberia**, issues of dialogue with countries relating to fragility factors were widely identified in the CSPs, but modalities for the dialogue were not described in detail. These include governance, regional integration in the Mano River Union, investment climate reforms, etc. Existing fora provided the Bank with a platform to engage in dialogue with the government and TFPs on a range of development issues, but there was lack of leadership on the government's part. However, it emerged from the country-level interviews that the Bank President's visit was necessary to address very sensitive policy issues without the content of these issues being disclosed to the evaluation team.

**Sources:** Case Study Reports on DRC, South Sudan, Chad and Liberia

Meanwhile, through dialogue, some concrete Bank actions towards CSOs had been identified in Tshikapa in the DRC under the leadership of national and local authorities (see Box 3).

Figure 7 shows that projects in Transition States are under-performing compared to those in non-fragile ADF countries on 3 of the 4 criteria (effectiveness, efficiency and sustainability). Regarding project implementation timeliness, the average delay of

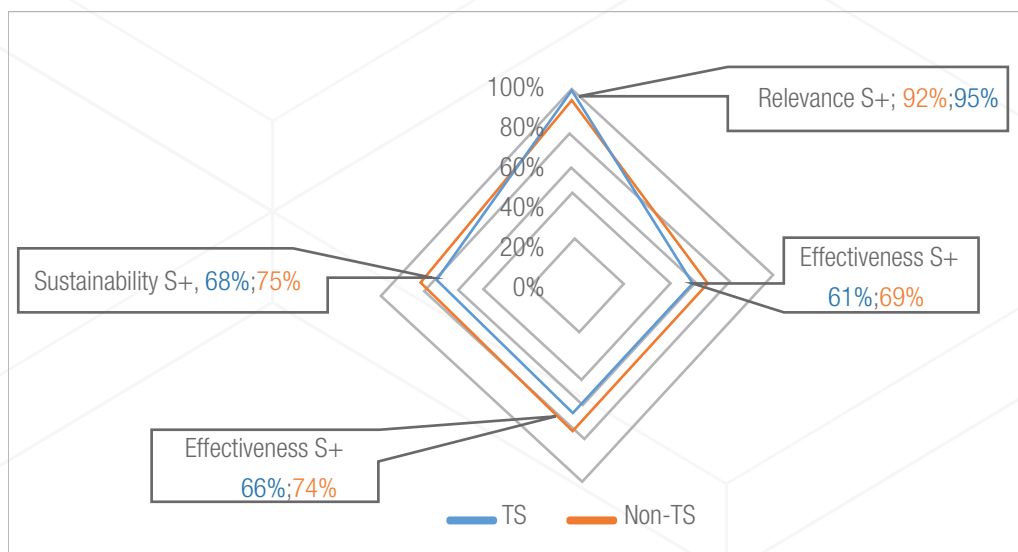
investment projects in Transition States is 18.6 months compared to 18 months in non-fragile ADF countries. Only the relevance criterion points to better project performance in Transition States than in the others. This finding suggests that despite relatively good quality at entry, a growing number of projects in Transition States fail to achieve their development objectives due to the complexity of the context which makes their implementation relatively uncertain.

### Box 3: An Example of Successful Partnership with CSOs in Tshikapa, DRC

With the approval of the local authorities who offered the land, the Bank is building and equipping vocational training centres for women and youth multi-purpose rehabilitation centres which will be managed by CSOs. This intervention has been highly appreciated by local CSOs which have been strengthened in their operations in the absence of any other international support. CSO representatives met during the field visit highlighted the confidence that Bank achievements inspired in the local population. In their view, it is a dream that is coming true. They called on the Bank to advocate for them to other development partners to apprise them of their preference for concrete support like that provided by the Bank instead of humanitarian actions.

**Source:** Discussion group with CSOs in Tshikapa-DRC.

Figure 7: Performance of Transition States projects and non-fragile ADF countries



**Source:** IDEV, PCR & PCR-EN data

## Factors Having Enabled or Hindered Bank Performance

The case studies made it possible to analyse and identify the factors that are favourable and unfavourable to the effectiveness of Bank interventions in term of results in Transition States. The favourable factors include: (i) the Bank's

experience in infrastructure development; (ii) the Bank's status as a trusted partner of Transition States; (iii) the Bank's continued commitment even in challenging security contexts (e.g. DRC); (iv) its capacity to adapt to change; and (v) its integrated approach in the DRC that allowed for strong synergies between Bank operations.

Hindering factors include: (i) unfavourable and unstable economic, political and security context: pre-election crises, violence and insecurity in the Centre region (DRC); the Ebola epidemic (Liberia and DRC); the security crisis (Chad, DRC and South Sudan) and falling commodity prices (DRC, Chad and South Sudan); ii) low budget allocations for the immense needs of the four Transition States; iii) the authorities' lack of political will to implement certain reforms (DRC, Chad, South Sudan); iv) weak human capacity in the four beneficiary countries; (v) absence of permanent Bank staff in South Sudan and/or understaffed Country Offices (Chad and

DRC); (vi) the "under sanction" status of the Country Office (Chad); (vii) the absence of concrete actions with the civil society; (viii) inappropriate modalities and procedures for private sector actors in the four Transition States; (ix) limited coordination between technical and financial partners and the Bank's cumbersome administrative procedures. While these factors did not have the same degree of influence on outcomes, the predominance of inhibiting factors over enabling factors provides an overview of the challenges in the environments in which the Bank sought to deliver results in Transition States.



# Bank Efficiency

**Overall, the Bank's performance in terms of timeliness was unsatisfactory.** The Bank was late in implementing the Strategy. Regarding operations, implementation times were Highly satisfactory regarding Programme-Based Operations (PBOs) and unsatisfactory for investment and emergency assistance projects.

## Implementation of the Strategy's Action Plan

The data collected made it possible to assess the implementation of 10 of the 11 commitments contained in the Strategy's action plan. 40% of these 10 commitments had been fully implemented at end-2019 (see Annex 10). The factors responsible for this include: the low human capacity in RDTS and the low level of ownership of the Strategy by other Bank departments, especially regarding their roles and responsibilities in the Strategy's implementation. The Strategy's implementation was the Bank's responsibility and RDTS ought to ensure proper supervision.

## Timing of Fragility Analysis and Analytical Studies

The Bank is committed to ensuring good synergy between the production or updating of fragility analyses and the CSP preparation processes in

Transition States. Out of a total of 15 CSPs reviewed, 10 fragility analysis reports were prepared prior to the approval of the final CSPs and five are simultaneous/parallel to the preparation of CSPs. RDTS and some of the Country Economists interviewed acknowledged the need to improve coordination on these aspects with a view to enhancing synergy.

## Operation Implementation Schedule

**Overall, PBOs were implemented with considerable speed (Chad & Liberia), but the majority of infrastructure and emergency assistance projects experienced delays.**

Bank operations start faster in Transition States than in other ADF countries, but the average start-up time of 11 months in 2019 is still higher than the target of less than 8 months. PBOs in Chad and Liberia were implemented on schedule. On the other hand, investment projects experienced significant delays. In addition to the factors already identified above, **two** major challenges explain this situation in the four countries visited: (i) the challenge in mobilising national counterpart funds; and (ii) the long procurement processes. The recurrent recourse to waivers for counterpart funds and the introduction of flexibility in the new procurement policy have not, at this stage, had a significant impact in the four countries.



# Results Sustainability

## **The sustainability of operations in the four countries visited was deemed unsatisfactory.**

The sustainability of the achievements was analysed in the four countries based on the following criteria: 1) technical compliance; 2) sustainability of institutional and financial arrangements; 3) degree of ownership; and 4) the political and governance environment.

studies revealed weak institutional capacity in the four countries and their instability. Although this weakness had been taken into consideration in Bank interventions, it continues to negatively influence the sustainability of the interventions in many ways. The main constraints identified in the four countries are: (i) institutional instability; and (ii) high staff mobility.

## **Technical Compliance and Strength of the Operations**

**The technical compliance of Bank achievements was deemed satisfactory.** Field visits and the documentary review indicate that in the four countries, the works were generally implemented in line with best practices and international standards, even if some minor technical defects were highlighted in the DRC for related works on the RN1 (schools, dispensaries, etc.).

## **Degree of Ownership by Beneficiaries**

**The level of ownership of the achievements by the beneficiaries was deemed unsatisfactory overall despite a good example in Chad.** The lack of beneficiary ownership of the operations is one of the critical factors compromising the sustainability of achievements. In the four countries analysed, this lack of ownership results in the challenges in mobilising counterpart funds or in organising and financing infrastructure maintenance. However, a good example of consideration of sustainability during project design was raised in Chad in the water and sanitation sector, even if the behaviour of the public and local administration could ultimately compromise the sustainability of achievements (Box 4).

## **Institutional and Financial Sustainability**

**Institutional and financial sustainability was deemed unsatisfactory overall.** The case

**Box 4:** A Good Example of Consideration of Sustainability in PEAPA's Design

In Chad's water sector, the sustainability of the Drinking Water Supply and Sanitation Program (Programme d'Approvisionnement en Eau Potable et d'Assainissement (PEAPA) in French) achievements is deemed satisfactory overall, with proper consideration of sustainability conditions from the outset, especially to ensure works management - creation of management and maintenance committees, Water Users' Association (WUA), Management Advisory and Support Unit (MASU), Artisan-Repairers (AR), a commitment by the contracting firm that implemented the works to make spare parts available over a 10-year period and a cost recovery system that works relatively well for the beneficiaries. However, the low ownership of the counties and the limited real commitment of partnership contracting (council - associations) regarding the management of sanitation structures still imperil sustainability. The counties are not really committed to their roles as Contracting Authorities and organising authorities of the public drinking water supply and sanitation utilities. Moreover, the Chadian administration's refusal to pay its water bill in the project area could also be problematic and could compromise the financial sustainability of the works, especially as it could encourage the population to stop paying their own water bills.

**Source:** Case Study Report- Chad.

## Political and Governance Environment at the National, Sector and Local Levels

**Overall, the political environment and governance have not been conducive to sustainability.** Weak sustainability can be explained by changes in the

political environment and weak governance at the national, sector and local levels. During the period, all four countries were affected by political (DRC) and/or security (DRC, South Sudan, Chad), health (DRC, Liberia) and economic crises following a fall in commodity prices (Chad, DRC and South Sudan) which were not conducive to development interventions.







# Conclusions, Lessons and Recommendations

## Conclusions

**Relevance of the Bank's Strategy:** Overall, the Bank's Strategy was relevant to meet the specific needs of technical cooperation agencies, despite the identification of some shortcomings, namely: (i) its strong orientation towards reactivity to the detriment of prevention; (ii) failure to consider immigration and forcefully displaced persons as potential fragility factors; (iii) its weak coherence with other Bank strategies and the CRFA; and (iv) failure to consider its third priority focus area in its results framework.

**Knowledge of Fragility:** Several analytical studies on fragility and resilience have been produced by the Bank, sometimes jointly with other development partners. However, the timing of these studies is not properly aligned with CSP preparation processes. In addition, the lack of a central archiving mechanism for its FRA, limits their access, especially for all country team members. The optimal use of the CRFA should make it possible to significantly increase the Bank's capacity to analyse issues of fragility.

**Applying the Fragility Lens to Bank Strategies and Operations:** The application of the fragility lens registered progress regarding the RISP and CSPs despite some weaknesses noted (very optimistic objectives, results frameworks with no explicit link to fragility, etc.). Regarding operations (including those in the private sector), major efforts are required to optimise the application of the fragility lens. Low ownership of the strategy at the Bank level and lack of training of sector and operational staff would partly explain this situation.

**Adaptation of Bank Policies/Strategies, Procedures and Rules to Fragility Situations:**

Progress was registered on procurement, gender, youth employment policies and the new annotated templates of RISPs and CSPs. The PBA system and the ongoing review of the operations manual seek to mainstream fragility. However, progress made could be more significant with greater Bank-wide ownership of the Strategy.

**Adaptation to Changes in Context and Response to Urgent Needs:** Overall, the Bank was able to adapt to the changing context and was able to react quickly in certain situations. The Bank remained engaged even in difficult situations. In emergency situations, the Bank's responsiveness was good, but often resulted in operations that were too limited in terms of volume and too late in the face of immense needs. In addition, it was noted that the Bank had difficulties in meeting the changing needs of Transition States while remaining selective. Lastly, seen as a partner of choice, "their Bank", Transition States sometimes send "small" specific requests to Country Offices which often fail to respond favourably to their requests due to lack of financial resources.

**Mainstreaming Cross-cutting Aspects:** The Bank made progress in the mainstreaming of gender and capacity building aspects into its strategies and operations in Transition States. However, natural resources, environmental aspects and climate change dimensions are not systematically covered, although these aspects are at the heart of fragility factors and/or sources of resilience. Regarding youth employment, its consideration remains weak in completed projects, but it is increasingly important in more recent operations. Concerning gender, the specialists acknowledge that the current situation remains below the Bank's potential.

**Financing Instruments:** The Bank was able to mobilise most of its financing instruments to support Transition States in a context of continued decline in ADF resources. The TSF seems to be the second financing instrument in Transition States after the ADF. With Highly satisfactory absorption rates for its Pillars I & III during ADF-13 & 14, this instrument has made it possible for several Transition States to double their PBA. The unallocated reserves in Pillar I have considerably increased the TSF's flexibility by enabling the Bank to react in certain unexpected circumstances. However, the TSF's limited resources and its eligibility criteria do not allow the Bank to respond quickly and in a significant manner to certain emergency situations related to fragility. Lastly, the current TSF supervision mechanism does not allow for effective monitoring by RDTS.

**Private Sector Operations in Transition States:** As a result of Bank initiatives, the share of private sector operations in Transition States increased slightly. However, arrangements for access to the private sector window's resources are, to say the least, still unsuitable to Small and medium-sized enterprises realities in Transition States. The fragility lens is hardly applied to private sector operations.

**Bank Performance in Transition States:** Despite Bank efforts, the positive results achieved are too modest to positively change the situation of Transition States. Based on the case studies conducted in the four countries, performance has been unsatisfactory in terms of institution- and state-building, but satisfactory regarding the improvement of access to basic services and the development of partnerships/dialogue at the international and regional levels, with weaknesses at the country level (South Sudan) and in the area of emergency assistance. The Bank's positive results in the area of infrastructure development can be explained by its experience in these areas. A combination of factors explains the poor performance in other areas, including the changing country context, limited resources committed in response to considerable needs, limited synergy with other partners, small number of field staff in some countries and the Bank's administrative sluggishness.

**Policy Dialogue:** The evaluation shows that the policy dialogue dimension was not included in all CSPs. The case studies showed that although all stakeholders expected the Bank to play a specific partner role, the situation differed from country to country.

**Partnership with other Development Partners, Including CSOs and the Private Sector:** the evaluation showed that the coordination momentum between partners varies based on the economic and political context of the countries in relation to the partners' interests. However, regarding roads, coordination and synergy between the Bank, the World Bank and the European Union were constant and sustainable in the DRC and Liberia. Regarding partnership with CSOs and the private sector, it was very limited for several reasons. These include the lack of a formal partnership framework with CSOs (under preparation) and the incompatibility of the Bank's business model with the needs of private sector actors in Transition States.

**Operational Efficiency:** Overall, the Bank's performance regarding timeliness was unsatisfactory regarding the Strategy's implementation, knowledge generation on fragility and infrastructure project implementation and emergency assistance. Only budget support operations were implemented in a satisfactory manner.

**Human Resources & Motivation:** The Bank increased its presence in Transition States through the DBDM. However, its current field presence falls short of its objectives. Quality staff are involved in the management of programmes and projects in Transition States, but they are not enough in the field. The limited number of RDTS staff was a challenge to the successful implementation of the Strategy. The Bank provides specific benefits to its staff working in Transition States based on the risk involved. However, for staff consulted, working in a transition state is not properly recognised and valued within the Bank, especially regarding career development.

**Sustainability:** The sustainability of the outcomes of projects is unsatisfactory mainly because of the fragility context. The challenging environment in Transition States, financial constraints and institutional weaknesses explain the little attention given to sustainability.

## Lessons Drawn from the Evaluation

Learning is one of the two main objectives of this evaluation. Thus, the analysis of the main findings on explanatory factors has made it possible to draw several lessons, the most important of which are the following:

1. To remain relevant, a fragility strategy must be flexible, with mid-term reviews that are held on time, to allow it to adjust and consider the evolution of the rapidly changing context. The successful implementation of a strategy such as the fragility strategy requires the commitment and ownership of all Bank departments, not just RDTS. This is only possible with the strong involvement of all relevant Bank departments (at all levels) in the strategy preparation process, combined with a strong sensitisation of each department on its role and responsibility in the implementation of the Strategy.
2. In a context of continuous decline in highly concessional resources, early and preventive intervention targeting identified pockets of fragility will ultimately make it possible to be more effective and to preserve resources for concrete development actions.
3. Allocating significant financial resources to Transition States is necessary to help meet their immense and changing needs. However, to ensure the efficient use of these resources, the allocation system should be based on criteria that encourage proper performance.
4. Flexibility is necessary in a context of fragility where the environment and priorities are changing. However, responding to the changing needs of Transition States should not be at the expense of selectivity if the Bank wants to have significant development impact.
5. Politics and security are not the Bank's direct focus areas. However, situations of political or security crisis can negatively impact Bank performance. To this end, having a partnership framework with other technical and financial partners, CSOs or private sector actors who have a comparative advantage over the Bank in certain situations, makes it possible to maximise the development impact of Bank interventions in any circumstance. However, for the results to be sustainable, all its actions must be under the leadership of national authorities.
6. Promoting private sector development in Transition States requires greater consideration of the fragility of non-sovereign operations (fragility lens) and better synergy with sovereign operations while adapting the ADB window's business model to the realities of local SMEs.
7. Mainstreaming gender and employment, especially youth employment, in Bank strategies and operations is essential in a context of fragility. In fact, if women and youth-related issues are identified as a source of fragility or resilience, having operations that directly target women and youth employment can lead to concrete and significant fragility outcomes.
8. The quasi-systematic inclusion of a "Capacity Building" component in Bank operations in a context of fragility helps to ensure their success. However, for these actions to be effective and sustainable, they must be part of a coherent holistic capacity building framework based on a prior needs assessment.

9. Having competent and motivated staff in Transition States in the Bank's main focus areas is essential for the achievement of concrete operations and policy dialogue outcomes.

## Recommendations

IDEV makes the following recommendations:

1. **Revise the Strategy to make prevention one of its principles of engagement and strengthen its overall relevance by aligning its dimensions of fragility with those of CRFA while taking into account migration and forced displacement as potential factors of fragility. Clear guidance should be given to improve selectivity in the context of fragility.**

The following are recommended:

- While building on the systematic application of the CRFA to all RMCs, make prevention a principle of engagement of the Strategy to enable the Bank to intervene early and in a targeted manner to prevent fragility in RMCs;
- Define robust Transition States classification criteria, if possible, in consultation with development partners in order to have a harmonised list of Transition States;
- Reflect the CRFA's seven fragility dimensions in the Strategy and consider migration and forcibly displaced persons as potential dimensions;
- Provide more concrete content in the Strategy's results framework regarding objectives and targets to strengthen the dimension on partnership/advocacy and dialogue on fragility issues. This also applies to the Strategy's principles of engagement; and

- Provide clear guidelines on selectivity in a context of fragility while promoting coordination and dialogue on selectivity with Transition States and other development partners.

2. **Strengthen the presence of the Bank in Transition States and the "One Bank" approach in the design and implementation of the future strategy while continuing to adapt policies, strategies, instruments, rules and procedures to fragility situations.**

- Continue and speed up efforts to redeploy staff in the field, especially in Transition States, while ensuring a better match between staff profile and portfolio, as well as dialogue objectives;
- Promote an inclusive approach both within and outside the Bank in the future Strategy's preparation process to ensure Bank-wide ownership;
- Build RDTS's capacity with qualified human resources in line with its current role, which is still relevant;
- Continue to train all staff (economists, sector and operations staff) and consider the introduction of training modules on the Fragility Lens and CRFA on the Bank's online training platform "Operations Academy" for new economists and operations staff according to modalities to be defined;
- Engage in negotiations with financial partners to substantially increase TSF resources and reform the instrument to further enhance its flexibility and better adapt its eligibility criteria to the future Strategy;
- Establish a computerised monitoring mechanism for the use of TSF resources, while linking the use of TSF resources to a satisfactory application of the fragility lens;

- Consider the context of fragility when setting Country Office objectives in Transition States; and
  - Make unallocated financial resources available to the Bank's Country Offices in Transition States under the authority of the Country Manager with flexible and expeditious management arrangements to enable them to respond quickly to specific ad hoc and strategic requests.
- 3. Create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the RISPs, CSPs and Bank operations in Transition States.**
- In consultation with the African Natural Resources Center (ANRC), conduct a more systematic analysis of the "Natural Resources, Environment and Climate Change" dimensions and mainstream them into all levels of RISP, CSP and operations;
  - Organise training sessions to sensitise staff on these dimensions; and
  - Step up efforts to mainstream gender in all Transition States' operations and speed up the implementation of the Gender Marker System (GMS) through enhanced collaboration between RDTs and the Gender, Women and Civil Society Department (AHGC) to develop common guidelines on gender mainstreaming in RFA that inform CSPs, RISPs and operations in Transition States.
- 4. Promote an integrated approach (strong synergy) in Transition States for investment projects and a structural approach to capacity building while adapting the instruments and financing arrangements of the private sector window to Small and medium-sized enterprises (SME) realities in Transition States.**
- Capacity building actions must be part of an overall capacity building strategy for Transition States;
  - Revisit the business model of the Bank's private sector window to better adapt it to the needs of SMEs/SMIs in Transition States;
  - Adopt a concerted and systematic approach to ensure complementarity and synergy between the Bank's sovereign and non-sovereign operations; and
  - Promote the application of the fragility lens in operations (including non-sovereign operations) by training sector staff and involving RDTs in operation preparation processes.
- 5. Improve the motivation of staff working in Transition States by further improving living and working conditions while ensuring working in a Transition State is an advantage for their career development within the Bank.**
- Seek to align the benefits of Bank staff working in Transition States with those of UN system member institutions;
  - Engage in negotiations with the United Nations system in order to achieve a status "comparable" to that of member institutions of the United Nations system regarding security;
  - Establish a rotating mechanism to limit, in a relatively short time (three years maximum), the continuous presence of staff in Transition States, especially in non-family duty stations; and
  - Ensure that "having worked in a transition state" is an advantage that can speed up a career or lead to promotion to certain positions of responsibility within the Bank.







## Annexes

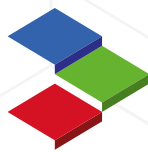
The annexes are only available in French. The "Annexes techniques" document can be found on the following page: <http://idev.afdb.org/en/document/evaluation-fragility-strategy>

List of annexes:

1. Harmonized list of states in transition 2014-2019
2. Evaluation matrix
3. Methodology
4. Choice of case studies
5. List of knowledge products related to fragility prepared by RDTS
6. List of operations approved in the four case study countries (2014-2019)
7. Operations selected for the in-depth case study
8. Results of the Bank's assistance in the four countries studied
9. Summary table of the comparative analysis
10. Evaluation of the results framework of the Strategy

## Endnotes

1. Transition States are countries where the main development challenge is fragility
2. Sharpening the Bank's Selectivity and Development Focus: ADB/BD/WP/2020/30
3. Delivering as One Bank - Strengthening accountabilities for delivering quality and development impact in a matrix organization: ADB/BD/IF/2020/70
4. Burkina Faso, Burundi, Cameroon, Chad, Djibouti, DRC, Ethiopia, Mauritania, Niger, Republic of Congo, Rwanda, and Uganda.



IDEV

Independent Development Evaluation  
African Development Bank





## About this Evaluation

This report presents the findings, conclusions, lessons and recommendations of the independent evaluation of the African Development Bank Group's (AfDB or "the Bank") Strategy for Addressing Fragility and Building Resilience in Africa for the period 2014-2019. During this period, the Bank approved operations totaling 4.7 billion units of account in 22 transition states. The evaluation draws on nine background reports and a range of other tools such as focus group discussions and interviews with key stakeholders, including direct beneficiaries.

This evaluation highlights the main issues for consideration by the Bank's Management and Board of Directors. It is timely, as it comes at the end of the current Bank Strategy. As such, the evaluation had two objectives, namely: (i) to report to stakeholders on the performance of the Bank's assistance in transition states; and ii) to draw lessons from the Bank's experience to inform its future Strategy in transition states.

Five recommendations emerged from this evaluation, in particular i) revise the Strategy to make prevention one of its principles of engagement and strengthen its overall relevance; ii) strengthen the Bank's presence in transition states and the "One Bank" approach in the design and implementation of the future Strategy; iii) create conditions to better mainstream cross cutting issues such as gender, youth employment, dimensions of natural resources and climate change in the Regional Integration Strategy Papers, Country Strategy Papers and Bank operations in transition states; iv) promote an integrated approach in transition states for investment projects and a structural approach to capacity building; and v) improve the motivation of staff working in transition states.



# IDEV

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