

## ANNEXES

### Annex 1. Methodology of the evaluation and fieldwork

#### *Detailed Evaluation Questions*

##### *Relevance of the operations*

- How effectively aligned were financial sector operations with the priorities and guiding principles stated in the Policy and Strategy?
- To what extent did the financial sector operations address the needs of beneficiaries and the root causes of the financing gap: underperforming financial sectors, constraints within the financial sector?

##### *Design of the operations*

- Are there clear and plausible hypotheses of how project interventions lead to outcomes and impacts?
- Do operations include clear definitions of indicators that measure the financial sector development including data sources, and description of methodologies used to collect data/evidence?
- Is there a clear indication of the direct and indirect end-beneficiaries of the project? Do they make a distinction in the financial inclusion outcomes between men and women, rural vs urban, youth vs. adults, underserved targets, etc.?
- Are there any conditions precedent to disbursement or any covenants that could be enforced to allow the improvement of the institution's practices (risks, governance) and the impact monitoring?

##### *Effectiveness*

- Have the operations achieved planned results at output, outcome and impact levels; have the operations produced any indirect and unintended results, beneficial or negative?
- Did the financial sector operations contribute to improve access for the unbanked and underserved and deepen Africa's financial systems?
- What has been the role of the Bank in creating an enabling environment for operations to support the financial sector (at micro, meso and macro levels)?
- To what extent have projects promoted women activities (in terms of economic empowerment and financial inclusion)?
- To what extent have projects promoted environment preservation when applicable?
- What has been the profitability of the operations for the Bank, the borrower and the end beneficiary institutions?

##### *Efficiency*

- Did the Bank have appropriate processes, mechanisms, assessment tools, standards, quality assurance, implementation and monitoring evaluation mechanisms? How effectively were they used?
- Were the resources earmarked to financial sector operations used efficiently and implemented in a timely manner? Otherwise, were strategic objectives and development objectives achieved cost-effective and on time? In case of cost and time overruns, what were the main reasons? Were the projects implemented overall in the most efficient way compared with the alternatives?
- Did beneficiary institutions have the organizational, staff, financial resources, governance and procedures to efficiently implement the Bank's operations?

##### *Sustainability*

- Were sustainability conditions in place including institutional arrangements, technical capacity, building skills, increased ownership, risks assessment and management? To what extent were these conditions long lasting?

- Was the financing mechanism appropriate to foster continuation of activities after the end of the Bank support? Do operations formulate clear exit strategies?
- Were there any plan and lessons to foster development of the sector including policy dialogue to enhance enabling environment in African countries (political decisions, amendments to legal, regulatory and administrative texts, etc.)?

#### *Bank's Performance*

- To what extent did the Bank carry out diagnostic studies or relied on existing relevant studies for the formulation of the policy and strategy and for the preparation of the operations? Did it use the right instruments to tackle issues standing in the way of access to finance?
- To what extent were the Bank's structures, procedures, financial and staffing capacity adequate to identify, design, supervise and learn from the projects, as well as produce knowledge?
- What and how effective has the role of the Bank been in resource mobilization, coordination, economic and sector work, and policy advice?
- Was the Bank effective in responding to issues emerging during implementation?

#### *Clients' performance and participating countries*

- Have participating RMCs adopted policies and strategies enabling financial sector development? Are there long-term political commitments to the operations, and what incentives were in place to own the operations and sustain their results after completion?
- Do beneficiary institutions have the organization, administration, staff, financial resources, and procedures to efficiently implement the operations? How successful were they as channels of development outcomes and what were the drivers of success?

## Overview of evaluation components

Research Components	Sources of Information	Methods of Analysis	Deliverables
<b>Policy Analysis and Strategy Review</b>	<ul style="list-style-type: none"> <li>- Literature and data on financial sector in general and in Africa</li> <li>- Bank policies related to financial sector</li> <li>- Appraisal reports</li> <li>- Bank Staff, Management and Board members</li> <li>- Policies of other multilateral and bilateral Institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Document Review</li> <li>- Statistical analysis</li> <li>- Interviews with Bank Staff, Managers and Board members</li> <li>- Interviews with the staff of other multilateral and bilateral Institutions</li> </ul>	<ul style="list-style-type: none"> <li>- <b>A report including findings, conclusions and suggestions to consider</b></li> </ul>
<b>Analysis of Quality at Entry</b>	<ul style="list-style-type: none"> <li>- Appraisal Reports</li> <li>- Project Completion Reports</li> <li>- Project Completion Report Reviews</li> <li>- Project Performance Evaluation Reports</li> <li>- Country Strategy Papers</li> <li>- Bank Staff</li> <li>- Review of ADOA Summary reports,</li> <li>- Credit risk notes for private sector projects</li> </ul>	<ul style="list-style-type: none"> <li>- A purposive sample of all projects (completed and on-going)</li> <li>- Policy documents Review</li> <li>- Rating of Appraisal Reports to analyze design quality</li> <li>- Statistical analysis</li> <li>- Interviews with Bank staff</li> </ul>	<ul style="list-style-type: none"> <li>- <b>A report including findings, conclusions and suggestions to consider</b></li> </ul>
<b>Portfolio Review</b>	<ul style="list-style-type: none"> <li>- Bank's data bases: SAP, DARMS, Statistical Department Database</li> <li>- XSRs, PPERs, CPRs, APPRs</li> <li>- Supervision reports and ratings on implementation progress</li> <li>- Country Strategy Papers</li> <li>- Bank Staff</li> </ul>	<ul style="list-style-type: none"> <li>- Statistical analysis</li> <li>- Review of documents</li> <li>- Rating of projects documents (Appraisal reports mainly)</li> <li>- Rating of completion reports to analyze effectiveness</li> <li>- Interviews with Bank staff</li> <li>- Review of delivery system including M&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>- <b>A report of including findings, conclusions and suggestions to consider</b></li> </ul>
<b>Fieldwork</b>	<ul style="list-style-type: none"> <li>- Bank documents and data</li> <li>- Selected project documents</li> <li>- Bank staff, implementing institutions and beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Project documents and data, interviews</li> <li>- Field visits of country and projects</li> <li>- Assessment of evaluation criteria of relevance, effectiveness, efficiency and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Report on each selected country and a synthesis report. They comprise findings and suggestions to consider</b></li> </ul>
<b>Summary Report</b>	<ul style="list-style-type: none"> <li>- Reports on policy/strategy, portfolio, and fieldwork</li> </ul>	<ul style="list-style-type: none"> <li>- Integration of the above analysis into one single report around key evaluation questions</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Summary report including findings, conclusions and recommendations</b></li> </ul>

### ***Country and operations selection***

The countries for the case studies were selected based on the following criteria:

- Regional distribution: One country was selected in each of the five African regions. Two countries were selected in the western region to include Nigeria, which received the largest share of the financial sector development portfolio, and Burkina Faso, a country in transition. Also, two countries were selected in the northern region to cover Tunisia and Egypt where is located Afreximbank, which received resources for trade finance covering several countries.
- All operations approved over the 2011–18 period were evaluated in Burkina Faso, Cameroon, Namibia, Tunisia, and Afreximbank based in Egypt. In Kenya, where the Bank has approved 11 operations, only five were selected. Likewise, in Nigeria the Bank has approved 25 operations and seven were evaluated.
- Diversity of instruments: Countries where the AfDB had multiple operations using different instruments were selected.
- Status: The sample includes sufficient coverage of operations approved before and after the adoption of the Policy/Strategy, including those which were just approved, ongoing, completed and completed with a PCR.
- Public and private sector operations: Completed or outstanding operations with public and private sector clients.
- Country-based operations and multinational operations.

### ***Team composition***

In addition to the BDEV team, the fieldwork comprised six (6) financial sector experts recruited to participate in designing data collection tools, interviews, documents analysis, to organize meetings and to prepare the reports at each country level (Table 6). In accordance with *Article 10.2* of the Bank's standard contract on *Assignment and Subcontracting*, the terms of reference of the fieldwork allowed the consultants to collaborate with another local expert of their choice to help deal with research and delivery of the evaluation report.

For the identification and coordination of interviews with end-beneficiaries, the evaluation team relied on support from the AfDB's clients. Therefore, feedback from end-beneficiaries is available in the fieldwork's reports only for a subset of operations and is to be considered as illustrative of different aspects of the operations evaluated.

**Table 1: Composition of the consultants by country**

<b>Consultants</b>	<b>Countries</b>
Corinne Riquet – Bamba in collaboration with Moussa Tassemedo	Burkina Faso
Corinne Riquet – Bamba in collaboration with Dr Justin Bomda	Cameroon
Chidinma Lawanson in collaboration with Godswill Egbe	Nigeria
Marcelina Gaoses in collaboration with two research assistants	Namibia
Dr Moses Ochieng in collaboration with Eric Wanyama and Christine Wangui	Kenya
Dr Doha Abdelhamid in collaboration with two research assistants	Egypt (for Afreximbank)
Zahra Khimdjee	Tunisia

The timeline defined in the terms of reference was rigorously respected. This required adherence to a proactive planning and time management. The BDEV’s evaluation team spent one working week in each country apart from Nigeria, the biggest receiver of the financial operations, where the team leader spent 10 working days.

**Table 2: Fieldwork timeline**

Field visits	Start	End	2019								
			May	June				July			
			4	1	2	3	4	1	2	3	
Burkina Faso	26-May	31-May									
Nigeria	03-June	14-June									
Cameroon	17-June	19-June									
Namibia	24-June	28-June									
Kenya	01-July	05-July									
Egypt	08-July	12-July									
Tunisia	15-July	22-July									

*Ratings of sample operations in selected countries*

Country	Operation	Approval Year	Instrument	STRATEGIC RELEVANCE				PROJECT DESIGN				EFFECTIVENESS				EFFICIENCY				SUSTAINABILITY					
				HS	S	UN	VUN	HS	S	UN	VUN	HS	S	UN	VUN	HS	S	UN	VUN	HS	S	UN	VUN		
Burkina Faso	Loan of UA 7.5 million for supporting the project of creation of the Banque d'agrobusiness du Burkina Faso - PACBA	2018	TA		X					X			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Burkina Faso	Line of credit of UA 30.3 million to Coris Bank International	2016	LOC		X				X					X					X			X			
Burkina Faso	Line of credit of UA 2.21 million to Fidelis Finance S.A. (Formerly Known as Burkina Bail) Under The Africa SME Program	2014	LOC		X				X					X			X					X			
Cameroon	Partial Credit Guarantee of UA 397.8 million for currency risk hedging in the Eurobond made by the Government of Cameroon	2015	GR-PCG			X				X					X			X					X		
Kenya	Line of credit of UA 36.4 million to Diamond Trust Bank Kenya Limited	2016	LOC		X				X				NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Kenya	Trade finance LOC of UA 29.8 million to Commercial Bank of Africa Limited	2017	TFLOC		X					X			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Kenya	Line of credit of UA 37.2 million to Commercial Bank of Africa Limited	2017	LOC		X					X			NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Namibia	Loan of UA 5.03 million to Trustco Finance	2011	LOC		X					X				X				X				X			
Namibia	Line of credit of UA 262.3 million to the Development Bank of Namibia	2015	LOC		X					X				X			X					X			
Nigeria	Line of credit of UA 80.78 million to Zenith Bank PLC	2014	LOC		X					X				X			X					X			
Nigeria	Line of credit of UA 64.53 million to Access Bank PLC	2014	LOC		X				X					X			X					X			
Nigeria	Equity of UA 34.15 million to the Development Bank of Nigeria PLC	2014	EQ		X				X					X			X					X			



multinational	Equity investment of UA 5.82 million in PTA Reinsurance Company Limited (ZEP-RE)	2011	EQ		X					X						X			X	
multinational	Equity investment of UA 15.6 million in the East African Development Bank	2013	EQ		X					X						X				X
multinational	Equity investment of UA 2.6 million in PTA Reinsurance Company Limited (ZEP-RE)	2014	EQ		X					X						X			X	
multinational	Line of credit of UA 26.98 million to the East African Development Bank (EADB)	2014	LOC		X					X						X				X
multinational	Line of credit of UA 133 million to Eastern and Southern African Trade and Development Bank (TDB Bank)	2016	LOC		X					X						X				X

HS: Highly Satisfactory, S: Satisfactory, U: Unsatisfactory, VU: Very Unsatisfactory, NA: not available.

TA: Technical Assistance, LOC: Line of Credit, TFLOC: Trade Finance Line of Credit, GR/PCG: Guarantee/Partial Credit Guarantee, EQ: Equity Fund, RP: Risk Participation, PBO: Policy-based Operations.



## Annex 2. Detailed list of selected operations (status as of July 2019)

No.	Countries	Project Name	Approval date	Current	Amount Approval currency	Amount UA million	Instrument	DEBTOR	Status
1	Burkina Faso	Fidelis Finance S.A. (Formerly Known As Burkina Bail) (Under The Africa SME Program)	6/19/2014	EUR	2,500,000	2.21	LOC	PRIVATE	Ongoing
2	Burkina Faso	Coris Bank International	11/23/2016	EUR	38,000,000	30.3	LOC	PRIVATE	Ongoing
3	Burkina Faso	Support Project for Establishing an Agribusiness Bank (PACBA)	12/14/2018	UAC	7,500,000	7.5	TA	PUBLIC	Approved
4	Cameroon	Partial Credit Guarantee for currency risk hedging	7/9/2015	EUR	500,000,000	397.8	GR-PCG	PUBLIC	Ongoing
5	Kenya	Diamond Trust Bank Kenya Limited	11/18/2016	USD	50,000,000	36.4	LOC	PRIVATE	Ongoing
6	Kenya	Commercial Bank of Africa Limited	1/25/2017	USD	40,000,000	29.8	TFLOC	PRIVATE	Approved
7	Kenya	Commercial Bank of Africa Limited	1/25/2017	USD	50,000,000	37.2	LOC	PRIVATE	Approved
8	Namibia	Trustco Finance	12/7/2011	ZAR	65,000,000	5.03	LOC	PRIVATE	Closed
9	Namibia	Namibia - Development Bank of Namibia	7/9/2015	ZAR	4,500,000,000	262.3	LOC	PUBLIC	Ongoing
10	Nigeria	Zenith Bank PLOC	3/26/2014	USD	125,000,000	80.78	LOC	PRIVATE	Closed
11	Nigeria	Access Bank PLC	5/15/2014	USD	100,000,000	64.53	LOC	PRIVATE	Ongoing
12	Nigeria	Development Bank of Nigeria PLC	12/15/2014	USD	450,000,000	303.45	EQ	PRIVATE	Ongoing
13	Nigeria	Fortis Microfinance Bank PLC	6/15/2015	NGN	1,000,000,000	3.6	LOC	PRIVATE	Terminated
14	Nigeria	Development Bank of Nigeria PLC	12/15/2014	UAC		33.7	LOC	PRIVATE	Ongoing
15	Nigeria	WEMA Bank PLC	3/9/2016	NGN	3,300,000,000	12.1	LOC	PRIVATE	Ongoing
16	Nigeria	First Securities Discount House Merchant Bank Limited	6/27/2016	USD	50,000,000	35.6	TFLOC	PRIVATE	Ongoing
17	Nigeria	Fund for Agricultural Finance in Nigeria	7/14/2016	USD	9,000,000	6.4	EQ	PRIVATE	Ongoing
18	Tunisia	Line of Credit in Support of SMEs	7/13/2011	USD	50,000,000	31.24	LOC	PUBLIC	Ongoing
19	Tunisia	Tunisia - Financial Sector Modernization Support Program	7/13/2016	EUR	268,000,000	231.0	PBO	PUBLIC	Closed
20	Tunisia	Banque de L'habitat	10/19/2016	EUR	60,000,000	48.0	TFLOC	PRIVATE	Ongoing
21	Tunisia	Tunisie Hannibal lease - Africa SME program	7/14/2017	EUR	8,000,000	6.6	LOC	PRIVATE	Ongoing
22	Tunisia	Small and Medium Enterprises Access to Non-Bank Financing Facilitation Project	12/8/2017	EUR	2,838,000	2.0	TA	PUBLIC	Ongoing
23	multinational	PTA Reinsurance Company Limited	2/23/2011	USD	9,094,389	5.82	EQ	PRIVATE	Closed

24	multinational	East African Development Bank	1/16/2013	USD	24,000,000	15.62	EQ	PRIVATE	Ongoing
25	multinational	African Export-Import Bank	5/28/2014	USD	30,000,000	19.36	EQ	PRIVATE	Ongoing
26	multinational	African Export-Import Bank	5/28/2014	USD	150,000,000	96.79	TFLOC	PRIVATE	Ongoing
27	multinational	African Export-Import Bank	5/28/2014	USD	100,000,000	64.53	GRTFP-RPA	PRIVATE	Completed
28	multinational	PTA Reinsurance Company Limited (ZEP-RE)	6/18/2014	USD	4,000,000	2.60	EQ	PRIVATE	Closed
29	multinational	East African Development Bank (EADB)	10/15/2014	USD	40,000,000	26.98	LOC	PRIVATE	Ongoing
30	multinational	Eastern and Southern African Trade and Development Bank (PTA Bank)	12/7/2016	USD	180,000,000	133.0	LOC	PRIVATE	Ongoing
31	multinational	African Export-Import Bank	3/29/2017	USD	150,000,000	110.8	RP	PRIVATE	Ongoing
32	multinational	African Export-Import Bank	3/29/2017	USD	300,000,000	221.6	TFLOC	PRIVATE	Ongoing

### Annex 3. References

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