

AFRICAN DEVELOPMENT BANK GROUP



Evaluation of the Ex-Ante Additionality and Development Outcome Assessment Framework 2.0

Inception Report

INDEPENDENT DEVELOPMENT EVALUATION (BDEV)

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CONTENTS

I. INTRODUCTION	1
II. CHANGING CONTEXT AND EVOLUTION OF THE ADOA FRAMEWORK IN THE BANK1	
STRATEGIC CONTEXT	1
CHANGING CONTEXT SINCE THE ADOPTION OF THE FIRST ADOA FRAMEWORK	ERROR! BOOKMARK NOT DEFINED.
THE ADOA 1.0 FRAMEWORK (2009-2014)	2
FINDINGS AND RECOMMENDATIONS OF THE PREVIOUS ADOA EVALUATION	3
THE ADOA 2.0 FRAMEWORK 2015-2020	5
III. EVALUATION PURPOSE, SCOPE AND EXPECTED OUTCOMES	10
PURPOSE.....	10
SCOPE	10
OBJECTIVES	11
EXPECTED OUTCOMES OF THE EVALUATION	11
AUDIENCE OF THE EVALUATION.....	11
IV. EVALUATION FRAMEWORK, QUESTIONS AND METHODOLOGY	11
EVALUATION CONCEPTUAL FRAMEWORK	11
EVALUATION QUESTIONS	14
METHODOLOGY.....	15
EVALUATION DESIGN MATRIX	19
DATA ANALYSIS METHODS	20
V. MANAGEMENT OF THE EVALUATION	24
MANAGEMENT OF THE EVALUATION	24
QUALITY ASSURANCE	24
DISSEMINATION PLAN	24
VI. EVALUATION WORKPLAN.....	24
ANNEXES	27
ANNEX A: NON-SOVEREIGN PROJECTS APPROVED DURING THE PERIOD OF ADOA 2.0.....	27
ANNEX B: RECOMMENDATIONS AND RECOMMENDED ACTIONS FROM 2014 ADOA EVALUATION AND ADOA TEAM RESPONSE.....	34
ANNEX C: EVALUATION DESIGN MATRIX	39
ANNEX D: SURVEY QUESTIONNAIRES	42
ANNEX E: FRAMEWORK FOR BENCHMARKING DATA CAPTURE	61
ANNEX F: FRAMEWORK FOR CASE STUDY ANALYSIS.....	64
ANNEX G: FINDINGS FROM RELATED EVALUATIONS.....	68
ANNEX H: ISSUES SURROUNDING THE RELATIONSHIP BETWEEN ADOA <i>EX-ANTE</i> ASSESSMENT OF PERFORMANCE AND SUBSEQUENT PROJECT PERFORMANCE	71

Acronyms

ADOA	: Additionality and Development Outcomes Assessment
ADB	: Asian Development Bank
AIMM	: Anticipated Impact Measurement and Monitoring System
BDEV	: Independent Development Evaluation
CDC	: formerly Commonwealth Development Corporation, now CDC Group
CODE	: Committee for Operations and Development Effectiveness
DBDM	: Development and Business Delivery Model
DEAT	: Development Effect Assessment Tool [of FinnFund]
DELTA	: Development Effectiveness, Learning, Tracking and Assessment Tool
DERa	: Development Effectiveness Rating [of DEInvest]
DFC	: United States Development Finance Corporation
EBRD	: European Bank for Reconstruction and Development
ECG	: Evaluation Cooperation Group
ECMR	: Macroeconomics Policy, Forecasting and Research Department
ECMR2	: Microeconomic, Institutional and Development Impact Division
ECVP	: Economic Governance and Knowledge Management Complex
EIB	: European Investment Bank
HIPSO	: Harmonized Indicators for Private Sector Operations
IDB	: Inter-American Development Bank
IFC	: International Finance Corporation
IFI	: International Financial Institution
MDB	: Multilateral Development Bank
NSO	: Non-sovereign operation
OpsCom	: Operations Committee
OPSM	: Private Sector Department
PIDG	: Private Infrastructure Investment Group
PINS	: Non-Sovereign and Private Sector Support Department
QAE	: Quality-at-entry
QDA	: Qualitative data analysis
RMC	: Regional member country
TA	: Technical assistance
TIMS	: Transition Impact Monitoring System [of EBRD]
TOMS	: Transition Objectives Measurement System [of EBRD]
TYS	: Ten-Year Strategy 2013-2022
XSR	: Expanded Supervision Report

I. Introduction

1. As part of its 2020 work program, the Independent Development Evaluation Department (BDEV is currently undertaking an evaluation of the Bank's Additionality and Development Outcomes Assessment (ADOA) framework, version 2.0, which was approved by the Board of Directors in June 2015.

2. The evaluation was introduced into work program as one of several changes to the 2020 work program. The rationale for including the evaluation of ADOA 2.0 was stated as follows:

One of the General Capital Increase Commitments is to have the current ADOA framework revised by 2021. However, the commitment stipulates the revision of the framework to be conditional on an independent review of it. A 2015 revision of the ADOA framework addressed several issues raised by the independent evaluation report and lessons learned from the practical implementation of the previous framework. After four years of implementation, the framework needs to be independently reviewed to identify areas that require strengthening. In addition, the review should now focus on earlier overlooked areas such as market analysis. To this end, the Macroeconomics Policy, Forecasting and Research Department (ECMR) has requested IDEV to include the review of ADOA in IDEV's 2020 work program, to be delivered in Q1-2021.¹

3. This inception report presents the overall approach this evaluation will adopt, with the objective of providing relevant lessons and recommendations to inform the revision of the ADOA 2.0 framework.

II. Changing context and evolution of the ADOA framework in the Bank

Strategic context

4. In 2012, the Bank developed its Ten-Year Strategy 2013-2022 (TYS), to guide its development mandate in Africa. The YYS aimed at providing a central role to the Bank in Africa's transformation. The main objective is to create shared prosperity for all Africans. The strategy is based on two main objectives: Inclusive Growth and Transition to Green Growth. In addition, five operational priorities were identified to deliver on these objectives, including private sector development. The Bank's assistance to the private sector would be in the financial, advisory and technical assistance form. The objective is to address the needs, opportunities and challenges of Africa's private sector.

5. To meet the YYS's twin objectives of Inclusive growth and Transition to Green Growth, the Bank committed to catalyze and leverage private sector resources. The Private Sector

¹ IDEV. 2020. *Independent Development Evaluation 2019-2021 Work Program: Changes To The 2020 Work Program* available at http://idev.afdb.org/sites/default/files/documents/files/IDEV%20Work%20Programme%20-%20Changes%20to%20the%202020%20WP_DG.pdf

Development Strategy 2013-2017 was developed in this context, to contribute to sustainable development and poverty reduction through effective private sector development. The Private Sector Development Strategy was based on the 5 principles of the 2013 policy, namely: (i) ultimate ownership of the private sector development agenda lies with RMCs; (ii) the Bank is selective in its interventions; (iii) the Bank demonstrates additionality in its interventions; (iv) the Bank aims to attract other partners in its interventions; and (v) the Bank interventions do not compromise its financial integrity. The second and third principles are directly related to ADOA's mandate of ex-ante assessment of private sector projects, to ensure selectivity, additionality and development outcomes

6. The Bank's portfolio of non-sovereign operations (NSOs²) has grown considerably since 2006. This growth prompted the need to ensure that NSOs are aligned with and contribute to Bank strategies and targeted development outcomes. To this end, NSOs approved by Multilateral Development Banks (MDBs) are required to demonstrate their additionality, including to financial services already provided by the market. The request to introduce the ADOA framework into private sector project cycle emanated from the Board of Directors in 2008.

7. The Bank's involvement in the private sector was then guided by the successive Private Sector Strategies developed in 2004 and later revised in 2008 until 2012. A subsequent PSD strategy covering 2013-2017 (extended to 2019) was approved and implemented. There is an ongoing revision and the development of a new strategy covering 2021-2025. The main objective was to contribute to sustainable development and poverty reduction in Africa by promoting a broad-based economic growth through effective private sector development.

The ADOA 1.0 framework (2009-2014)

8. In response to a demand from the board of directors to ensure the quality at entry of the Bank's NSOs and their additionality, a pilot version of the Bank's ADOA framework was developed in 2008. The objective was to enhance result-based decision making for the growing private sector operations in the Bank. The pilot framework was implemented for a year following which lessons were identified leading to a revised framework that was presented to the Board for approval and institutionalization into the private sector project cycle in 2009.

9. During its pilot phase, the ADOA framework was deemed a flexible decision-making tool which contributed to improved project design and selection. A set of core indicators was established to facilitate the measurement of expected development outcomes. According to the revised framework, one of the key achievements of implementing ADOA during the pilot phase was the institutional capacity building to mainstream results-based decision making and accountability for private sector operations. Four key changes were introduced following the pilot phase: (i) introduction of core indicators to enable comparison of projects across the Bank's NSOs, and facilitate reporting, monitoring and tracking of aggregate outcomes; (ii) the ADOA

² Non-sovereign Operations (NSOs) refers to financing and investment operations that are not guaranteed by a State; this covers mostly private sector transactions, but also non-sovereign guaranteed financing of eligible public sector enterprises, as well as financing of regional development finance institutions (DFIs).

rating system was harmonized with the one used by the Bank's Independent Development Evaluation (responsible for ex-post evaluation) to reconcile ratings assigned to expected development outcomes during ex-ante assessments with ratings assigned for realized development outcomes during ex-post evaluation; (iii) the approach to assess political risk mitigation was standardized by type of operation; (iv) the evaluation methodology for financial risk mitigation has been refined and renamed as financial additionality to avoid any confusion arising from terminology. In October 2009, the Board institutionalized ADOA as part of NSOs due diligence process.

10. The revised framework was then implemented from 2009 until 2014, by which time contextual changes both globally and within the Bank prompted a need for a revamped ADOA framework in 2015. The global operating environment was marked by several events including the crisis in North Africa, and a scarcity of financial resources due to the financial crisis. International Finance Institutions renewed their focus on development effectiveness and results-based monitoring and evaluation prompting a harmonization process. This involved harmonizing methodologies and indicators for improved monitoring and evaluation of private sector operations. The Harmonized Indicators for Private Sector Operations (HIPSO) involved several International Financial Institutions (IFIs), including the International Finance Corporation (IFC), the AfDB, European Bank for Reconstruction and Development (EBRD) among others.³

Findings and recommendations of the previous ADOA evaluation

11. Before the revision of the ADOA framework in 2015, BDEV conducted an independent evaluation of its implementation to highlight areas of strengths and weaknesses. The evaluation found that the framework was relevant for the Bank's private sector operations but noted weaknesses in efficiency and effectiveness.⁴

12. The 2014 evaluation's main findings were as follows:

- The conceptual framework underpinning the ADOA system is sound.
- The ADOA system is well integrated into the Bank's processes around transaction preparation, due diligence and approval, but the same is not the case for monitoring and evaluation, which limits learning.
- In terms of the effectiveness of ADOA, strengths noted were: strategic use, support for decision-making; improvement of the quality of design; contributing to greater selectivity; and its documentation of additionality and expected development outcomes in appraisal and Board reports. Weaknesses included: a lack of transparency in how ratings are derived; inconsistency between overall and component ratings; low use of economic modeling work; weak monitoring of ADOA indicators; and limited advice given by the ADOA team on how to improve ratings. Overall, the evaluation

³ The Evaluation Cooperation Group brings together the heads of evaluation of 10 IFIs Established in 1996, its aim was to establish a harmonized methodology for ex-post evaluation. It did this by developing good practice standards for the evaluation of sovereign and non-sovereign operations. HIPSO has a broader membership and a narrower focus. It's aim is to harmonize the indicators used in the performance assessment of NSOs.

⁴ OPEV. 2014. *Independent Evaluation of the Bank's Additionality and Development Outcomes Assessment (ADOA) Framework for Private Sector Operations*.

rated ADOA effectiveness marginal.

- The efficiency of the ADOA system was rated poor being staff and time intensive with too much unproductive tension around non-transparent ratings, exacerbated by a lack of documented guidance.

13. The evaluation made 7 main recommendations, which are listed below, along with 23 recommended actions as shown in Annex B.

- (i) Harmonizing the ADOA system with the Bank’s Ten-Year Strategy (2013-2022)
- (ii) Strengthening the learning loop so that the ADOA system has a greater impact on improving future operations
- (iii) Improving the transparency and justification for the ratings
- (iv) Simplifying and clarifying the definitions and approaches used for the additionality and development outcome components
- (v) Strengthening the monitoring and evaluation of development outcomes
- (vi) Improving the efficiency of the ADOA process
- (vii) Identifying learning lessons in this evaluation before adopting an ADOA-like system for public sector operations

14. The findings of the 2014 evaluation will be revisited by the current evaluation, and the effectiveness of the actions taken assessed. Early indications are that recommendations (ii), (v) and (vi) remain as significant issues. The aspects (iii) and (iv) likely offer potential for further improvements. The current evaluation will also be open to the possibility that new areas of weakness may have emerged. The table which follows shows the lines of enquiry that will be investigated by the current evaluation in light of the findings of the previous evaluation.

Table 1: 2014 evaluation main findings and further investigations proposed

2014 BDEV evaluation findings	Further investigations to be made by the current evaluation
(i) The conceptual framework underpinning the ADOA system is sound	The current evaluation will assess the ADOA 2.0 conceptual framework in light of (i) the purpose it seeks to serve; (ii) the Bank’s current strategic framework; and (iii) the approaches adopted by other MDBs
(ii) The ADOA system is well integrated into the Bank’s processes around transaction preparation, due diligence and approval, but the same is not the case for monitoring and evaluation, which limits learning	Again, the current evaluation will make its own investigation as to whether the ADOA framework is well integrated into the ex-ante processes of preparation, due diligence and approval. It will also pay attention to the issues of subsequent monitoring and evaluation, particularly because the teams equivalent to the ADOA team in EBRD and IFC also have roles in monitoring. With regards to the link between ADOA and monitoring, this evaluation will investigate the extent to which ADOA targets and indicators are used during implementation to inform adaptive management aimed at generating better development

2014 BDEV evaluation findings	Further investigations to be made by the current evaluation
	outcomes, extract learning for future operations and, importantly, inform the ADOA ex-ante assessment methodology itself.
(iii) In terms of the effectiveness of ADOA, strengths noted were: strategic use, support for decisionmaking; improvement of the quality of design; contributing to greater selectivity; and its documentation of additionality and expected development outcomes in appraisal and Board reports. Weaknesses included: a lack of transparency in how ratings are derived; inconsistency between overall and component ratings; low use of economic modeling work; weak monitoring of ADOA indicators; and limited advice given by the ADOA team on how to improve ratings. Overall, the evaluation rated ADOA effectiveness marginal.	The current evaluation will assess ADOA 2.0 strengths and weaknesses, to identify the extent to which weaknesses have been addressed and/or new weaknesses have emerged.
(iv) The efficiency of the ADOA system was rated poor being staff and time intensive with too much unproductive tension around non-transparent ratings, exacerbated by a lack of documented guidance	The current evaluation will assess the efficiency of ADOA 2.0, including the extent to which problems identified in 2014 have been addressed.

[The ADOA 2.0 framework 2015-2020⁵](#)

[Mandate and institutional arrangements for ADOA](#)

15. The ADOA framework is primarily designed to be a decision-making tool that contributes to quality at entry of NSOs, which helps ensure their value added, development effectiveness, and measurement. As a decision-making tool for the Board and Bank Management, the ADOA framework assesses two main dimensions of Bank’s NSOs:

- Additionality: measuring the contribution from the Bank’s private sector interventions that is not currently supplied by markets.
- Development outcomes resulting from a private sector project relative to a no-project scenario.

16. The responsibility for ADOA’s development and application rests with the Bank’s Microeconomic, Institutional and Development Impact Division (ECMR 2) of the Vice-Presidency for Economic Governance and Knowledge Management (ECVP) Complex. An ADOA Team within ECMR 2 has responsibility for preparing ADOA notes. The reason for locating the responsibility in ECVP was to create a degree of independence between ADOA assessments and those whose operations are being assessed to avoid a conflict of interest thus providing hoped-for objectivity

⁵ This section draws on, among other sources, the *Additionality and Development Outcomes Assessment Annual Report 2019* issued by ECVP and *ADOA Framework 2.0 For Private Sector Operations* (March 2017 Update)

and credibility. In addition to its responsibility for the ADOA framework and its application to NSOs and regional operations, the ADOA team performs other duties, as follows:

- Provision of advice to project appraisal teams to improve project additionality and the extent and likelihood of achieving development outcomes
- Internal dissemination and training to other departments in the Bank on aspects of ADOA such as NSO development outcomes and additionality and their means of measurement, and the alignment of NSOs with the Bank's strategy objectives of inclusive and green growth – the aim being to facilitate the screening of NSOs and their quality at entry.
- External dissemination and training to regional and non-regional institutions to explain the ADOA framework methodology to help the beneficiary institutions setting up new ADOA-like systems or improving existing ones. The ADOA team also participates in the MDB group on Harmonized Indicators for Private Sector Operations (HIPSO)
- Key role in the Bank's results measurement framework: ADOA plays an important part in the monitoring and results chain of NSOs by identifying and estimating relevant development outcomes indicators ex-ante. These indicators should be tracked and monitored during project monitoring and supervision.
- Research and knowledge generation on aspects of ex-ante results measurement

[Overview of the ADOA process in the Bank's NSO ecosystem](#)

17. The ADOA team is part of private sector project appraisal team where they play an advisory role in addition of carrying out the ex-ante assessments. The objective is to enhance additionality and the extent and likelihood of development outcome achievement. A set of development indicators is assessed, and the team's responsibility ends when the project is approved by the Board. Up to 5 ADOA notes can be prepared for a single project before its approval and if it is required to pass through the Operations Committee (OpsCom) pre-appraisal and pre-Board approval.⁶ If OpsCom consideration is not required, 3 ADOA notes are generally prepared for each project. The assessment of indicators is based on documentation and data usually provided by the project team and during due diligence missions, though ADOA may undertake their own research to firm up their analysis.

18. The ADOA notes are discussed extensively with the project appraisal team, and areas needing strengthening highlighted. The ADOA rating for a project can be improved from one step of the appraisal process to the other. The ADOA team's responsibility ends at project approval, from where the portfolio monitoring and supervision team takes over for implementation.

19. Since its approval in June 2015, around 236 projects were assessed using ADOA 2.0 across various sectors (see Annex A for a list of these): (i) financial sectors: including equity investments, lines of credit, trade finance as well as guarantees; (ii) non-financial sectors such as energy, transport, agriculture, etc. Included in this total are a limited number of regional operations

⁶ The full details of the ADOA methodology can be found in the *ADOA Operations Manual* updated in August 2016 and in the ADOA Annual Report referenced in footnote 1 among other places.

which were assessed using the ADOA framework as part of a pilot exercise to determine how ADOA can add value to sovereign regional operations design.

[Changes introduced under ADOA 2.0](#)

20. The ADOA 2.0 included several areas where changes were introduced in comparison to the earlier version. The main changes made between the original ADOA framework and ADOA 2.0 are summarized in the following table.

Table 2: Main changes introduced under ADOA 2.0

Main changes	Key elements
Enhanced focus on inclusive and green growth	These new objectives of the Bank have been emphasized and their assessment methodology and indicators have been revised.
Assessment of financial intermediaries	Shift of focus to institutional capacity and track record, and away from sole reliance on indicative pipelines.
Increasing methodological transparency	Benchmarking of category ratings and with explicit weights so that aggregate ratings are more transparent. Revised format for presentation of the ADOA note. Information system is revamped to establish link with the Bank's Results Framework.
Harmonization of core indicators	Improved alignment with the Bank's Results Measurement Framework and that of partner DFIs involved in the International Financial Institutions' Harmonized Indicators Working Group.

21. There were also changes to the categories of development outcomes covered as shown below. The rationale for this change was commercial viability was a precondition for project approval and so would no longer be considered as part of the ADOA assessment. The current evaluation will reconsider this and explore the consequences of not including business success in ADOA.

Table 3: Changes made to the categories of development outcomes

Original ADOA framework	ADOA 2.0
Household benefits	Household benefits and job creation
Infrastructure	Infrastructure
Government	Governance and fiscal effects
Macroeconomic resilience	Regional integration and economic resilience
Environmental effects	Environmental effects and contribution to green growth
Gender and social effects	Gender and social effects
Private Sector development and demonstration effects	Private Sector development and demonstration effects
Business success	—

22. There are two main aspects rated by the ADOA *ex-ante* assessment tool:

(i) Assessment of additionality, comprising any mix of 3 dimensions

- *Political risk mitigation*, which may be derived from political risk mitigation instruments, MDB's privileged lender status, direct agreements, or A/B loan syndication
- *Financial additionality*, which may be derived from tenor of financing, improved currency matching, capital mobilization and catalytic role, or capital relief and enhancement
- *Improved design and standards*, which may be derived from environmental and social management safeguards, technical assistance, project sponsorship, contributions to institutions, or setting up tracking systems to monitor development outcomes.

(ii) Assessment of expected development outcomes, comprising 7 categories

- *Household benefits and job creation* – effects on the welfare of households such as job creation, introduction of new or higher quality products and improvements in the price/quality of goods and services
- *Infrastructure* – improvements in the capacity, supply and access
- *Governance and fiscal effects* – effects on the budget of concerned governments including fiscal effects, public sector governance and accountability, and the fairness of concessions and public contracts awarded to private parties
- *Regional integration and economic resilience* – contribution to regional integration and macro-economic resilience such as effects on external balance, foreign exchange generation and economic diversification
- *Environment effects and contribution to green growth* – captures all relevant environmental effects caused by a NSO (effects on local ecosystem) including effects on green growth (e.g. greenhouse gas emissions and sustainable use of non-renewable natural resources)
- *Gender and social effects* – contribution to gender equity (e.g. employment, capacity building and ownership of means of production) and social inclusion
- *Private sector development and demonstration effects* – effects on private sector development and the enabling environment for private sector to thrive. The category captures the alleviation of financial constraints and improved supply of business inputs as well as the spread of good corporate governance, managerial and technological know-how and local linkages and positive externalities

23. Ratings are derived for both additionality and development outcomes and these are then combined into an overall ADOA rating for the project assessed.

[Rating for development outcomes](#)

24. Core indicators are used to derive the development outcome rating – these are divided into core indicators that apply to all NSOs and sector-specific indicators. A group of supplementary indicators can also be drawn on as needed. ADOA also assesses inclusiveness and green growth as modifiers of ratings. Each development outcome category is rated separately, with explicit weightings (with some discretionary element) used to derive an overall development outcome rating – the bulk of the weight for each project type reflects its intended area of focus. A four-point rating scale is used – excellent, good, marginal and poor. The sum of the weighted scores of the 7 categories of development outcomes are used to derive an overall rating using one of 6 categories – excellent, very good, good, marginal, unsatisfactory or very unsatisfactory.

25. It is important to note a caveat of the 2017 ADOA Framework document (footnote 3): that in spite of increased transparency in ratings “ex-ante assessments of development outcomes retain an inherent and incompressible aspect that is professional judgment.”

26. The ADOA assessment also evaluates the likelihood that development outcomes will be achieved and sustained over time. However, risk is not used as a modifier of the development outcome rating to produce a risk-adjusted rating, which is done by some other institutions. Similarly, the ADOA assessment flags instances of poor targeting but does not incorporate these in the rating. Both these issues will be investigated by the evaluation.

[Rating additionality](#)

27. Each category of additionality is also rated on a four-point scale – strongly positive, positive, marginally positive, none. ADOA uses an aggregation methodology whereby the overall rating for additionality is obtained by taking the highest of the individual category ratings so it is sufficient for a project to get a satisfactory rating for additionality along any single dimension. This is an important aspect as, potentially at least, it would allow a project to go ahead that was undercutting financing available in the market (providing a subsidy in effect) because it was judged to have high additionality in other respects. This issue will be investigated by the current evaluation.

[Providing advisory services](#)

28. It is important to note that, in addition to carrying out the ratings of the NSO, the ADOA team member is expected to be part of the project appraisal team where he or she plays an advisory role to enhance additionality and/or the extent and likelihood of development outcome achievement. These twin roles have the potential to compromise objectivity in assessments though the ADOA team has a comprehensive quality control function over ADOA Notes designed to prevent this. The current evaluation will also examine whether these twin roles are problematic in practice or not.

[Changing context since the adoption of ADOA2.0 framework](#)

29. To accelerate the implementation of the TYS and to reflect the adoption in 2015 of the Sustainable Development Goals, the Bank’s strategy was reoriented in 2016 to focus on 5 main priorities named as the High 5: (i) Light up and Power Africa; (ii) Feed Africa; (iii) Industrialize Africa; (iv) Integrate Africa; and (v) Improve the Quality of Life for the People of Africa. This strategic reorientation also entailed a redesign of the Bank’s operating model, organizational

structure and pricing framework, through the new Development and Business Delivery Model (DBDM).

30. The Development and Business Delivery Model (DBDM) reform is based on five pillars: (i) move closer to the client to enhance delivery; (ii) reconfigure HQ to support the regions to deliver better outcomes; (iii) strengthen performance management culture to attract and retain talent; (iv) streamline business processes to promote efficiency and effectiveness; (v) improve financial performance and increase development impact. The adoption and implementation of the DBDM led to significant changes in the way the Bank's private sector departments operated. Prior to the DBDM, all Bank NSO origination and implementation was the responsibility of the Private Sector Department (OPSM), irrespective of the sector or type of support. The restructuring led to a decentralization of responsibilities for NSOs. Currently, sector complexes under respective vice presidencies are responsible for originating and implementing private sector projects. Originating departments are also responsible for their respective portfolio monitoring and supervision. The additionality and development outcomes assessment intervene at the origination stage of NSOs, to help ascertain their contribution to development outcomes and additionality. The Non-Sovereign and Private Sector Support department (PINS) is responsible for providing overall support to the Bank's entire NSO portfolio. PINS responsibilities also include oversight and support in the design and update of private sector strategy and policy guidelines, standards and procedures that underpin the NSO activities and operations.

III. Evaluation purpose, scope and expected outcomes

Purpose

31. The purpose of the evaluation is to inform the planned revision of the ADOA 2.0 framework, after five years of implementation.

32. Management requested this evaluation as an input to its planned revisions of ADOA 2.0 and it is a key audience for its findings. Board members expressed great interest in the evaluation at a more strategic level.

Scope

33. The scope of the evaluation covers the ADOA assessment framework and the processes followed to apply the framework ex-ante to NSO projects from concept to approval (it is also applied to public sector regional operations, but this use of ADOA is not part of the scope of this evaluation as the ADOA was initially designed as a tool for the assessment of NSOs).

34. The ADOA team has other responsibilities as noted above. The advisory services aspect forms part of the scope of this evaluation, but other functions carried out by the ADOA team such as training, research and knowledge generation and dissemination do not, except in as much as these activities impact on the time available for the primary function of operationalization of the ADOA framework.

35. The period covered is from July 2015 to June 2020, the start date coinciding with the first application of ADOA 2.0. The scope will cover all NSOs approved during this 5-year period. Where there is attached technical assistance (TA) this will be assessed in the case studies as part of the

transaction, particularly with a view to looking at the extent to which claimed additionality and development outcomes relies on attached TA. This would not be a problem if TA is implemented as planned, but early anecdotal evidence indicates that a failure to implement TAs attached to NSO is a common issue.

Objectives

36. The objective of the evaluation is to provide credible evidence-based answers to the evaluation questions (which are listed in the next section).

Expected outcomes of the evaluation

37. The success of the evaluation will be judged primarily on the extent to which its findings and recommendations are adopted and incorporated into revisions to ADOA 2.0.

Audience of the evaluation

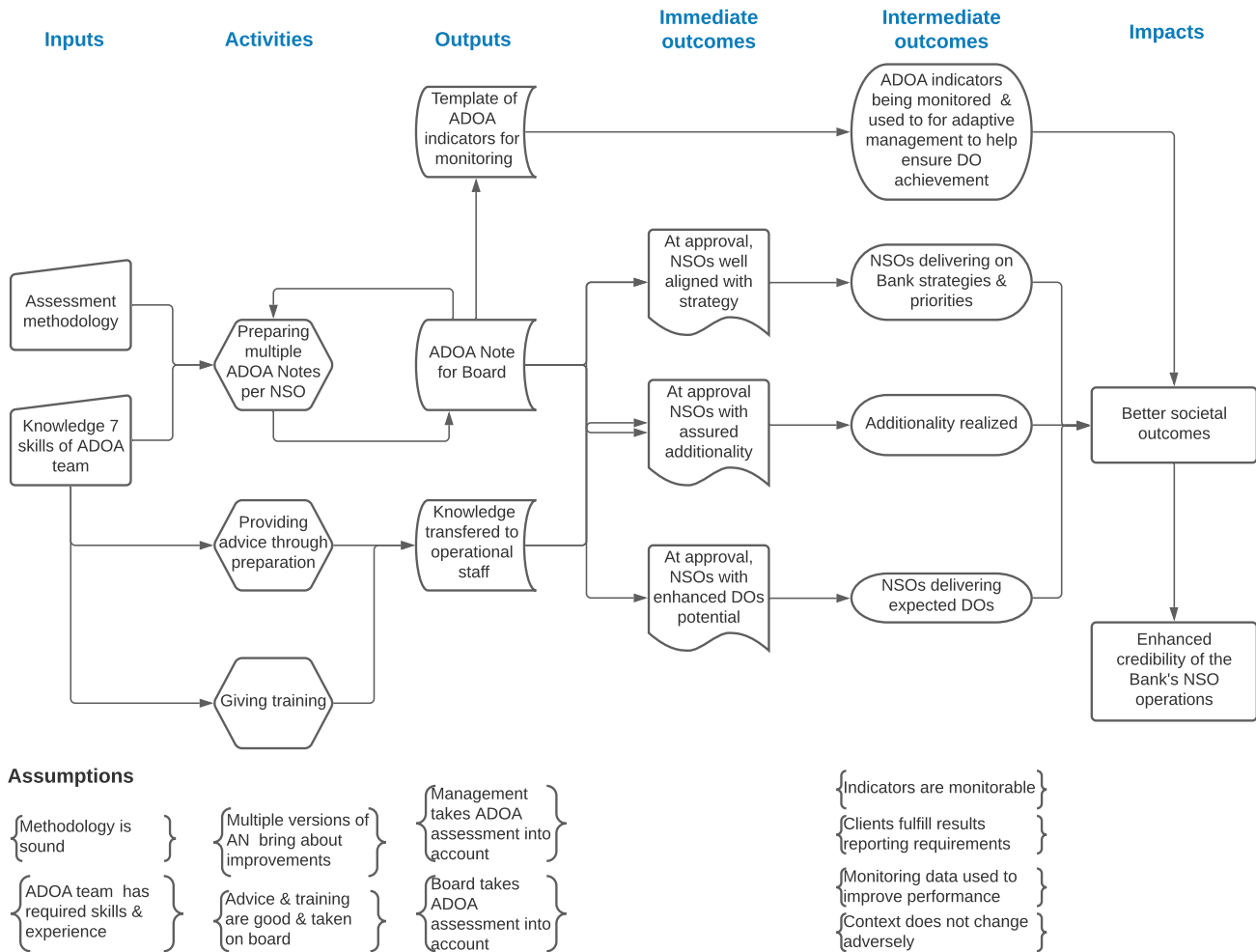
38. The evaluation's primary intended audience is the Board of directors, through the Committee for Operations and Development Effectiveness (CODE). Key intended stakeholders also include senior management as well as the Macroeconomics Policy, Forecasting and Research Department and all Bank departments generating private sector operations.

IV. Evaluation framework, questions and methodology

Evaluation conceptual framework

39. A theory of change establishes the relationship between inputs, activities, outputs and outcomes. It also shows the assumptions that must hold true as one moves from inputs to outcomes. In cases where outcomes may not yet be visible or are difficult to measure, a theory-based approach to evaluation provides a means of testing whether the outcomes expected might be achieved. Under the theory-based approach, the evaluation can move as far along the input-activities-outputs-immediate outcomes-intermediate outcomes-impact chain as possible. For example, if the evaluation finds that necessary outputs have not been achieved or have not been achieved to the required standard, then it is reasonable to suppose that outcomes may not be achieved either. A theory of change for the ADOA process is illustrated in the figure which follows. Also, under the theory-based approach, important assumptions implicit in the theory of change can be tested. If key assumptions have not held true, this again provides grounds for questioning whether desired outcomes will be achieved. A theory of change for the ADOA 2.0 Framework, with associated assumptions is shown in Figure 1.

Figure 1: Theory of change implicit in ADOA



40. Whether ADOA delivers its expected outputs, outcomes and impacts will depend significantly on the extent to which assumptions (largely implicit) hold true. As well as being reflected in the figure above, the following table expands on them and provides comments on how the current evaluation will take these into account.

Table 4: Assumptions embedded in the ADOA framework and evaluation responses

Principal ADOA assumptions	Explanation and evaluation response
Methodology is sound	<p>There are a number of dimensions to soundness:</p> <ul style="list-style-type: none"> the method must measure what it purports to measure the method should include all important elements of what it is setting out to measure the method should have some predictive power the resulting assessment should be discriminatory

Principal ADOA assumptions	Explanation and evaluation response
	<p>enough between high-low to provide the basis for choices and trade-offs</p> <ul style="list-style-type: none"> the process of arriving at a conclusion should be transparent and easy to understand <p>The evaluation will take all these aspects into account, particularly in the benchmarking and case study activities of the evaluation. The survey of ADOA team members will also explore some methodological issues.</p>
The ADOA team has the required skills and experience	<p>The credibility and therefore influence of the ADOA team member will be influenced by the way in which they are perceived by other team members. For example, the task manager and other project appraisal team members may consider that practical experience and knowledge of the reality 'on the ground' is more important than a strong theoretical knowledge.</p> <p>A survey question explores this issue and it will be followed up in interviews.</p>
Multiple versions of the ADOA Note lead to strengthened additionality and more significant expected development outcomes	<p>The rationale for preparing multiple versions (up to 5) of the ADOA Note at different stages of the processing cycle leading up to Board consideration must be to strengthen additionality and the significance of expected development outcomes.</p> <p>The evaluation will assess whether the preparation of multiple notes does in fact contribute to improvements along the way. There is a survey question on this, which will be followed up in interviews. Although a small sample, the issue will also be looked at in the case studies. Reviews of successive ADOA Annual Reports will also provide evidence of the extent to which ratings change from Note to Note.</p>
Advice and training are 'good' and the information is 'taken on board' and used	<p>Advice not used and training that does not produce changed behavior adds no value.</p> <p>There are questions on the value-added of the advice given and training provided in the survey instrument for operational staff. These issues will also be followed up in interviews</p>
Management takes the findings of ADOA into account	<p>Clearly, ADOA will not achieve its expected results, and therefore not add value, if Management routinely ignores its findings</p> <p>This issue is explored in the survey and will be followed up in interviews.</p>
The Board takes the ADOA findings into account in its decision-making	<p>Again, this issue will be explored in the survey of Board members and follow-up interviews</p>
Indicators are monitorable and are monitored	<p>The indicators that are handed over to the operational team by the ADOA team for monitoring during implementation must be monitorable and</p>

Principal ADOA assumptions	Explanation and evaluation response
	<p>monitored. This has a few dimensions, including:</p> <ul style="list-style-type: none"> • Again, indicators must actually be measures of what they purport to measure • The data for monitoring indicators during implementation must be available during implementation if it is to be used for identifying the need for corrective action and taking corrective action (adaptive management). Often indicators selected for results are not ‘leading indicators’ and they cannot be expected to ‘move the needle’ during implementation. Indicators that only move after completion and the project is in operation will not be useful for monitoring during implementation. • Monitoring must actually take place <p>These issues will be explored by the evaluation</p>
Clients fulfill results reporting requirements	Annual results reporting is usually included in loan agreements as a client responsibility. Obviously, it is assumed that this reporting will take place and that it will be accurate.
Monitoring data is used to improve performance	Monitoring data must be used as part of performance-enhancing decision-making
The context does not change adversely	<p>Although this is the last significant assumption embedded in ADOA, it is a very important one. The predictive ability of any ex-ante assessment (or forecast) is improved if the future remains constant or it changes in predictable ways. If this assumption does not hold true, then ADOA may not predict actual results or additionality. This does not invalidate the ADOA process as policy or investment decisions can only be made based on what is knowable at the time. However, it does highlight the need for robust leading indicators, good monitoring and use of monitoring data as part of adaptive management.</p> <p>The evaluation will consider the issue of context changes and their influence on the value added of ADOA.</p>

Evaluation questions

41. The overarching question this evaluation seeks to answer is:
- (i) How effective has the AfDB’s ADOA framework 2.0 been in assisting NSO project design and thereby enhancing the effectiveness of NSO to achieve positive development outcomes and additionality?

42. Sub-questions are:
- (i) To what extent is ADOA aligned to the Bank's current and emerging strategic directions, and how can this alignment be improved?
 - (ii) To what extent has ADOA 2.0 provided a sound assessment of additionality and expected achievement of development outcomes; and in what ways can their assessment be improved?
 - (iii) To what extent has the ADOA process and methodology been efficient? Are efficiency gains possible?
 - (iv) How can ADOA increase its value-added to the Bank's NSO operations? (This question explores the wider benefits of ADOA, beyond meeting its principal role as an ex-ante decision-making tool)
 - (v) What are the strengths and weaknesses of the ADOA tool and process?
43. These questions can be mapped to the standard evaluation criteria of relevance – question (i); effectiveness – question (ii); and efficiency – question (iii).

Methodology

Data collection methods

44. The evaluation will use the following data collection methods.
- (i) **Document review**
 - (ii) **Evidence from related evaluations** – these and their relevant findings are listed below
 - (iii) **Stakeholder interview** – Key stakeholders include Board members, senior management, the ADOA team, investment officers, economists as well as environmental and social safeguards teams. Globally, it will include all staff involved in the NSO project cycle. To the extent possible, the evaluation will interview some clients of Bank projects as part of the project case studies. As necessary, interviews will be held with selected benchmark institutions to get additional information beyond what is already available.

A total of 14 interviews were already held with Board members, former and current staff of the ADOA team, operational staff and with the Evaluation Reference Group as input to the evaluation approach paper and this inception report. The main purpose of these meetings was to introduce the evaluation and to surface key issues interviewees wished the evaluation to address. Accordingly, the questions were quite open-ended. Another round of interviews will be conducted, ideally after administering the survey so any issues raised can be further explored. Pending analysis of the survey results, the questions for semi-structured interviews are yet to be formulated.

Notes are kept of all meetings for analysis as the evaluation progresses.

- (iv) **Surveys** – the evaluation will separately survey three groups of Bank staff: (a) members of the Board (including alternate Executive Directors and advisors); (b) current and former ADOA team members; (c) operational staff. The idea of separate surveys is twofold – to ensure all questions are relevant to the survey respondents and to keep the survey short to encourage a higher response rate.

The plan is to administer three separate, though closely related surveys. Drafts of the three survey instruments have been prepared. The survey of ADOA team members has a significant focus on the methodology of the ADOA framework, which would not be relevant for the other two groups. The survey of Board members focuses mainly on the utility of the ADOA note and its two main assessments – of additionality and development outcomes. For operational teams, the focus is on the value-added of the ADOA process and the ways value-added might be increased. As well as these distinct focus areas for each group, there are some common or related questions that will allow some comparison of perceptions across the different groups.

The evaluation team is very aware that many people are suffering from survey fatigue, which is why surveys have been kept as short as possible and tightly focused on the knowledge and experience of respondents.

Draft survey questionnaires can be found in Annex D.

- (v) **Benchmarking review and wider scanning** – the evaluation will critically assess the ADOA 2.0 against similar tools in other MDBs, through a benchmarking study of three comparators. This will focus on mandate, organizational structure, on process as well as the methodology of the ex-ante assessments. In 2018, BDEV conducted an evaluation of the quality at entry of Bank operations, which included a benchmarking study of the ADOA 2.0 tool with similar tools used in other organizations (in terms of NSOs, the evaluation covered IDB Invest, EBRD and IFC). This evaluation will build on the results from this exercise and complement wherever necessary with additional interviews.

The evaluation team has identified a long list of DFIs that have ex ante assessment tools or methods. A two-tier approach will be adopted – the tools of the European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), and Inter-American Development Bank Invest (IDB Invest) will be used for the more detailed benchmarking exercise while the balance will be more lightly scanned for unique and interesting aspects. The following MDBs that have NSO ex-ante assessment tools (and in some cases monitoring tools as well):

EBRD – Transition Objectives Measurement System (TOMS) and Transition Impact Measurement System (TIMS)

IFC – Anticipated Impact Measurement and Monitoring System (AIMM)

IDB Invest – Development Effectiveness Learning, Tracking and Assessment (DELTA) tool

Private Infrastructure Development Group (PIDG) – Results Monitoring Sheet

United States International Development Finance Corporation (US DFC) – Impact Quotient

CDC Group – Development Impact Grid

Finnfund – Development Effect Assessment Tool (DEAT)

DEGInvest – Development Effectiveness Rating (DERa)

FMO Entrepreneurial Development Bank – FMO Impact Model

A framework for data collection from benchmarking institutions has been prepared and can be found in Annex E.

- (vi) **Case studies** – a purposively selected sample of 12 case studies will include the two completed NSOs that have both expanded supervision reports (XSRs) and validations. There were three criteria for selection – sufficiently advanced in implementation, at least one representative of each project type, and sufficient documentation available. A further 10 have been selected from 2016 and 2017 approvals so that while not yet completed, there is a history of implementation performance to examine. For projects that are ongoing, the case studies will focus on supervision, monitoring and reporting documents, as well as expected annual reporting documents from the clients. This document review will be complemented by discussion with the project task manager for more information. The team is currently assessing the availability of project documentation. Discussions will also be held with task managers before finally confirming the case. It is worth noting that giving the large number of approved projects, results from the case studies are not intended to be representative of the entire ADOA NSO portfolio for the period under review. Nonetheless, the results from the case studies will provide important qualitative information with a focus on explanations of why performance turned out the way it did. Table 6 shows the list of projects selected for case studies.

Table 5: Projects for case studies

Project Name	Country	Project Type	Bank Financing (US\$ million)
Definite inclusions (projects with XSRs)			
Banque pour le Commerce et l'Industrie	Mauritania	FI-trade finance	10
CRDB Bank International	Tanzania	FI-on-lending	120
Options from 2016 approvals			
Rx Healthcare Fund	Pan-African	FI-investment fund	20
Afe Babalola University	Nigeria	Goods & Services	40
Ethiopian Airlines	Ethiopia	Infrastructure	159
Achwa 2 Hydro Project	Uganda	Infrastructure	17.5
West African Development Bank LOC III	West Africa	FI-on-lending	148.11
Compagnie Agricole de Saint-Louis	Senegal	Goods & Services	17.9

Form Ghana	Ghana	Goods & Services	24
Options from 2017 approvals			
Emerging Africa Infrastructure Fund 3	Pan-African	FI-investment fund	100
Development Bank of Rwanda	Rwanda	FI-on-lending	20
Shapoorji Pallonji Solar Project	Egypt	Infrastructure	1

45. A framework for capturing key data from the case study projects has been developed and it can be found at Annex F.

[Most relevant findings from related evaluations](#)

46. BDEV has carried out several evaluations that have findings of relevance to the current evaluation. These are listed below with their findings of relevance included as Annex G.

- Evaluation of the Bank’s Private Sector Development Strategy (2013-2019).⁷
- Evaluation of the Quality at Entry of the African Development Bank Group’s Sovereign and Non-sovereign Operations (2013–2017)⁸
- Evaluation of the Bank’s Role in Increasing Access to Finance in Africa⁹
- Evaluation of the Bank’s Utilization of the Public Private Partnership Mechanism 2006-2017¹⁰

47. Of particular note is the third recommendation of the evaluation of the Bank’s private sector development strategy – namely, that the Bank should “carry out an in-depth analysis of the effect of NSO operations on small and medium enterprises to deepen the understanding about what works, and to strengthen the Bank’s additionality and development outcomes.” The evaluation noted the following points in relation to this recommendation.

- To expand the reach of financial institutions operations to SMEs, the Access to Finance Evaluation has made recommendations regarding improving target setting, better instrument design and verification that funding is reaching the targeted beneficiaries and having the desired development outcomes. These recommendations are reconfirmed by this evaluation.
- Furthermore, the Bank needs to establish how real sector support provided through NSOs is reaching SMEs

48. The above highlights the challenge of identifying the direct transaction outcomes for the ultimate recipient of the financing via a financial intermediary versus the market-creating outcome of support to the financial intermediary. This issue will be investigated.

⁷ African Development Bank. 2020. *Evaluation of the Bank’s Private Sector Development Strategy (2013-2019)*. Available [here](#).

⁸ African Development Bank. 2018. *Evaluation of the Quality at Entry of the African Development Bank Group’s Sovereign and Non-sovereign Operations*. Available [here](#).

⁹ African Development Bank. 2020. *Evaluation of the Bank’s Role in Increasing Access to Finance in Africa*. Available [here](#).

¹⁰ African Development Bank. 2019. *Evaluation of the Bank’s Utilization of the Public Private Partnership Mechanism 2006-2017*. Available [here](#).

Evaluation design matrix

49. A detailed evaluation design matrix is included in this inception report as Annex C while a summary is shown in the table below. The matrix shows what information will be required to answer the evaluation question and its sub-questions, the methods used to acquire the data and the general approach to data analysis.

Table 6: Summary of evaluation design matrix

Sub-question	Lines of enquiry	Methods used to get the information
1. To what extent is ADOA aligned to the Bank's current and emerging strategic directions, and how can this alignment be improved?	<p>Evolution and possible future directions of the Bank's strategies relevant to NSOs: DBDM, High 5</p> <p>Clarity on the purpose of ADOA and what in practice it delivers</p> <p>Alignment of ADOA with the Bank's operational strategies: PSD, NSO policy, etc.</p>	<p>Document review</p> <p>Informed person interviews</p> <p>Surveys</p> <p>Judgment by the evaluation team</p>
2. To what extent has ADOA 2.0 provided a sound assessment of additionality and expected achievement of development outcomes; and in what ways can their assessment be improved?	<p>Clarity on the purpose of ADOA and what in practice it delivers</p> <p>How can ADOA be improved to better serve its primary purposes?</p> <p>How does the ADOA tool compare to <i>ex-ante</i> assessment by selected other MDBs</p> <p>To what extent did the ADOA contribute to enhanced selectivity of Bank's NSOs?</p> <p>Detailed information on specific cases of the application of the ADOA framework</p>	<p>Document review (including 2014 evaluation)</p> <p>Informed person interviews</p> <p>Case study investigation</p> <p>Surveys</p> <p>Knowledge of other MDB tools, review of publicly available information plus interviews with the selected MDBs</p>
3. To what extent has the ADOA process and methodology been efficient? and are efficiency gains possible?	<p>To what extent is the ADOA process efficient and timely? Process step mapping</p> <p>To what extent is the ADOA sufficiently resourced to implement its assessments?</p> <p>Comparative analysis of resource use by other MDBs</p> <p>Assessment of value-added and value-for-money of the various process steps involved in ADOA (due to data limitations, this is likely to be a more qualitative than quantitative assessment)</p>	<p>Time recording sheets (if available)</p> <p>Human Resources and Budget databases</p> <p>ADOA participants estimations</p> <p>Informed person interviews</p> <p>MDB benchmarking</p> <p>Surveys</p> <p>Observation of ADOA processes</p> <p>Value-added and value-for-money assessments</p>
4. How can ADOA increase its	Examination of the extent to which	Case studies

Sub-question	Lines of enquiry	Methods used to get the information
value-added to the Bank’s NSO operations? (This question explores the wider benefits of ADOA, beyond meeting its principal role as an ex-ante decision-making tool)	<p>ADOA targets and indicators are monitored and the information used for adaptive management to increase development outcome achievement.</p> <p>Alignment or complementarity with results-based logical frameworks and the methods used for ex-post evaluation in XSRs and validations, and the implications of any misalignments.</p> <p>Benchmarking with other MDBs</p> <p>Exploration of whether feedback loops exist to ensure that ADOA is informed by experience of how things turn out to improve its ‘predictive’ ability</p>	<p>MDB benchmarking</p> <p>Interviews</p> <p>Surveys</p>
5. What are the strengths and weaknesses of the ADOA tool and process	Utilization of all evidence gathered to develop a strengths, weaknesses, opportunities and constraints matrix, considering the assessment of ADOA 2.0’s relevance, effectiveness and efficiency.	<p>Team deliberations</p> <p>Surveys</p>

Data analysis methods

50. The following methods will be used:

- **Content analysis** of strategy and other documents to identify imperatives and issues relevant to NSO, reconciling any contradictions
- **Gap analysis** to identify unrealized opportunities and/or misalignments between ADOA 2.0 and Bank strategic imperatives and directions of travel
- **Analysis of interview notes**
- **Analysis of survey data** – online survey software will be used to conduct the surveys. This includes the analysis tools required, and these will be utilized. If QDA software is used (see above), survey quantitative and qualitative data can be included, which allows for much more powerful data analysis.
- **Benchmarking analysis** – the analysis will comprise description (in the form of a comparative matrix), context analysis to identify features of each IFI’s context that are relevant to understanding the ‘fitness for purpose’ of its tool in its context – what works for one may not work for another. Judgment will then be exercised to which features of the practice of others may be relevant to the Bank in terms of making ADOA more fit for purpose (including possibly modifying its purpose).

- **Case study analysis** – the data analysis will combine documentary evidence with interview data to first identify the contribution ADOA makes to selectivity, additionality and quality-at-entry by focusing attention on development outcomes. The analysis will then explore what happens after approval in terms of: (i) seeing whether the ex-ante assessments of additionality and development outcomes are being realized or are on track; (ii) whether ADOA targets and indicators are being regularly monitored and reported on and, if so, whether the information is being used to enhance performance through adaptive management. Back to office reports, client annual reports on results and other documentary evidence will be used where available, along with interviews of clients (where possible) project teams and ADOA team member (if still within the Bank).
- **Efficiency analysis** – basic spreadsheet analysis of resource use data, analysis of interview data either using QDA software or manually, comparative assessment of resource use with that of others, value-added and value-for-money assessments. Accurate resource use data for ADOA operation may not be available, in which case reliance will have to be placed on best estimates. Quantification of the value-added and value-for-money assessments are likely to be at least part qualitative (costs should be able to be quantified).

Assessment of ADOA relevance, effectiveness and efficiency

51. The evaluation will make evidence-based judgments against the OECD-DAC evaluation criteria of relevance, effectiveness and efficiency.

52. The assessment of **ADOA relevance** will render an opinion on ADOA's 'fitness for purpose,' more specifically:

- the extent to which ADOA provides a robust and sufficiently discriminatory assessment of additionality of the Bank's involvement, taking account of international practice in the assessment of additionality and the AfDB context – where robust means complete and accurate; and discriminatory means adequately portraying the strength of additionality thereby providing the opportunity to enhance the Bank's additionality or exclude transactions of low additionality.
- the adequacy of ADOA's approach to assessing development outcomes – both direct transaction outcomes and wider market-creating outcomes, taking account of international practice for the assessment of expected outcomes and the AfDB context
- the robustness of the likelihood assessment and use that is made of this assessment considering international practice and the AfDB context
- the robustness and utility of the assessment of alignment with Bank strategies
- the extent of harmonization in the use of indicators with other MDBs

53. The assessment of **ADOA effectiveness** will render an opinion on the extent to which ADOA achieves its purpose and adds value, more specifically:

- the extent to which the ADOA framework and processes have served as a

decisionmaking tool for the Board of Directors and senior management in the selection of NSOs

- the extent to which the ADOA framework and processes have led to improvements in the design of projects and their quality-at-entry with regards to additionality and extent and quality of development outcomes
- the value-addition of the ADOA framework and process, including the extent to which it provides the basis for monitoring and reporting on the achievement of development outcomes during implementation and subsequently at evaluation
- the consideration given to distributional effects, particularly where targeting to a beneficiary group is envisaged
- where financial intermediaries are involved, the extent to which development outcomes of ultimate beneficiaries are captured versus the market-creating outcomes from support to the financial intermediary

54. The assessment of **ADOA efficiency** will render an opinion on the process efficiency and value-for-money of the application of the ADOA framework, more specifically:

- a largely qualitative assessment of the relationship between the value-added of the ADOA process and its cost in terms of time spent on it
- a consideration of whether the same or greater value-added could be obtained with fewer resources
- the balancing of risk and reward, including how innovation is considered, and the need to support the least developed (and often riskier) regional member countries
- the synergy between performance assessment *ex ante*, during implementation and *ex post*.

55. For each criterion, performance will be assigned to one of four categories as shown in Table 7. There will be no overall performance rating.

Table 7: Performance assessment categories

	Relevance	Effectiveness	Efficiency
Performance categories (a four-point scale)	Adequacy of ADOA in assessing DO and additionality Alignment to Bank strategies and private sector development strategies and policies	Improved design and quality at entry of NSOs: sound assessment of expected development outcomes and additionality. Contribution to enhanced selectivity of Bank's NSOs.	ADOA process and methodology efficiency and value for money established. Timeliness and adequacy of available resources for ADOA
Highly satisfactory	High quality in all aspects of the considered criterion; all dimensions of the criterion are fully met, and this is considered a good practice		

Satisfactory	Overall satisfactory quality of the considered criterion; all dimensions of the criterion have been met but some of them have minor shortcomings.
Partly unsatisfactory	Overall insufficient quality of the considered criterion; one or more dimensions of the criterion have not been met and substantial improvements are required to bring the criterion to a satisfactory rating.
Unsatisfactory	Overall insufficient quality of the considered criterion; one or more dimensions of the criterion have not been met and substantial improvements are required to bring the criterion to a satisfactory rating.

Limitations, risks and challenges of the evaluation

56. Given the current context of the COVID-19, the evaluation will most likely be conducted remotely. All the evaluation team will be working from home. Therefore, the evaluation design doesn't include field visits, or face to face interactions between the evaluation team and the various stakeholders of the evaluation. The lack of face-to-face communication and the absence of field visits are a limitation, but for the time being these have become the 'new normal,' so the evaluation team will adjust and find ways to meet the evaluation objectives. Although it is not expected that travel/mission will be authorized before end of the year, the evaluation will adapt to the evolving context to the extent possible. Virtual meetings with relevant stakeholders will be organized to collect information where necessary.

57. One compensating factor is that the ADOA evaluation will be to draw on the findings of several other BDEV evaluations that did allow field work (see Table 5).

59. Another limitation related to the envisaged case studies is that the ADOA portfolio (2015-2020) is relatively young and mostly do not have XSRs yet. The team will try to the extent possible to work with available supervision reports, BTORs and other project information sources. The objective of the case studies in this case will be to assess the extent to which the ADOA tool is a good predictor of the achievement or not of development outcomes and additionality.

60. In terms of risks related to the evaluation, with the current Covid context, there is a perceived fatigue of stakeholders for online surveys. To mitigate this, the survey team intends to rely on the cooperation from the members of the Reference group, who work in different departments of the Bank and interact with the ADOA team to boost staff participation in the survey. The evaluation team will ensure that survey questions are as targeted as possible to ensure the highest response rate.

Some conceptual issues

58. There is a general belief that ex-ante performance assessment should reasonably accurately predict future performance during implementation and after completion if the ex-ante assessment is to be judged useful. This, of course, is not unreasonable and accurate

prediction should be the aim. However, in the uncertain and dynamic environment in which development interventions take place, the future often cannot be predicted with any degree of certainty. All that can be achieved is to make the best assessment with the information available. This is not to diminish the value of ex-ante assessment, but it needs to be recognized that its predictive power may be low in some circumstances.

59. There is another general belief that performance assessment ex-ante, during implementation and ex-post should operate on a common basis in terms of target and indicators used. However, the assessments at different time points serve different purposes and have different sources of data available, so some differences in assessment methodology can be a sensible approach. These two conceptual issues are explored further in Annex F.

V. Management of the Evaluation

Management of the evaluation

60. Under the overall guidance of the acting Evaluator General of BDEV, and Rufael FASSIL (Division Manager, BDEV1), the Task Manager will lead the work of the consultants and other team members and provide inputs. The evaluation team is composed of: Latéfa CAMARA (task manager), Stéphanie YOBOUE (team member), Boubacar LY (team member) and Keith LEONARD (senior consultant). The BDEV team will provide adequate briefing, documentation and guidance for the consultant while conducting his assignment and peer reviewing the various deliverables.

Quality assurance

61. As part of BDEV's quality assurance process, to ensure the quality, credibility and impartiality, the evaluation will be subject to the following:

- (i) **Internal peer review:** the evaluation deliverables will be reviewed by selected BDEV team members; BDEV management will also provide comments at key stages of the evaluation process.
- (ii) **External peer review:** this will be done by an external expert reviewer with adequate expertise in similar evaluations
- (iii) **Reference group:** The quality assurance framework will also include a reference group, composed of relevant stakeholders from the ECMR team and other departments involved in the private sector operations cycle

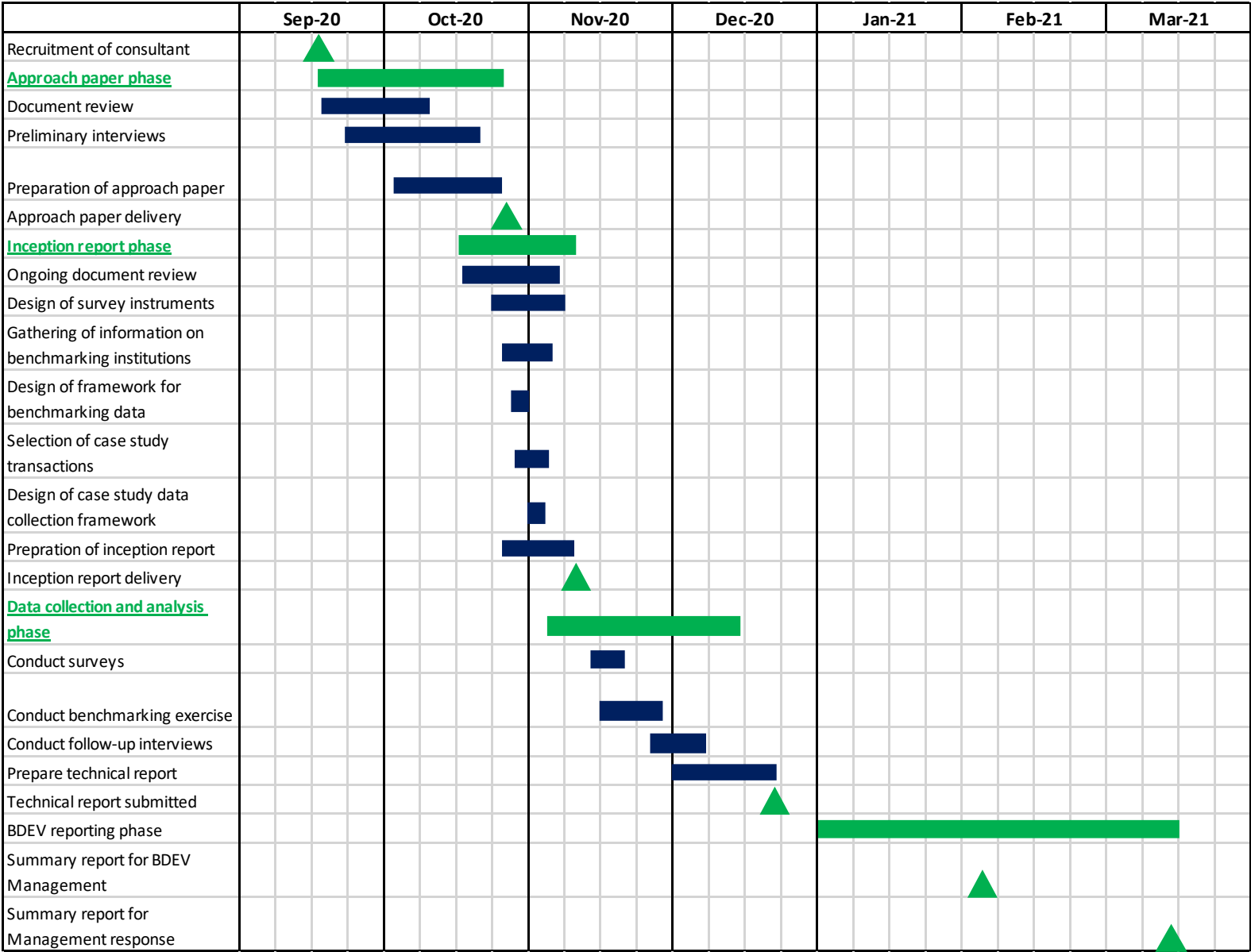
Dissemination plan

62. The knowledge management and communication will be led by Magdaline NCANDO and Dieter GIJSBRECHTS. The evaluation team will work closely from the inception with the knowledge management and communication team, to ensure that the findings, lessons and recommendations from the evaluation are adequately packaged to respond to the needs of each stakeholder group and ensure optimal use of the findings and recommendations. A detailed knowledge management and communication plan will be designed.

VI. Evaluation workplan

63. The evaluation workplan is shown in Figure 1 on the following page. Work started on the evaluation mid-September 2020 and is expected to be completed by mid-March 2021.

Figure 2: Evaluation Workplan



Annexes

Annex A: Non-sovereign projects approved during the period of ADOA 2.0

Note: information is taken from successive ADOA Annual Reports 2016-2019. Approvals under ADOA 2.0 in 2015 (June to December) and for 2020 are still to be accessed directly from the ADOA team.

2016 approvals

Project Name	Country	Project Type	Bank Financing (US\$ million)
Abraaj Growth Markets Health Fund Africa	Pan-African	FI-investment fund	50
African Domestic Bond Fund	Pan-African	FI-investment fund	25
African Industrialization Fund	Pan-African	FI-investment fund	20
Apis Growth Fund	Pan-African	FI-investment fund	20
Boost Africa Initiative	Pan-African	FI-investment fund	53.17
Emerging Capital Partners Africa Fund IV	Pan-African	FI-investment fund	25
Facility for Energy Inclusion	Pan-African	FI-investment fund	100
Fund for Agricultural Finance in Nigeria	Nigeria	FI-investment fund	9
Rx Healthcare Fund	Pan-African	FI-investment fund	20
TIDE Africa Fund 1	Pan-African	FI-investment fund	10
West African Development Bank LOC III	West Africa	FI-on-lending	148.11
Botswana Development Corporation	Botswana	FI-on-lending	74.29
Coris Bank International	Burkina Faso	FI-on-lending	40.41
CRDB Bank International	Tanzania	FI-on-lending	120
Development Bank of Zambia	Zambia	FI-on-lending	50
Diamond Trust Bank	Kenya	FI-on-lending	75
Housing Investment Partners 2	South Africa	FI-on-lending	40
PTA Bank	Pan-African	FI-on-lending	180
Tanzania Mortgage Refinance Company	Tanzania	FI-on-lending	4
The Company for Habitat and Housing in Africa	Pan-African	FI-on-lending	8
United Bank for Africa Plc	Nigeria	FI-on-lending	150
Wema Bank Nigeria	Nigeria	FI-on-lending	15
Banque de l'Habitat Tunisia	Tunisia	FI-trade finance	66.965
Banque pour le Commerce et l'Industrie	Mauritania	FI-trade finance	10
Central Africa Building Society	Zimbabwe	FI-trade finance	25
Ecobank Transnational Inc	Pan-African	FI-trade finance	310
First Bank of Nigeria Limited	Nigeria	FI-trade finance	300

Project Name	Country	Project Type	Bank Financing (US\$ million)
FSDH Merchant Bank Nigeria	Nigeria	FI-trade finance	50
Standard Chartered Bank	Pan-African	FI-trade finance	200
Afe Babalola University	Nigeria	Goods & Services	40
Compagnie Agricole de Saint-Louis	Senegal	Goods & Services	17.9
Export Trading Group Corporate Loan	Pan-African	Goods & Services	100
Form Ghana	Ghana	Goods & Services	24
Achwa 2 Hydro Project	Uganda	Infrastructure	17.5
Ethiopian Airlines	Ethiopia	Infrastructure	159
Kainji & Jebba Hydro Power Project	Nigeria	Infrastructure	100

2017 approvals

Project Name	Country	Project Type	Bank Financing (US\$ million)
Africa Capitalworks Fund	Pan-African	FI-investment fund	15
Catalyst Fund II	Pan-African	FI-investment fund	15
Emerging Africa Infrastructure Fund 3	Pan-African	FI-investment fund	100
Evolution Fund II	Pan-African	FI-investment fund	20
Investisseurs & Partenaires pour le Developpement II	Pan-African	FI-investment fund	5.32
Mediterranea Capital Fund III	Pan-African	FI-investment fund	17.737
Phatisa Food Fund II	Pan-African	FI-investment fund	10
Shore Capital III GP	Pan-African	FI-investment fund	15
Commercial Bank of Africa	Pan-African	FI-on lending/trade finance	90
Nedbank Group Limited	South Africa	FI-on lending/trade finance	183
Development Bank of Rwanda	Rwanda	FI-on-lending	20
Industrial Development Corporation	Pan-African	FI-on-lending	198
KCB Bank Kenya Limited	Kenya	FI-on-lending	100
MauBank Holdings Limited	Mauritius	FI-on-lending	100
Oragroup	Pan-African	FI-on-lending	58.19
Swaziland Development Finance Corporation	Swaziland	FI-on-lending	25
The Company for Habitat and Housing in Africa	Pan-African	FI-on-lending	80
Zambia National Building Society	Zambia	FI-on-lending	25
African Export Import Bank	Pan-African	FI-trade finance	450
Export Trading Company Group	Pan-African	FI-trade finance	100
Groupe Banque Centrale Populaire	Pan-African	FI-trade finance	50

Project Name	Country	Project Type	Bank Financing (US\$ million)
Boke Mine, Rail and Port	Guinea	Goods & Services	100
OLAM Africa Investment Program	Pan-African	Goods & Services	107
SNIM Corporate Loan	Mauritania	Goods & Services	50
Tekcim Cement	Morocco	Goods & Services	58
Air Côte d'Ivoire	Côte d'Ivoire	Infrastructure	115
Alcazar I Solar PV Project	Egypt	Infrastructure	18
Alcazar II Solar PV Project	Egypt	Infrastructure	18
Bujagali Energy Limited 2	Uganda	Infrastructure	105
Nachtigal Hydro Power Company	Cameroon	Infrastructure	174.570
Shapoorji Pallonji Solar Project	Egypt	Infrastructure	12
Singrobo-Ahoutay Hydro Power Project	Côte d'Ivoire	Infrastructure	58.19

2018 approvals

Project name	Country	Project Type	Bank Financing (USD million)
AfricInvest Financial Inclusion Vehicle	Pan-African	FI-investment fund	17.069
Adventis Africa Financial Sector Deepening Fund	Pan-African	FI-investment fund	10
African Food Security Fund	Pan-African	FI-investment fund	15
African Infrastructure Investment Fund 3	Pan-African	FI-investment fund	40
ARCH Africa Renewable Power Fund	Sub-Saharan Africa	FI-investment fund	25
Africa Technology Venture Fund	Pan-African	FI-investment fund	7.5
Azur Innovation Fund	Morocco	FI-investment fund	5.689
Construction Equity Fund. Part of the Climate Investor One platform	Global (including Africa)	FI-investment fund	32.5
Maghreb Private Equity investment IV	North Africa	FI-investment fund	22.759
Nigeria Infrastructure Debt Fund	Nigeria	FI-investment fund	10
Partech Africa Fund I	Pan-African	FI-investment fund	7.965
Trade and Development Bank	Eastern and Southern Africa	FI-investment fund	25
Verod Capital Growth Fund III	West Africa	FI-investment fund	15
African Guarantee Fund for Small and Medium Sized Enterprises	Pan-African	FI-investment fund	10
Banque Centrale Populaire	Pan-African	FI-on lending	113.799
Banque de Développement du Mali SA	Mali	FI-on lending	34.139
CAL Bank Ltd Ghana	Ghana	FI-on lending	40
Fidelity Bank Plc	Nigeria	FI-on lending	50

Annex A: NSOs approved under ADOA 2.0

Project name	Country	Project Type	Bank Financing (USD million)
GHL Bank Plc	Ghana	FI-on lending	15
Rawbank	Democratic Republic of Congo	FI-on lending	15
SA Commuter Transit	South Africa	FI-on lending	108.789
Sterling Bank	Nigeria	FI-on lending	50
Uganda Development Bank Limited	Uganda	FI-on lending	20
Africa Finance Corporation	Pan-African	FI-on lending	50
Banco Angolano De Investimentos	Pan-African	FI-on lending	100
ABSA Group Ltd	Pan-African	FI-trade finance	125
Trade Finance Partnership with British Arab Commercial Bank to Support LICs in Sub-Saharan Africa	Mali	FI-trade finance	60
Banque Sahélo-saharienne pour l'Investissement et le Commerce	Mali	FI-trade finance	9.103
Commerzbank AG	Pan-African	FI-trade finance	50
FirstRand Bank – Trade Finance Partnership	Pan-African	FI-trade finance	100
Liberia Trade Finance Intervention	Liberia	FI-trade finance	20
Natixis Risk Participation Agreement	Pan-African	FI-trade finance	50
Ghana Cocoa Board	Ghana	Goods & Services	150
DAL Group	Sudan	Goods & Services	75
Flour Mills of Nigeria Plc	Nigeria	Goods & Services	75
Indorama Fertilizer & Chemical Limited II	Nigeria	Goods & Services	100
Office Chérifien des Phosphates - Jorf Lasfar Phosphate Hub Expansion Program Corporate Loan II	Morocco	Goods & Services	200
Santa Clara Medical Ltd	Nigeria	Goods & Services	20
Zola Energy Côte d'Ivoire Pay-as-you-go Solar Home Systems	Côte d'Ivoire	Goods & Services	9.103
GSEZ Port Project	Gabon	Infrastructure	45.519
Kopere Solar Power project	Kenya	Infrastructure	17.86
120 MW Malicounda Dual Fuel Power Project	Senegal	Infrastructure	58.333
Quantum Menengai Geothermal Power	Kenya	Infrastructure	29.5
Redstone 100 MW Concentrated Solar Power	South Africa	Infrastructure	228

2019 approvals

Project name	Country	Project Type	Bank Financing (USD million)
Metier Sustainable Capital International Fund II	Multinational	FI-investment	20
Adiwale Partners Fund 1	Francophone West Africa	FI-investment	14
Tell Maghreb Fund	Algeria, Morocco and Tunisia	FI-investment	20
Uhuru Growth Fund I	West Africa	FI-investment	20
Investisseurs et Partenaires Afrique Entrepreneurs II	Regional: Sub-Saharan Africa	FI-investment	8
African Development Partners III	Pan-African	FI-investment	30
Africa Forest Fund II	Mozambique	FI-investment	30
Acumen Resilient Agriculture Fund LP	Multinational	FI-investment	7.5
African Export-Import Bank (Afreximbank)	Pan-African	FI-investment	50
Yeelen Fonds Financier	WAEMU	FI-investment	13.656
Africinvest-Cathay Innovation Management	Pan-African	FI-investment	11.1524
Razorite Healthcare Africa Fund 1	Multinational	FI-investment	10
Arch Cold Chain Solutions East Africa Fund	Kenya, Ethiopia, Uganda, Rwanda, Tanzania, Djibouti	FI-investment	20
African Rivers Fund III	Angola, Democratic Republic of Congo (DRC), and Uganda	FI-investment	7
BH BANK (formerly known as Banque de l'Habitat)	Tunisia	FI-on lending	114
Banco Comercial e de Investimentos S.A.	Mozambique	FI-on lending	30
Botswana Development Corporation	Botswana	FI-on lending	80
Amendment to the Africa SME Programme (2013)	Pan-African	FI-on lending	25
Amen Bank	Tunisia	FI-on lending	57
Compagnie Generale de Banque Plc	Rwanda	FI-on lending	14
Kenya Mortgage Refinance Company	Kenya	FI-on lending	123
Fonds d'Équipement Communal	Morocco	FI-on lending	114
Equity Group Holding Plc	Central, Eastern and Southern Africa	FI-on lending	100
First City Monument Bank	Nigeria	FI-on-lending	50
Caisse Régionale de Refinancement	WAEMU	FI-on-lending	11.38

Annex A: NSOs approved under ADOA 2.0

Project name	Country	Project Type	Bank Financing (USD million)
Hypothécaire			
Banco Millennium Atlântico, S.A.	Angola	FI-on-lending	40
Thematic Line of Credit to Ethiopia Commercial Bank	Ethiopia	FI-on-lending	100
Ghana Infrastructure Investment Fund	Ghana	FI-on-lending	75
Infrastructure Credit Guarantee Company Limited	Nigeria	FI-others	15
African Agriculture Impact Investments Ltd	Multinational	FI-others	120
CICA RE	Pan-African	FI-others	11
Corplease	Egypt	FI-others	15
Attijariwafa Bank - Partnership for Trade Development in Africa	Pan-African	FI-trade finance	114
Sucres & Denrées	Côte d'Ivoire	FI-trade finance	114
Eastern and Southern African Trade & Development Bank COMESA - Regional Trade & Project Finance Support Facility	Multinational	FI-trade finance	300
Commercial Bank of Zimbabwe	Zimbabwe	FI-trade finance	60
Sumitomo Mitsui Banking Corporation Europe Limited	Pan-African	FI-trade finance	200
Elnefeidi Group Holding Company Limited	Sudan	Goods & Services	60
Indorama Feed Conditioning Unit II	Nigeria	Goods & Services	30
Olivine Industries Limited	Zimbabwe	Goods & Services	8.25
Jumia Technologies AG	Multinational	Goods & Services	34.14
DEI Industries	Uganda	Goods & Services	15
Zalar Holdings Morocco	Morocco and Senegal	Goods & Services	22.76
Atinkou (Ciprel V) 390 MW Gas Power Project	Côte d'Ivoire	Infrastructure	114
Mozambique LNG Area 1	Mozambique	Infrastructure	400
Seychelles Cable Systems Company Ltd	Seychelles	Infrastructure	7
Azito Power Expansion Project	Côte d'Ivoire	Infrastructure	57
Djermaya Solar PV Project	Chad	Infrastructure	20
Access LNG Floating Storage and Regasification Project	Ghana	Infrastructure	75
JCM Matswani Solar Project	Malawi	Infrastructure	25
Power Distribution Concession Project	Ghana	Infrastructure	150
Kossihouen Technical Landfill	Côte d'Ivoire	Infrastructure	28.4
Corporate Loan – ASECNA’s 2018 – 2022	Multinational	Infrastructure	170.7

Project name	Country	Project Type	Bank Financing (USD million)
Investment Programme			
Kinguele Aval Hydropower project	Gabon	Infrastructure	45.52
Sosia Menengai Geothermal Power	Kenya	Infrastructure	26
Transnet Corporate Loan III	South Africa	Infrastructure	300
Diori Hamani International Airport	Niger	Infrastructure	34.14
Corporate loan to Nampower	Namibia	Infrastructure	109.5
Portos e Caminhos de Ferro de Moçambique EP	Mozambique	Infrastructure	70

Annex B: Recommendations and Recommended Actions from 2014 ADOA Evaluation and ADOA Team Response

2014 Evaluation Recommended Actions	Actions Taken as of October 2020 (as reported by ADOA Team)
<p>1. Harmonizing the ADOA system with the Bank's Ten-Year Strategy</p> <p><u>Recommended actions:</u></p> <p>(i) developing better metrics for defining and measuring inclusive and green growth</p> <p>(ii) continuing the ADOA Team's consultations with other MDBs and concerned Bank departments</p> <p>2. Strengthening the learning loop so that the ADOA system has a greater impact on improving future operations</p>	<ul style="list-style-type: none">• Inclusive and green growth are explicitly rated• Development outcome categories have been refined to reflect inclusive and green growth (in particular, environmental effects and contribution to green growth replaced environmental effects; governance and fiscal effects replaced government; regional integration and economic resilience replaced macroeconomic resilience)• Consultations with the Bank's departments are on-going. In the past years the ADOA team had made several presentations/ trainings to other departments within the Bank. The team has now developed an ADOA course to be offered to Bank staff members in collaboration with other Departments• Lessons have been learnt from the experience of sister institutions. External consultations were conducted with the Independent Evaluation Group (IEG), the Multilateral Investment Guarantee Agency (MIGA), and the IFC of the World Bank Group, the Inter-American Development Bank Group, including its four private sector windows: the Structured Corporate Finance department, the Multilateral Investment Fund, the Opportunities for the Majority department, and the InterAmerican Investment Corporation; the EBRD, the UK Department for International Development, and DEG, the private sector arm of the German Development Bank.• The ADOA team members are part of the Harmonized Indicators for Private Sector Operation (HIPSO) working groups which involves all DFIs/MDBs where knowledge, experiences, and best practices on measuring development impact for private sector operations are discussed with the aim of coming up with a standardized approach across all stakeholders

Recommended actions:

- | | |
|--|--|
| <p>(i) changing the mix of ADOA-related knowledge products to take a more strategic, portfolio approach, including producing an annual ADOA Year in Review</p> | <ul style="list-style-type: none"> • ADOA produces an annual report (see documents shared). The report summarizes the assessment of additionality and expected development outcomes of the Bank's NSOs and ROs that calendar year. The report also summarizes ADOA's generation of knowledge products, knowledge sharing events and capacity development activities within the Bank and to other partner institutions • ADOA has also enhanced the production of knowledge products matching the needs of operations (e.g. Long-Term Finance Report, Recurrent Trade Finance Survey, study on the risk participation agreement instrument of the Bank) |
| <p>(ii) improving the dissemination of ADOA-related knowledge products within the Bank</p> | <ul style="list-style-type: none"> • Enhanced collaboration with operations to launch and disseminate knowledge products internally and externally • For example, the <i>Long-Term Finance Country Diagnostic Report for Cote d'Ivoire</i> was launched as a pilot in February 2020 in Abidjan with internal and external stakeholders including the Minister of Finance, other representatives from several government departments, as well as the private sector, with substantial media coverage • For example, the recent launch of the <i>Trade Finance Report</i> in collaboration with PIFD and in partnership with Making Finance Work for Africa Webinar Series, for internal and external audiences |
| <p>(iii) producing written notes for all PSOs at Concept Note stage to help guide the work of the project appraisal mission</p> | <ul style="list-style-type: none"> • ADOA notes are produced systematically at PCN stage and shared with the project appraisal team members. In addition, ADOA officers provide comments on concept notes (PCN). |

3. Improving the transparency and justification for the ratingsRecommended actions:

- | | |
|--|---|
| <p>(i) clearly defining for each Additionality and Development Outcome component the factors considered in the ratings and how the indicators are analyzed to determine whether excellent, good, marginal or poor ratings will be assigned</p> | <ul style="list-style-type: none"> • Rating transparency has been improved, see ADOA manual and Framework 2.0. These documents explain explicitly the factors that affect each category's rating |
| <p>(ii) including more documentation in the ADOA Notes supporting the justifications for the ratings for all Development Outcome and Additionality components</p> | <ul style="list-style-type: none"> • More evidence-based information (documented) supporting the justification of each rating has been included as per ADOA manual and Framework 2.0 |

2014 Evaluation Recommended Actions

Actions Taken as of October 2020 (as reported by ADOA Team)

- (iii) disclosing all comparisons, normalizations, implicit weightings and risk adjustments in ADOA Notes that are material for determining the ratings
- (iv) clarifying in the guidelines how the core indicators under each of the Development Outcome categories will be assessed and how excellent, good, marginal or poor ratings will be assigned and also for aggregating the ratings of the Additionality and Development Outcome components into the Overall Additionality and Development Outcome ratings, including piloting the use of a weighting system.

- Weightings underlying aggregate ratings have been explicitly added to the ADOA notes, front summary page
- Clarifications have been added, please refer to ADOA manual and Framework 2.0

4. Simplifying and clarifying the definitions and approaches used for the Additionality and Development Outcome components

Recommended actions:

- (i) clarifying definitions and categories for Additionality and Development Outcomes and aligning them with the recently updated version of the ECG Good Practice Standard
- (ii) improving the assessment of Political Risk Mitigation so that it better reflects the potential value added provided by MDBs in this area
- (iii) simplifying the ADOA Team's work in the environmental area so that it only focuses on green growth and relies on definitions and indicators developed in consultation with ONEC
- (iv) dropping the Infrastructure category and rating infrastructure projects like any other type of transaction

- Definitions have been further clarified, and categories refined
- The ADOA Framework Update had a balanced position, aligning as much as possible with the ECG while ensuring that the needs of the Bank's 10-Year Strategy are captured as well
- The ADOA Manual and Framework 2.0 explicitly list all the factors (or rationale) to be considered when assigning ratings for this category. Furthermore, the factors used by the AfDB are consistent with harmonized standards for additionality by MDBs
- The rating for the environmental category within the ADOA note is based on the Categorization Memorandum (CM) produced by the Environmental and Social Safeguard Specialist. The department that used to be known as ONEC is now SNSC
- Infrastructure category was kept in the framework. Infrastructure continues to be one of the Bank's priorities and is one of the central pillars in the Bank's recent 10 Year Strategy. All of the Bank's strategic priorities are captured in the Development outcomes categories in the ADOA. During our consultations, the importance of keeping this category was emphasized

5. Strengthening the monitoring and evaluation of development outcomes

Recommended actions:

2014 Evaluation Recommended Actions

Actions Taken as of October 2020 (as reported by ADOA Team)

- | | |
|---|--|
| (i) harmonizing the ADOA Framework with the templates used in OPSM's consolidated portfolio review report and XSRs | • The ADOA team, SNOQ and PINS harmonized the ADOA template with the templates used in OPSM's consolidated portfolio review report and XSRs |
| (ii) a stronger follow-up by OPSM project supervision staff and staff based in field offices to collect the information necessary to monitor Development Outcomes | • This is outside ADOA's mandate as ADOA mandate ends at Board approval of the project. At this stage, it is not clear if this has been addressed. |
| (iii) expanding the role of the ADOA Team to include validating Development Outcome ratings during project implementation and in XSRs, but only participating in supervision missions on a highly selected basis when requested by OPSM | • To our knowledge the ADOA team has not participated in validating development outcome ratings during project implementation and in XSRs. The team has not been invited, probably because the team does not have control over this process |
| (iv) assessing Additionality ex-ante and in XSRs but not monitoring Additionality during implementation | • The ADOA team only assesses additionality ex-ante and has not been involved in XSRs. We think this is an issue that needs to be addressed through this evaluation to ensure that the ADOA team gets involved at ex-post stage of the project assessment. |
| (v) developing an integrated, web-based computerized system to facilitate reporting and efficient data management | • The ADOA team developed an ADOA platform that stores all ADOA related information. The team is currently upgrading this platform to meet today's needs. Any information or reporting that is ex-post is not part of this platform since ADOA is an ex-ante exercise. |

6. Improving the efficiency of the ADOA process

Recommended actions:

- | | |
|---|---|
| (i) simplifying and streamlining the clearance process so that it is less intensive for repetitive projects | • We think the current process is sufficient as repetitive projects are by nature easy to process. Even when a project involves a repeat client, important information can change, and they often do. For instance, the assessment of additionality could change since it is based on market information (such as the willingness of commercial investors to participate). In addition, the expected development outcomes could also change significantly since indicators and other factors that affect likelihood of development outcomes materializing are not time invariant. |
| | • At the same time, the ADOA team streamlines processes where necessary. For instance, trade finance projects are assessed only at PAR stage because they are fast moving. |

2014 Evaluation Recommended Actions

Actions Taken as of October 2020 (as reported by ADOA Team)

- (ii) better balancing the allocation of the time ADOA Team spends on rating projects and producing knowledge products and transferring responsibilities and possibly human resources for ad hoc assignments and non-ADOA related research elsewhere in EDRE;
 - The allocation of time between ADOA activities and research work has improved significantly. The ADOA team made recent appointments which allowed us to correct imbalances after a prolonged period of understaffing (a few members of the team left). However, if there are mandate expansions such as sovereign operations ADOA assessments, then this may change.
 - (iii) strengthening the skills complement of the ADOA Team by recruiting more staff with operational/sectoral expertise and by encouraging rotations/secondment and developing a career path for ADOA officers focused on a transfer to the operational side of the Bank after three or four years on the ADOA Team
 - Operational exposure has been given more weight in the selection criteria for recruitment with 50/50 weighting between relevant research and operations experience, as is apparent in the current team mix.
 - Rotations/secondments have not been implemented, but are still considered as important for career path development of ADOA officers
 - (iv) developing a comprehensive ADOA manual that covers both administrative process and methodological issues and is accessible on the Bank's intranet
 - This has been completed, please refer to the ADOA manual
 - (v) putting on annual ADOA-related training for Bank staff and the Offices of the Executive Directors
 - The ADOA team engages in capacity building with internal Bank stakeholders, as well as with partner institutions. The ADOA team delivered ten training sessions in 2019 to build the capacity of the Bank staff and partner institutions (these included training of over 100 new investments officers in 2019 from different Bank's departments and six partner financial institutions). So far in 2020, the ADOA team provided 3 capacity building trainings to Bank staff, further planned trainings had to be re-scheduled due to COVID-19.
 - An online course is also currently being developed
- 7. Identifying learning lessons in this evaluation before adopting an ADOA-like system for public sector operations**
- Management has not yet extended ADOA for public sector operations. Lessons learnt from the evaluations have already been incorporated in ADOA Framework 2.0 and its operationalization. It is expected that these lessons will be incorporated if the decision is made to extend ADOA to public sector operations

Annex C: Evaluation Design Matrix

Overarching objective of the evaluation: How effective has the AfDB's ADOA framework 2.0 been in assisting NSO project design and thereby enhancing the effectiveness of NSO to achieve positive development outcomes and additionality?		
Questions	Sub-questions	Data sources
Q1: To what extent is ADOA aligned to the Bank's current and emerging strategic directions, and how can this alignment be improved?	Evolution of the Bank's strategy relevant to NSOs over the period of ADOA 2.0 and future directions How relevant is the ADOA 2.0 in regard to the Bank's NSO strategies and processes?	Key Bank Strategic documents including: AfDB Strategy 2013-2022, High 5 Priorities, Development and Business Delivery Model, Private Sector Development Strategy, Financial Sector Development Strategy, Public Private Partnership Strategy Various recent documents on General Capital Increase & ADF 15 Replenishment Interviews
	To what extent is the purpose of ADOA aligned to what it delivers in practice?	Interviews Quickfire surveys Document review
	Alignment of ADOA with the Bank's strategic directions To what extent is ADOA aligned with the Bank's strategic direction and RMF 2016-2025?	Case studies
Q2: To what extent has ADOA 2.0 provided a sound assessment of additionality and expected achievement of development outcomes; and in what ways can their assessment be improved?	To what extent does ADOA contribute to enhanced selectivity and better designed projects for the achievement of development outcomes?	Online stakeholder survey Interviews with selected informants including representatives from peer institutions
	To what extent has ADOA 2.0 ensured additionality of the Bank's NSOs; and in what ways can the method of assessing additionality be improved?	Case studies Quickfire survey of informed persons
	How does ADOA compare to ex-ante assessment in similar institutions? (in terms of processes, structure, mandate, human resources and management) IFC's AIMM, IDB's DELTA and EBRD's TIMS and TOMS – here the focus is on ex-ante assessment to be comparable with the scope of ADOA	Accessing available information supplemented by direct approaches to the other institutions Previous IDEV evaluations
	To what extent has ADOA Framework 2.0 provided guidance to NSO teams on the key drivers of development outcomes and additionality?	Existing document available

Overarching objective of the evaluation: How effective has the AfDB's ADOA framework 2.0 been in assisting NSO project design and thereby enhancing the effectiveness of NSO to achieve positive development outcomes and additionality?		
Questions	Sub-questions	Data sources
	<p>To what extent has ADOA Framework 2.0 supported the identification relevant set of expected development outcomes indicators and documented their initial estimates (baselines and targets)?</p> <p>To what extent has the Bank harmonized, implemented the use of ADOA indicators, and made effective in measuring ex-post development outcomes</p> <p>How can ADOA be improved to serve its primary purposes of sharper selectivity and better designed projects for the achievement of DOs?</p>	
Q3: to what extent has the ADOA process and methodology been efficient? and are efficiency gains possible?	<p>What resources are needed for the ADOA in terms of staff time and budget?</p> <p>To what extent has the ADOA 2.0 processes and assessment methodology evolved to allow for more efficiency?</p> <p>Are there areas where efficiency gains are possible in the ADOA process?</p>	<p>Actual data from time recording sheets or ADOA team member estimates</p> <p>HR and budget databases supplemented by information from the ADOA team</p> <p>Interviews</p>
	<p>To what extent is the ADOA team's intervention timely in the project cycle?</p> <p>What factors have enabled or hindered the timely intervention of the ADOA team during the project cycle?</p>	<p>Benchmarking with others</p> <p>Possible capsule survey</p> <p>Observation of selected ADOA processes in HQ</p>
	<p>To what extent is the ADOA 2.0 efficient in terms of resources requirements? How does the Bank compare to sister institutions?</p>	
	<p>Assessments of value-added and value-for-money of the various process steps involved in ADOA</p>	
<p>Q4: How can ADOA increase its value-added to the Bank's NSO operations?</p> <p><i>(This question explores the wider benefits of ADOA, beyond meeting its principal ex-ante)</i></p>	<p>What can ADOA learn from the practice and experiences in other institutions with similar tools – aspects that include monitoring DO achievement and adaptive management during implementation, lesson identification and feedback, and enhanced DO achievement ex-post, structural issues and roles and responsibilities.</p> <p>What are best practices in the subject and what can the Bank</p>	<p>Benchmarking with selected institutions</p> <p>Interviews with representant of these institutions</p> <p>Interviews</p> <p>Survey</p>

Overarching objective of the evaluation: How effective has the AfDB's ADOA framework 2.0 been in assisting NSO project design and thereby enhancing the effectiveness of NSO to achieve positive development outcomes and additionality?		
Questions	Sub-questions	Data sources
	<p>learn from sister's institutions?</p> <p>To what extent should the ADOA mandate be expanded, to better capture monitoring, supervision and results reporting? What would be the implication of such expansion?</p> <p>To what extent is the ADOA 2.0 complementary and aligned with results-based logical frameworks? what are the implications of any misalignments?</p>	
Q5: What are the strengths and weaknesses of the ADOA tool and process?	What are stakeholders' perceptions about the strengths and weaknesses of ADOA 2.0?	Interviews Survey
	<p>What are the lessons that can be identified from the implementation of recommendations from the first ADOA evaluation?</p> <p>Has ADOA 2.0 been relevant throughout the period of its operation? How effective and efficient has it been in achieving its purpose?</p>	<p>Analysis of available data from:</p> <p>Document reviews</p> <p>Interviews</p> <p>Benchmarking</p>

Survey of operational staff on your perceptions of ADOA

1. About this survey

The Independent Evaluation Department's (BDEV) has recently launched an evaluation of the Additionality and Development Outcomes Assessment (ADOA) framework version 2.0, the ex-ante assessment which serves as a decision making tool for the Board and senior management in the selection of the Bank's non-sovereign operations. The ADOA 2.0 has been applied to all non-sovereign operations (and regional operations) since its approval in mid-2015. We are only concerned about its use for non-sovereign operations in this evaluation.

The evaluation of ADOA 2.0 was requested by Management in order to inform the upcoming revision of the framework. The perceptions of staff from operational complexes that interface with the ADOA team during the design and approval process are vitally important to this evaluation so we encourage you to reply to this survey.

The survey should take approximately 10 to 15 minutes to complete and the responses are completely anonymous.

Please click on Next Page to move through the survey.

For questions about this survey or the evaluation, please contact L.CAMARA@AFDB.ORG

1. Please indicate the basis for your familiarity with the ADOA framework and its application to non-sovereign operations *

- I've never had contact with ADOA and have little knowledge of it
- I have familiarity with ADOA through being involved in project identification
- I have familiarity with ADOA through being a member of the Project Appraisal Team
- I have familiarity with ADOA through being involved in project monitoring and supervision
- I have familiarity with ADOA through some other role (please specify):

We would appreciate any clarifications you wish to provide:

2. Question on whether experience/knowledge covers ADOA 1.0, 2.0 or both

2. What time period does you experience with ADOA cover? *

- Pre-2015 (ADOA 1.0 only)
- 2015 to the present (ADOA 2.0 only)
- Before and after 2015 (straddled ADOA 1.0 and 2.0)

3. Question on overall perception of ADOA

3. Please indicate your level of agreement with the following statement: overall, my perception of the ADOA framework as applied to non-sovereign operations is: *

- Highly favourable
- Favourable
- Unfavourable
- Highly unfavourable
- I have mixed views (please explain in comment box below)

We would really appreciate if you could take the time to tell us the reasons for your choice:

4. Questions on extent to which ADOA helps ensure alignment of NSOs with current and emerging strategy

4. Please select the option below that best reflects your view on the following statement: the ADOA framework helps ensure non-sovereign projects are aligned with the Bank's current strategies and priorities. *

- ADOA helps ensure that non-sovereign operations are aligned with current strategies and priorities
- ADOA does not contribute to ensuring NSOs are aligned with current strategies and priorities, but it does demonstrate that alignment
- ADOA neither contributes to ensuring alignment with current strategies and priorities, nor does it demonstrate the alignment of NSOs with current strategies

It would be very helpful if you could provide an explanation for your response, including any suggestions as to how ADOA could better ensure that NSOs are aligned with current strategies and priorities:

5. Please indicate your level of agreement with the following statement: ADOA is flexible enough to demonstrate alignment with emerging strategies and priorities without the need for revision

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- I don't have an opinion on this

Again, it would be really helpful if you could explain your reasons and also suggest ways in which ADOA might be more flexible to adapt to new strategies without having to be redesigned

5. Question on the value-added of ADOA's additionality

assessment

6. Please indicate the level of your agreement to the following statement: ADOA notes provide a sound basis for Bank Management to propose private sector projects with high additionality. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Particularly if you disagree or strongly disagree with the statement, it would help the evaluation if you could explain why you disagree. Any other comments also welcome:

6. Question on the soundness of the assessment of development outcomes

7. Please indicate the level of your agreement to the following statement: the ADOA assessment provides a complete evidence-based assessment of expected development outcomes for Management and Board decision-making. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

We would really appreciate understanding the reasoning for your response:

7. Question on the ability of the ADOA process to contribute to additionality and increased likelihood of significant development outcomes.

8. Please indicate your level of agreement with the following statement: in my experience, the ADOA team member's participation in the project design and due diligence process, and the preparation of successive ADOA notes from concept to approval contribute to improving additionality and a project design more likely to achieve significant development outcomes. *

	Yes	No	Sometimes or to some extent	Don't know
Improved additionality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Likelihood of significant outcomes achievement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We would appreciate if you could explain the reasons for your assessment (you may wish to comment on the extent to which this depends on the skills and experience of the ADOA team member and/or on interpersonal relations)

8. Question on strengths and weaknesses of the ADOA Framework and its application

9. We would welcome your views on the strengths and weaknesses of the ADOA Framework and the ADOA process. *

	Strength	Weakness	Don't know
Soundness of methodology for additionality assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strength	Weakness	Don't know
Ability to distinguish different levels of additionality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundness of methodology for development outcomes assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to design of NSOs better able to deliver development outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to improved selectivity of NSOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to predict future performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credibility it gives to the transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independence of assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of advisory services provided by the ADOA team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to alignment with Bank current and emerging strategies and priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficiency of process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effectiveness of feedback and lesson learning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provision of a sound basis for monitoring and evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Training provided by the ADOA team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other - please specify in comment box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

9. Question on the extension of ADOA beyond ex-ante assessment

10. Do you believe the mandate of ADOA should be extended beyond ex ante assessment to cover aspects such as: *

	Yes	No	Maybe	Don't have an opinion on this
Support to monitoring development outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support to supervision to assist adaptive management for better development outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Derivation of lessons from an assessment of actual additionality and development outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
achievement to improve the ADOA methodology and to inform future projects.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify in comments box)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

10. Any other feedback on the ADOA Framework and its application

11. Please share any other thoughts on the ADOA framework and its application - you may wish to comment on the extent to which the ADOA template of indicators is used for monitoring, the extent of harmonization of ADOA indicators with those of the results-based logical framework among other aspects.

Survey of ADOA team members

1. About this survey

The Independent Evaluation Department's (BDEV) has recently launched an evaluation of the Additionality and Development Outcomes Assessment (ADOA) framework version 2.0, the ex-ante assessment which serves as a decision making tool for the Board and senior management in the selection of the Bank's non-sovereign operations. The ADOA 2.0 has been applied to all non-sovereign operations (and regional operations) since its approval in mid-2015. We are only concerned about its use for non-sovereign operations in this evaluation.

The evaluation of ADOA 2.0 was requested by Management in order to inform the upcoming revision of the framework. The perceptions of ADOA team members (both current and former) are vitally important as you are the most knowledgeable about the ADOA framework and its application to the Bank's non-sovereign operations.

This survey should take approximately 10 to 15 minutes to complete and the responses are completely anonymous.

Please click on Next Page to move through the survey.

For questions about this survey or the evaluation, please contact L.CAMARA@AFDB.ORG

1. Are you a current or former member of the ADOA team? *

- Current
- Former
- Neither

2. As a former ADOA team member, over what period were you part of the ADOA team? *

- Pre-2015 (ADOA 1.0 only)
- 2015 to the present (ADOA 2.0 only)
- Before and after 2015 (straddled ADOA 1.0 and 2.0)

3. How long have you been (or were you) an ADOA team member? *

- Less than 6 months
- Over 6 months but less than a year
- Between 1 and 2 years
- Between 2 and 3 years
- Between 3 and 4 years
- Between 4 and 5 years
- Over 5 years

4. Question on whether ADOA ensures alignment with current and emerging Bank strategies and priorities

4. Please indicate your level of support for the following statement: the ADOA assessment of development outcomes helps ensure non-sovereign projects are aligned with the Bank's current and emerging strategies and priorities. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

It would be very helpful if you could provide an explanation for your response, including any suggestions as to how ADOA could better ensure that NSOs are aligned with current and emerging strategy and priorities:

5. Additionality methodology question 1

5. ADOA assess additionality along 3 dimensions: political risk mitigation; financial additionality; and improved design and standards. Please indicate the level of your agreement to the following statement: the assessment of a transaction's additionality in the ADOA Note provides a sound basis for Management to propose and the Board to approve private sector projects with high additionality from Bank participation. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Particularly if you disagree or strongly disagree with the statement, it would help the evaluation if you could explain why you disagree. Any other comments also welcome:

6. Additionality rating methodology - question 2

6. If more than one development finance institution is providing finance to the project, ADOA assesses the collective contribution of all participating DFIs rather than seeking to separate out the individual contribution of the Bank. Do you agree that the contribution of all development financing institutions should be assessed collectively rather than trying to identify the unique contributions of the Bank? *

- Yes
- No
- In part

Again, it would very helpful if you could explain the reasons for your answer::

7. Additionality rating methodology - question 3

7. In rating a transaction's overall additionality, ADOA adopts the highest individual rating for any of the three dimensions considered - political risk mitigation, financial additionality, improved development outcomes. Potentially, this means that a project can be rated as being positive or highly positive for additionality without being financially additional. Do you agree with this approach? *

- Yes
- No
- In part

We would appreciate you saying something about your reasoning:

8. Question on the soundness of the assessment of development outcomes

8. The ADOA framework assesses development outcomes along any or all of 7 dimensions: Please indicate the level of your agreement to the following statement: the ADOA assessment provides a complete evidence-based assessment of expected development outcomes for Management and Board decision-making. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

We would really appreciate understanding the reasoning for your response:

9. Question on the ability of the ADOA process to contribute to additionality and increased likelihood of significant development outcomes.

9. Please indicate your level of agreement with the following statement: In my experience, participation in the project design and due diligence process, and the preparation of successive ADOA notes contribute to improved additionality and a project design more likely to achieve significant development outcomes. *

	Yes	No	Sometimes or to some extent	Don't know
Improved additionality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Likelihood of significant outcome achievement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We would appreciate if you could explain the reasons for your assessment (you may wish to comment on the extent to which this depends on interpersonal relations):

10. Question on strengths and weaknesses of the ADOA Framework and its application

10. We would welcome your views on the strengths and weaknesses of the ADOA Framework and the ADOA process. *

	Strength	Weakness	Don't know
Soundness of methodology for additionality assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundness of methodology for development outcome assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to design of non-sovereign operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strength	Weakness	Don't know
better able to deliver development results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to improved selectivity of non-sovereign operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to predict future performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evidence-based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to alignment with Bank current and emerging strategies and priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficiency of process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independence of assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Effectiveness of feedback and lesson learning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provision of a sound basis for monitoring and evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other - please specify in comment box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

11. Do you believe the mandate of ADOA should be extended beyond ex ante assessment to cover aspects such as: *

	Yes	No	Maybe	Don't have an opinion on this
Support to monitoring development outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support to supervision to assist adaptive management for better development outcome achievement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	Maybe	Don't have an opinion on this
Derivation of lessons from an assessment of actual additionality and development outcome achievement to improve the ADOA methodology and to inform future projects.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify in comments box)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

12. Any other feedback on the ADOA Framework and its application

12. Please share any other thoughts on the ADOA framework and its application - you may wish to comment on the extent to which the ADOA template of indicators is used for monitoring, whether there is any conflict of interest in being an advisor and simultaneously an independent rater of additionality and development outcome achievement among other aspects.

Survey of Board members, alternates and advisors

1. About this survey

The Independent Evaluation Department's (BDEV) has recently launched an evaluation of the Additionality and Development Outcomes Assessment (ADOA) framework version 2.0, the ex-ante assessment which serves as a decision making tool for the Board and senior management in the selection of the Bank's non-sovereign operations. The ADOA 2.0 has been applied to all non-sovereign operations (and regional operations) since its approval in mid-2015. We are only concerned about its use for non-sovereign operations in this evaluation.

The evaluation of ADOA 2.0 was requested by Management in order to inform the upcoming revision of the framework. The perceptions of Board members, alternates and advisors are vitally important as the Board is the principal audience for the ADOA Note that accompanies every non-sovereign transaction submitted for approval.

This survey should take approximately 10 mins to complete and the responses are completely anonymous.

Please click on Next Page to move through the survey.

For questions about this survey or the evaluation, please contact L.CAMARA@AFDB.ORG

2. Question on utility of ADOA's additionality assessment

1. ADOA assess additionality along 3 dimensions: political risk mitigation financial additionality improved development outcomes Each potential source of additionality is rated strongly positive, positive, marginally positive or none. The highest of the three dimension ratings is taken as the overall rating. Please indicate the level of your agreement to the following statement: the assessment of a transaction's additionality in the ADOA Note provides a sound basis for the Board to approve private sector projects with high value-added (additionality) from Bank participation. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Particularly if you disagree or strongly disagree with the statement, it would help the evaluation if you could explain why you disagree. Any other comments also welcome:

3. Question on the ADOA assessment of development outcomes

2. The ADOA framework assesses development outcomes along any or all of the following 7 dimensions: household benefits and job creation infrastructure governance and fiscal effects regional integration and economic resilience environmental effects and contribution to green growth gender and social effects private sector development and demonstration effect; and a discretionary element Various weights (that are specific to a project type) are applied to the above types of development outcome to arrive at an overall rating. Please indicate the level of your agreement to the following statement: the ADOA assessment provides a plausible (evidence-based) assessment of expected development outcomes for Board decision-making. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

We would really appreciate understanding the reasoning for your response:

3. Please indicate your level of support for the following statement: the ADOA assessment of development outcomes helps ensure non-sovereign projects are aligned with Bank current and emerging strategies and priorities. *

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Again, it would be very helpful if you could provide an explanation for your response, including any suggestions as to how ADOA could better ensure that NSOs are aligned with current and emerging strategy:

4. Board members receive a number of documents when asked to approve a non-sovereign operation. We'd like to know to what extent Board members value the ADOA Note compared to other documents they receive. Accordingly, please rank the following documents in terms of their usefulness to Board members when deciding whether to approve a non-sovereign transaction. *

Project appraisal report	<input type="checkbox"/>
Credit Risk Memorandum	<input type="checkbox"/>
ADOA Note	<input type="checkbox"/>
Other document or source of information (please specify in the comment field)	<input type="checkbox"/>
No one document is more useful than the others - they serve different purposes	<input type="checkbox"/>

Any explanation of your assessment would be very helpful, including any suggestions for improving the usefulness of the ADOA Note:

5. We would welcome your views on the strengths and weaknesses of the ADOA Framework and the ADOA Note you receive. *

	Strength	Weakness	Don't know
Soundness of methodology for additionality assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundness of methodology for development outcome assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to design of non-sovereign operations better able to deliver development results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to improved selectivity of non-sovereign operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to predict future performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evidence-based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contribution to alignment with Bank current and emerging strategies and priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Efficiency of process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Independence of assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other - please specify in comment box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

7. Any other feedback on the method and practice of assessing additionality and development outcomes

6. Please share any final thoughts you have on anything to do with the ADOA framework and its application.

7. Please tell us what your role is: *

Annex E: Framework for benchmarking data capture

Contextual Information			
Institution:			
Website pages of relevance on additionality, results or other:			
Guidance documents available:			
Recent annual reports:			
Recent results reports:			
Relevant evaluation reports:			
Any other relevant documents:			
Most recent year volume of NSO business:		Most recent year # of NSOs approved	
Types of NSO financed:	•		
Countries/regions covered:	•		
Most recent strategic statements with regards NSO financing:			
Relevant indicators in institutional results frameworks:			

Additionality	
Definition of additionality:	
Assessment methodology:	
How rated (if rated):	
Process for determining:	
How reported on:	

Development outcomes, impact, results	
How results are defined:	
Categories of results:	
Assessment methodology:	
What other aspects beyond additionality & development outcomes assessed (if any)?	
How development outcomes	

are rated (if rated):	
Indicators used:	
Use of a theory of change:	
Method for deriving an overall transaction rating (if done)	
Process involved:	
How reported on:	

Ex-ante assessment tool	
Is there a specific ex-ante assessment tool	
If yes, what is it called?	
What does the tool measure?	
Is the tool an online tool? What does it do? What are the inputs? What is the output?	
What is the process involved in its use?	
How is the information used?	
Where does responsibility lie for design/modification of the ex-ante assessment tool lie	
What other responsibilities does this group have?	

Monitoring	
Is the ex-ante assessment directly linked to monitoring? Describe how.	
Who has responsibility for reporting on results?	
Is there any evidence that monitoring takes place routinely?	
Is the information used for adaptive management or providing feedback on actual achievements?	

Completion Reporting	
What is the relationship between the ex-ante	

performance assessment framework and that used for ex-post assessment?	
--	--

Results Framework	
Do NSOs also require a results framework?	
Alignment between the results framework and the ex-ante assessment method	
Is there an issue here?	
Conclusions	
Strengths	Weaknesses
•	•

Key takeaways for ADOA	•
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Annex F: Framework for case study analysis

Basic Information						
Project name:	Country	Type	Bank financing (US\$ million)			
Brief description of the project:		Date approved	Date signed			
Other IFIs involved:	ADOA notes prepared (dates)					
	Prelim	PCN-CT	PCN- OpsCom	PAR-CT	PAR- OpsCom	Board
	Yes	No	If yes, key points from BTOR			
Did ADOA team member go on appraisal mission?						
Main points from Credit Review Memorandum						
Brief summary of implementation progress						

Additionality (at Board ADOA note)		
Element	Rating	Score
Political risk mitigation		
Financial additionality		
Improved development outcomes		
Overall score for additionality at Board		

Changes in additionality rating during processing

Prelim	PCN-CT	PCN- OpsCom	PAR-CT	PAR- OpsCom	Board

The case for additionality at approval and what happened in practice

The case for political risk mitigation	What happened in practice

The case for financial additionality	What happened in practice		
The case for improved development outcomes	What happened in practice		
What Board members said about additionality at approval (if anything)			
What the sponsor said about additionality at evaluation			
What the task manager says about the realization of additionality claims			
Was any upstream work carried out by Bank staff to ensure 'bankability' of the client that was not captured in the additionality assessment?			
Other evidence supporting or not additionality claims			
	Yes	No	Reason
Was the loan pre-paid?			
Conclusions regarding the robustness and utility of the ADOA ex-ante additionality assessment			

Development outcomes (at Board)				
Category	Rating	Score	Weight	Weighted score
Household benefits and job creation				
Infrastructure				
Governance and fiscal effects				
Regional integration and economic resilience				
Environmental effects and contribution to green growth				
Gender and social effects				
Private sector development and demonstration effect				
Discretionary				
Overall weighted score				
Overall development outcome rating (at Board)				

Changes in DO rating during processing					
Prelim	PCN-CT	PCN-	PAR-CT	PAR-	Board

		OpsCom		OpsCom	

The case made for DOs in the Board ADOA note	
Household benefits and job creation	
Infrastructure	
Governance and fiscal effects	
Regional integration and economic resilience	
Environmental effects and contribution to green growth	
Gender and social effects	
Private sector development and demonstration effect	
Discretionary	

What Board members said about DOs at approval (if anything)	
What supervision reports say about DO achievement	
What client annual or other reports say about DO achievement	
What the task manager says about DO achievement and reporting	
What any other evidence says about DO achievement (from credit review reports for example)	
Conclusions regarding the robustness, predictiveness and utility of the ADOA ex-ante DO assessment	

DO reporting template passed by ADOA team to the task manager

Results-based Logical Framework				
Results chain	Indicator & baseline	Targets	Means of verification	Risks & mitigation

				measures
Impact				
Outcome				

Alignment between RBLF and DO reporting template	
What reporting been carried out against the targets and indicators in the RBLF and the DO reporting template?	

Annex G: Findings from related evaluations

Relevant findings, recommendations and responses	Aspects the current evaluation will investigate
<i>Evaluation of the Quality at Entry of the African Development Bank Group's Sovereign and Non-sovereign Operations (2013–2017)</i> ¹¹	
<ul style="list-style-type: none"> NSOs are not optimally positioned to measure the Bank's contribution to private sector development impacts in a credible way 	Investigating the extent to which ADOA 2.0 provides a robust means for an ex-ante assessment of development outcome achievement is at the heart of the current evaluation
<ul style="list-style-type: none"> The Bank lacks an independent function to review and advise on the quality-at-entry (QAE) of sovereign operations 	The benchmarking exercise will look into the aspect of ex-ante QAE as the tools of some MDBs (most notably Inter-American Development Bank's DELTA) are a tool for assessing QAE
<ul style="list-style-type: none"> Recommendation 8: A framework should be developed for assessing the evaluability of NSOs, including the identification of a clear and substantiated intervention logic and credible performance measures 	As part of the case studies, the current evaluation will look at the soundness of the results-based logical frameworks and their alignment with ADOA indicators.
<ul style="list-style-type: none"> In response, Management agreed "to develop, pilot and mainstream an integrated result planning and tracking system NSOs by: clarifying the logic of intervention...use indicators in the ADOA Note to track project progress...take a closer look at results achieved during implementation...providing clear results at completion." 	The current evaluation will be looking into these commitments as part of its investigation into answering evaluation question #4.
<i>Evaluation of the Bank's Role in Increasing Access to Finance in Africa</i> ¹²	
<ul style="list-style-type: none"> Bank operations were in line with the financial sector development strategy and policy objectives, and relevant to their respective clients and country contexts, but did not necessarily serve the underserved 	The distributional effects of development outcomes and the extent to which targeting is taken into account in assessing development outcomes will be investigated by the current evaluation.
<ul style="list-style-type: none"> Target groups and intended development outcomes were insufficiently defined, which limited the Bank's role in advancing access to finance for the underserved 	As above with regards to target groups. The degree of sufficiency of development outcome specification is at the heart of the current evaluation
<ul style="list-style-type: none"> However, while there was alignment with the general strategy there was no evidence that these operations were part of a coherent Bank strategy toward financial sector development in the six countries included in the evaluation 	The issue of alignment with the Bank's overarching strategies and priorities is addressed by evaluation question #1. However, via the case studies, the current evaluation will also investigate the extent to which the transactions have been sufficiently 'contextualized' to country realities and aligned with country strategies.
<ul style="list-style-type: none"> The Banks financial sector operations tended to provide temporary 'solutions' to financial sector development rather than addressing underlying constraints 	As part of a QAE assessment, the sufficiency of problem diagnosis can be taken into account. The benchmarking against the tools of other MDBs will consider this issue.

¹¹ African Development Bank. 2018. *Evaluation of the Quality at Entry of the African Development Bank Group's Sovereign and Non-sovereign Operations*. Available [here](#).

¹² African Development Bank. 2020. *Evaluation of the Bank's Role in Increasing Access to Finance in Africa*. Available [here](#).

Relevant findings, recommendations and responses	Aspects the current evaluation will investigate
<ul style="list-style-type: none"> • Signs of innovation were largely absent from the portfolio 	<p>The current evaluation will consider whether and how might be taken into account in ex-ante assessment</p>
<ul style="list-style-type: none"> • Priority action areas identified included: <ul style="list-style-type: none"> – the need to have sector diagnostics at the country level to help ensure operations address underlying constraints – be more explicit on how operations contribute to financial sector development – Better define and measure the project development outcomes and benefits for target groups...project appraisal reports should include specific, measurable financial sector development indicators in their results frameworks, including indicators that measure access to finance for the underserved ...indicators should be discussed with partners upfront and be tracked during supervision missions...the Bank could consider applying the Operating Principles for Impact Management www.impactprinciples.org/principles – Instead of determining a list of projects (pipeline approach) for guiding the on-lending to the intended target groups, the Bank should define targets at the portfolio level (portfolio approach) – Project appraisal reports tend to lack specific considerations of how operations help reduce the gender gap in access to finance...will require developing a credible results chain on how an operation is likely to address the barriers. It also implies obtaining more gender-disaggregated data on access to finance for women, with a baseline, targets and effective monitoring 	<p>As noted above, the issue of contextualization to country conditions could be a factor taken into account in ex-ante assessment – this will be considered</p> <p>The issue of the role theories of change should have in ex-ante assessment will be considered</p> <p>The issue of distributional effects and targeting will be considered. The issues of the robustness of indicators and the extent to which monitoring actually takes place and is used will also be addressed.</p> <p>This issue will be considered</p> <p>This is a part of the targeting issue and also related to addressing underlying constraints. The current evaluation will investigate these issues</p>
<p><i>Evaluation of the Bank's Private Sector Development Strategy (2013-2019)</i>¹³</p>	
<ul style="list-style-type: none"> • The Private Sector Development Strategy was seen as having 3 main shortcomings – the lack of an explicit theory of change, inadequate outcome measurement, and limited contextual suitability of design 	<p>See above for comments on these issues, which will be considered by the current evaluation</p>
<ul style="list-style-type: none"> • The effectiveness of operations is influenced by the due diligence and quality of the project design, including the logic of intervention and the precise role played by complementary inputs, such as analytical work, policy dialogue and technical assistance 	<p>The role of analytical work, policy dialogue and TA will be investigated by the current evaluation, particularly via the case studies</p>
<ul style="list-style-type: none"> • The Bank Group's 2016–2025 results measurement framework was less useful as its private sector development indicators were not measured. 	<p>The issue of the use of indicators derived from the ADOA process will be considered by the current evaluation. The benchmarking exercise will highlight specific cases for comparative purposes.</p>

¹³ African Development Bank. 2020. *Evaluation of the Bank's Private Sector Development Strategy (2013-2019)*. Available [here](#).

Relevant findings, recommendations and responses	Aspects the current evaluation will investigate
<ul style="list-style-type: none"> In collaboration with other development partners, the Bank should deploy diagnostic tools to prioritize investment climate constraints at country/regional level and sharpen selectivity in NSOs in selected High 5 areas 	<p>The issue of selectivity is a core focus of the current evaluation. The role of diagnostic work to ensure adequate contextualization and a focus on addressing underlying issues is noted above.</p>
<ul style="list-style-type: none"> A High 5 private sector development program checklist, based on a credible theory of change linking sovereign and NSOs, should be developed 	<p>The possible role of theories of change has been commented on above. Again, the benchmarking exercise will reveal some MDBs where theories of change play a role in ex-ante assessment of development outcomes.</p>
<ul style="list-style-type: none"> Recommendations of the <i>Access to Finance</i> evaluation (see above) for better target setting, better instrument design and verification that funding is reaching targeted beneficiaries, and having the designed development outcomes are reconfirmed by this evaluation 	<p>See above</p>
<ul style="list-style-type: none"> Increase the Bank's NSOs in low-income and transition countries 	<p>IFC's AIMM system tilts its rating in favor of transactions in fragile and conflict-affected situations so the benchmarking will provide an example of how this can be achieved if desired (and some of the problems of doing so)</p>
<p><i>Evaluation of the Bank's Utilization of the Public Private Partnership Mechanism 2006-2017</i>¹⁴</p>	
<ul style="list-style-type: none"> There is evidence that the Bank's performance in post-approval stages has been inadequate, especially in monitoring and supervision, enforcing contractual requirements of the loan agreement and ensuring compliance by the client 	<p>This will be considered as part of evaluation question #4, particularly in the case study transactions</p>
<ul style="list-style-type: none"> The Bank's role in some of the interventions has been limited to that of a lender. This situation is contrary to typical non-financial additionality considered as part of the ADOA process... Nonetheless, the Bank has contributed to strengthening social and environmental safeguards in most of its PPP interventions 	<p>Investigating additionality and its realization is a core focus of the current evaluation</p>

¹⁴ African Development Bank. 2019. *Evaluation of the Bank's Utilization of the Public Private Partnership Mechanism 2006-2017*. Available [here](#).

Annex H: Issues surrounding the relationship between ADOA *ex-ante* assessment of performance and subsequent project performance

It is reasonable to assess if ADOA ratings were reflected in subsequent project performance. While this can be done, the resulting information may not tell us much for reasons outlined below. The scope of the evaluation, covering NSO approved between 2015-2020, is relatively young for any results assessment. Determining a correlation between *ex-ante* ADOA project performance assessments and *ex-post* assessments (whether by Expanded Supervision Reports [XSRs] alone, or these plus their validations by BDEV) is not possible as only 2 operations approved under ADOA 2.0 have been completed with XSRs and validation notes by BDEV. The reality of few completed operations was also an issue for the 2014 BDEV evaluation of ADOA, which observed:

One limitation of the methodology is that there are too few transactions that have ratings in the ADOA Notes and in OPEV validated XSRs to assess the correlation between good ADOA additionality and development outcome ratings and project success or to establish whether ex-post evidence indicates that ADOA ratings are systemically positive or conservative. It is therefore premature to rate ADOA's predictive power.

Beyond the issue of a lack of completed operations, an attempt to assess the predictive power of ADOA can run into problems, including:

- (i) There is no counterfactual – 100% of NSOs are rated *ex-ante* using the ADOA tool. Given this, a sound comparison of subsequent performance with-and-without ADOA *ex-ante* assessment is not possible.
- (ii) Because the ADOA process is designed to improve the ADOA rating, almost all projects getting to Board approval are rated above the line (positive). In fact, according to the 2019 ADOA Annual Report all but 1 of the 40 NSOs approved in that year had a positive or strongly positive rating for additionality (and the one rated marginally positive was rejected by the Board) and 100% were rated above satisfactory for development outcomes through all stages of the review process [our emphasis]. Without a more normal distribution of *ex-ante* ratings, the correlation between exclusively positive *ex-ante* ratings can only have downside for ADOA's predictive capability.

Other factors to take into account include:

- (i) That there might be a disconnect between ADOA *ex-ante* ratings on the one hand and XSR and independent validation *ex-post* ratings on the other should not be surprising. In fact, it would be surprising if there wasn't a disconnect given the time required for most projects to be implemented and the uncertain and dynamic contexts in which they take place.
- (ii) Even if the same methodology was used for both assessments (which it isn't, as shown below), the time at which the assessment takes place is different (sometimes many years apart) and the data available is different both in nature, amount and quality (ADOA is a predictive assessment based on best estimates of future events while *ex-post* assessment is 'after the event' so has the benefit of a greater degree of factual evidence (of varying robustness it has to be accepted).
- (iii) One example of differing methodologies is that pre-approval attention is rightly on intended positive results whereas evaluation after completion takes a broader view to assess all effects (results) attributable to, or contributed to, by the transaction, whether intended or not, positive

or negative. This provides a more complete assessment of performance for accountability and a richer source of learning. However, it means a comparison with the pre-approval performance assessment is not comparing 'like with like.'

- (iv) Another methodological difference between ADOA *ex-ante* and XSR/validation *ex-post* assessment of performance is that ADOA uses a standard set of core and sector indicators and while *ex-post* these same indicators may not necessarily be used for various reasons, including:
 - a. *Ex-post* rating uses a different set of criteria from *ex-ante* assessment.
 - b. Indicators set at approval are based on what was known at the time – transactions are often implemented over a number of years over which time new data sources, different types of data, better quality data and new ways of gathering data become available, so it makes sense to use multiple improved sources of data when assessing development outcomes
 - c. Experience has shown that reliance solely on indicators selected at approval can be problematic for a number of reasons – the data may not be available, or they may be incomplete or of poor quality; data may not have been collected; indicators may have been poorly selected in the first place and not be measures of what they purport to measure – using different indicators of performance is often necessary (as well as being desirable for the purposes of triangulation). While this problem is potentially solvable, it has proven remarkably resistant to solution over many years in most MDBs
 - d. There is often a tendency for excessive focus on quantitative indicators over qualitative indicators – the latter, at best, indicate how much was achieved, while only the latter have explanatory power as to why things turned out the way it did. Understanding the 'why' is the basis for learning
- (v) Both ADOA and XSR/validation ratings require judgment, and the people exercising those judgments will be different, so some variability will arise from the human element – so-called inter-rater variability
- (vi) More important than the above structural sources of disconnect, is the fact that *ex-ante* ADOA and *ex-post* XSR/validation are different tools designed for different purposes (improved selectivity, additionality and quality of design in the case of ADOA and a comprehensive assessment of performance and identification of lessons in the case of XSR/validation) – accordingly, they should be primarily assessed on their ability to meet their intended purpose than whether *ex-ante* predicts the *ex-post* assessment.
- (vii) On top of this, an *ex-ante* and *ex-post* comparative assessment would be only valid if all other things remained the same, which is rarely if ever going to happen in the uncertain and dynamic environment faced by private enterprises in Africa (or anywhere else for that matter). For NSOs in particular, market influences are critically important, as variable macroeconomic conditions and changeable government policy towards business also, among other factors. What becomes important is the quality of adaptive management, not whether the *ex-ante* assessment 'got it right.'

Taking account of the above issues, the evaluation will use a case study approach to look at what happens performance-wise to a purposefully selected sample of projects that have been under implementation for some time (2018 approvals being the first full year of ADOA 2.0). Since there are few completed projects that were achieved under ADOA 2.0 the case study performance assessment would rely on supervision, credit and other back-to-office reports along with discussions with project teams (and ideally clients) to try and identify causal factors of negative performance on development outcome achievement. Based on this, a judgment would be made as to whether causal factor was 'predictable' at the time of the ADOA assessment and should have been picked up.