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Independent Development Evaluation
African Development Bank

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From knowledge to action...
From action to impact

Evaluation of Mainstreaming Green Growth and Climate Change into the AfDB's Interventions

What did IDEV evaluate?

The transition to green growth is one of the two overarching objectives of the Ten-Year Strategy (2013-2022) of the African Development Bank Group (AfDB or "the Bank"). To contribute to improving the performance of the Bank in this area and to inform the new policy and strategy framework being developed, the Independent Development Evaluation (IDEV) conducted two evaluations – a [corporate](#) and a [project cluster](#) evaluation - of the AfDB's efforts to mainstream Green Growth (GG) and Climate Change (CC) into its interventions between 2008 and 2018. The evaluations served both accountability and learning purposes. They covered an active project portfolio of more than 870 projects for a total value of more than UA 30 billion (equivalent to US\$41.7 billion).¹

The corporate evaluation assessed: (i) the extent to which the Bank has mainstreamed Green Growth and Climate Change (GG-CC) into its interventions (policies, strategies, and operations); (ii) the performance of the Bank's projects which have mainstreamed GG-CC; and (iii) factors of success and/or failure of GG-CC mainstreaming, to understand what works and what does not work, why, and in what context. While the project cluster evaluation covered seven energy and transport projects in Cameroon, Morocco, Mozambique, Rwanda, and Senegal, and examined the same questions specifically for the energy and transport sectors, two of the largest sectors of Bank intervention.

What did IDEV find?

Mainstreaming GG-CC into Bank policies, strategies, and operations

The evaluation found that GG-CC mainstreaming efforts at the Bank have become increasingly evident in recent years. The Bank is doing well in mainstreaming GG-CC in its interventions during design, but implementation remains limited.

Following its prominent inclusion in the Bank's Ten-Year Strategy 2013-2022, GG-CC was also integrated into the Bank's "High 5s" operational strategies (2015), and two consecutive Climate Change Action Plans (2011-2015 and 2016-2020). Substantive references to GG-CC are now observed in most recent Bank Country Strategy Papers and Regional Integration Strategy Papers, although interviewed stakeholders indicated that the Bank needs to prioritize and improve the effectiveness of the mainstreaming efforts in these strategies to achieve the intended results. Among several measures taken by the AfDB to mainstream GG-CC into its operations,

¹ UA (Unit of Account) = 1.39 USD, on 31 December 2018



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GG-CC considerations have been introduced systematically during project design. Project Appraisal Reports provide, in a dedicated section, agreed climate change measures. By 2018, 82% of new projects were designed to enhance resilience/adaptation and reduce climate impacts/Greenhouse Gas emissions, up from 65% just two years earlier. However, attention to measures that consider GG-CC dissipated during project implementation.

The extent to which Bank investments are achieving results related to GG-CC mainstreaming is also not being adequately measured during implementation, mainly due to the lack of clear reporting requirements and limited capacity and systems to assess and monitor GG-CC outcomes effectively. The **need for more systematic use of robust monitoring, evaluation, and learning systems, and a theory of change**, was a key theme that also emerged from a synthesis of recent IDEV evaluations conducted to understand why the Bank's operations have resulted in certain outcomes and in which contexts these outcomes occur. It was found that improved reporting mechanisms on monitoring and evaluation as part of the data management systems of the Bank would lead to more credible results if there was more consistency or systematic use of Bank tools.

The evaluation found an inadequate system in place for classifying and monitoring the Bank's projects that mainstream GG-CC for assessment and learning. When Bank projects are properly categorized, they provide opportunities for monitoring and reporting on their anticipated outcomes, learning from them, and showing the impacts and benefits of the investment. With limited documentation on the actual implementation of activities and measures agreed upon during the project design stage or early impact assessments, the assessment of this implementation is heavily reliant on project approval documentation, limiting the understanding of projects and the ability to capture lessons.

The Bank has gone a long way towards publishing various knowledge products, participating in knowledge sharing with different stakeholders, and engaging in country dialogue, though it needs to do more in tracking progress during implementation and following-up on Regional Member Countries' focus on GG-CC. Inconsistencies in understanding GG persist among RMC stakeholders, especially in RMCs without a green growth or low carbon development policy, as well as within the Bank, though the Bank did well in developing tools, guidelines, relevant processes, and targets with a clear CC mainstreaming perspective. Additionally, while the Bank has developed a relevant and considerable array of regional and international partnerships in strategic, financial, and technical areas to assist RMCs in

their efforts to mainstream GG-CC into their development interventions, more direct engagement with RMCs may lead to better results.

Portfolio and performance of projects evaluated

The overall project database for this evaluation was comprised of 277 'component' projects/indirect investments (18% of the total number of projects approved by the Bank over the evaluation period and 32% of the GG-CC portfolio) and 596 'autonomous' projects (39% of the total number of projects approved by the Bank over the evaluation period and 68% of the GG-CC portfolio). Although some projects receive co-financing from internal and external climate and environment funds, the Bank has endeavored to ensure that all Bank projects mainstreamed GG-CC at the design stage, irrespective of the funding source.

From this portfolio, the evaluation conducted an in-depth analysis of 20 selected projects, including a broad coverage of financing mechanisms, total values, project types (standalone or component), and sectors. It found that while the relevance of the projects was satisfactory, their effectiveness, efficiency and sustainability were not.

The following key factors were found to have enabled and/or hindered the mainstreaming of GG-CC into the AfDB's interventions: (i) support of a coherent policy framework and the matching of ecological and economic objectives; (ii) link between environmental performance and the core indicators and main results; (iii) contribution of the Bank's Environmental and Social Safeguard measures, and the Environmental and Social Impact Assessment procedures, to the environmental sustainability dimensions of projects; (iv) adequacy of human (GG-CC expertise of the Bank) and financial resources, project management and procurement systems; (v) enabling environment for private sector investments and involvement, including profitability of GG designs; and (vi) participatory planning approaches and broad stakeholder consultations.

What lessons did IDEV draw?

IDEV found that **where specialized GG-CC units are located higher in an MDB's structure, GG-CC results are better achieved.** The higher up in the organization a specialist unit in charge of GG-CC is, the more effective it can be at seizing opportunities, influencing decisions and resource allocation, and increasing the effectiveness and efficiency of mainstreaming efforts.

Box 1: Mainstreaming GG-CC into the Bank's energy and transport sector interventions

- The Bank has increasingly enhanced the integration of GG-CC principles into its sectoral policies and strategies, particularly, in the energy sector, more so than in the transport sector. The lack of a strategic framework and specific policies and guidance to support the practical integration of GG-CC considerations within transport sector interventions is a challenge.
- The Bank has successfully mobilized and leveraged climate funds to finance major energy infrastructure projects. The leveraging of additional finance supports member countries to address GG-CC issues through their infrastructure programming and is consistent with the greater engagement of the Bank's energy and transport policies on GG-CC.
- Energy sector Program Based Operations (PBOs) have ensured more mainstreaming of GG-CC in the energy sector than in the transport sector, with no PBOs identified in the transport sector over the evaluation period.

In terms of factors that enable success, the evaluation found that **an increased role, capability, and GG-CC expertise in AfDB Regional and Country Offices tend to enhance the performance of projects and non-lending interventions in the area of GG-CC.** The demand for GG-CC expertise in the Bank remains high as the focus on GG-CC grows – with demand exceptionally high at the regional and country level. Where GG-CC experts have been available, they have catalyzed positive processes and results related to country strategies and project interventions. Improved knowledge products from the Bank – tailored for active context-specific learning by Bank staff involved in project preparation, design, implementation, and reporting – are also needed to complement augmented staff capacity in regional and country offices. Strong monitoring and reporting capacity on indicators and targets that mainstream GG-CC is also essential in regional and country offices to ensure enhanced project implementation monitoring and reporting and enhanced dialogue with Regional Member Countries on GG-CC policies and programs.

Monitoring and measuring the Bank's achievement of GG-CC results is essential to ensuring that its intentions and its approved intervention designs that mainstream GG-CC are being implemented.

While GG-CC screening is applied to AfDB projects during the design process, before approval, there are no formal mechanisms and structures to ensure that considerations focusing on GG-CC are closely monitored when projects are implemented. For example, Greenhouse Gas mitigation measures are not sufficiently embraced during project implementation to achieve the expected emissions reductions. Neither are CC adaptation measures sufficiently integrated into project implementation to achieve adaptation and resilience outcomes adequately. To address this, clear expectations and measurable targets for suppliers and task managers ought to be outlined in strategies at regional, country, sectoral, and Bank policy levels.

What did IDEV recommend?

1. Locate the department responsible for GG-CC appropriately in the Bank's hierarchy, so that it provides overall strategic oversight and guidance for all GG-CC activities, including responsibility for appropriate targets that are cascaded throughout the institution.

2. Strengthen the technical and institutional capacities of the Bank's GG-CC specialized unit, Climate Change & Green Growth Department (PECG) to provide quality and timely hands-on support to the Bank's Regional and Country offices for effective GG-CC mainstreaming throughout the project cycle.
3. Establish a clear theory of change (particularly for GG, but also CC), and an integrated GG-CC results framework, with clear definitions that follow the recently strengthened and agreed GG-CC definitions of MDBs.
4. Clarify focus areas for GG-CC interventions for the AfDB that appropriately consider the Bank's comparative advantage and expertise across sectors.
5. Put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle, to: (i) promote continued attention for GG-CC during project implementation, (ii) enable the Bank to address potential barriers to the uptake and effectiveness of GG-CC mainstreaming, and (iii) improve reporting on the results achieved.

What was the methodological approach?

The evaluation used a theory-based approach and six 'building blocks' of evidence to answer the main evaluation questions. The six building blocks are: (i) a Benchmark Review with other Multilateral Development Banks; (ii) a Meta-Evaluation Synthesis of lessons from previous evaluations relevant to GG-CC; (iii) a Portfolio Review of the composition of the Bank's projects based on a database of projects that was prepared for this evaluation by IDEV; (iv) five Country Case Studies: an assessment of country-level mainstreaming based on reviews of strategy documents, policy dialogue, and assessment of enablers and barriers around mainstreaming GG-CC, involving field visits to each country (Cameroon, Morocco, Mozambique, Rwanda, and Senegal); (v) 20 Project Results Assessments involving 4 selected projects in each of the 5 case study countries; and (vi) a cluster evaluation of energy and transport projects. Evidence from each of the six building blocks was then used to synthesize findings and develop a set of learnings and recommendations.

Box 2: Selected lessons from the Energy and Transport Cluster evaluation

- It takes time, in-country resources, and extensive consultation to develop effective and appropriate GG-CC strategies and solutions. The Bank has been most successful in sectors with strong national leadership supporting GG-CC.
- Establishing a clear strategic sector framework supported by complementary policies and strategies can support the mainstreaming of GG-CC considerations in sector interventions.
- The best-performing projects in the cluster analysis were those that combined engagement at a sector policy level with project interventions.
- Projects that have a clear alignment with government priorities, build on long-term sector commitment and country engagement, establish robust institutional mechanisms to support financial sustainability, and effectively engage with end-users from the start have the greatest likelihood of sustainability.
- A lack of coherence in regional responsibilities across Africa is a barrier to developing appropriate GG-CC solutions, particularly regarding harmonized technical standards in the transport sector.

About IDEV

Independent Development Evaluation (IDEV) at the African Development Bank carries out independent evaluations of Bank operations, policies, and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practices, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

What did Management respond?

Management welcomed IDEV's evaluation of the Bank's interventions on mainstreaming green growth and climate change. They found the evaluation to be a fair assessment of the Bank's support for climate change and green growth over 2008-2018. Management agreed with most of IDEV's findings and recommendations and will draw on them as it develops the Bank's new climate change and green growth policy framework. ■

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