

Independent Development Evaluation African Development Bank

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

Tanzania: Mid-Term Evaluation of the AfDB's Country Strategy and Program (2021–2025)

What did IDEV evaluate?

The Independent Development Evaluation (IDEV) of the African Development Bank Group (AfDB or "the Bank") undertook a Mid-Term Evaluation (MTE) of the Bank's country strategy paper (CSP) for Tanzania for the period 2021-2025, as of March 2023. The CSP is structured around two priorities: (i) sustainable infrastructure for a competitive economy, and (ii) an improved private sector business environment for job creation. The MTE mainly sought to assess the implementation and performance of the CSP thus far, and provide recommendations to the Bank Management to adjust, as necessary, the design and implementation of the CSP in Tanzania during its remaining period.

What did IDEV find?

As of March 2023, the Bank's active portfolio in Tanzania consisted of 24 projects (21 sovereign and three non-sovereign) totaling UA 2 billion¹ ((USD 2.7 billion). The portfolio included seven projects approved under the CSP 2011-2015, 11 under the CSP 2016-2020, and six under the current CSP 2021-2025. The six projects amounted to UA 428.28 million, with most of the resources allocated to the sectors of energy (28.3%), water (21%), and transport (18.8%).

Relevance

The Bank's strategy and programs were well designed, and aligned to Tanzania's national and sectoral development plans, including the ongoing third Five Year Development Plan, as

¹ 1 Unit of Account (UA) = 1.34701 United States Dollar (USD) as of June 2023

well as the Bank's strategies and the High 5s. However, the evaluation found that strategic objectives in the CSP exceeded the resources available for the country program, and there was a disconnect between the strategic orientations laid out in the CSP and the program implemented.

Coherence

The interventions were found to generally demonstrate positive synergy, although there were instances of limited internal synergy in some intervention designs. There was evidence of the Bank's engagement in policy dialogue, joint strategic planning, and implementation of support activities with Development Partners, the Government, and other stakeholders.

Effectiveness

Only six of the planned 18 projects under the current CSP were approved by March 2023. Most of the ongoing operations were found to have a high probability of achieving their outputs and outcomes at completion, although there was a mixed likelihood of achieving

all the CSP outcomes by 2025, due to the gap between the initial planned program, and the program implemented. Evaluation Highlight



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Efficiency

Larger infrastructure interventions were prone to delays attributed to the COVID-19 pandemic restrictions and trade disruptions, poor project readiness, and delays in releasing government counterpart funding. The significant savings on completed projects in the transport sector raised the need for more accurate costing to allow efficient allocation of resources from the beginning. The escalating prices for building materials had a negative effect on cost efficiency.

Sustainability

The Bank's strategies and programs were found to consistently address sustainability issues through investment in capacity building, training, policy dialogue, and advocacy. However, financial sustainability was found to be a major weakness in the water, energy, and transport sectors.

What lessons did IDEV draw?

The MTE drew three key lessons:

- Planning infrastructure projects in an integrated and inter-sectoral manner can contribute to timely implementation by ensuring prior agreement between sector agencies.
- Focusing governance and business-enabling support in areas that are tightly concentrated on quick-win solutions and complement other Bank operations, can be instrumental in rendering governance reforms more effective and sustainable.
- Flexibility in the Bank's response can help mitigate the internal and external implementation challenges that arise in a crisis.

What did IDEV recommend?

It was recommended that the Bank should:

- I Maintain its strategic focus on sustainable infrastructure and private sector development, while adjusting the program for the remainder of the CSP to better align it with the resources available.
- I Harmonize its strategic positioning in the agriculture sector and the actual program for the sector.
- Bolster private sector operations by conducting business development missions and building a strong pipeline of non-sovereign operations and public-private partnerships.
- Address risks to sustainability by continuing to support the institutional strengthening of utility companies and working with the government to ensure adequate resource allocation to road maintenance, and the application of cost-reflective tariffs in the water and energy sectors.

What did Management respond?

Management welcomed the results of IDEV's mid-term evaluation of the Bank's 2021-2025 country strategy paper for Tanzania. The evaluation was undertaken concurrently with Management's mid-term review of the Strategy. Overall, many of the evaluation's conclusions, lessons, and recommendations were consistent with findings from the mid-term review. The evaluation findings have informed adjustments in the implementation of the strategy and program during the remaining CSP period (2023-2025).

About IDEV

Independent Development Evaluation 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 practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

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