

Level 4: How efficient AfDB is as an organisation in Ethiopia

The final level of our Results Management Framework measures how well we manage our own organisation, using 14 indicators to assess our progress. We look at how successful we have been in decentralising our operations and providing a high-level presence to engage on continent-wide agendas. We also review our record on recruiting and filling staff vacancies and on addressing the gender balance in staffing. We take stock of the efficiency of our business processes and practices, with a particular focus on financial management and audit.

Moving closer to our clients

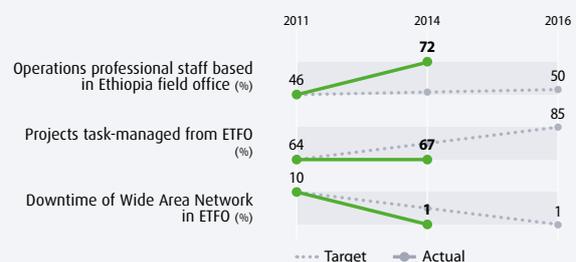
The AfDB's policy of decentralisation has worked very effectively in Ethiopia. The Ethiopia field office, one of the largest in Africa, takes the lead role in our country programming, portfolio management and donor coordination activities. Decentralising staff and functions to the field office has strengthened our partnership with the Ethiopian Government and brought us closer to the people we serve. It increases our visibility and makes us better placed to participate in country-led development processes. The fact that Government ministers and officers, executing agencies and donor representatives now have greater access to our staff strengthens trust and working relationships, makes policy dialogue easier and ensures that we are quickly available to resolve any implementation problems that may arise.

Over the last few years, the Bank has increased the proportion of ● **operations professional staff**¹ based in our office, from 46% in 2011 to 72% in 2014 (see Figure 4.1). We have also increased the percentage of ● **projects task-managed from the office** from 64% in 2011 to 67% in 2014. Our Ethiopia office works closely with AfDB offices in neighbouring countries to manage our multinational investments. It also provides staff to help manage other country operations. For example, the office helps manage projects in Djibouti and provides economist and specialist sector advice to project missions in such neighbouring countries as Sudan and South Sudan.

Supporting Africa-wide policy priorities

Addis Ababa is a hub for high-level conferences and Africa-wide events. We work very closely with the African Union and the United Nations Economic Commission for Africa, which are both based there. In 2011, a joint secretariat to support all three institutions was established (see Box 4.1).

Figure 4.1 Moving closer to our clients



The country office in Ethiopia is therefore also resourced to engage actively on pan-African policy goals, playing an informal role of pan-African ambassador for the Bank. Our staff promote the Bank's strategic objectives at a wide range of international events, and the office often organises major events and facilitates visits by senior Bank officials. The Ethiopia field office is one

¹ A green bullet indicates good progress has been made, and we are on track to meet our target. A yellow bullet indicates little progress has been made, and we are at risk of not achieving our target.

Table 4: How efficient AfDB is as an organisation in Ethiopia (Level 4)

This table presents the Bank's progress in achieving its target for organisational performance:

- Good progress has been made, and we are on track to meet our target
- Little progress has been made, and we are at risk of not achieving our target
- No progress has been made, or we have moved even further away from our target
- Data are not available to measure progress

INDICATOR	2011	2014	Target 2016
MOVING CLOSER TO OUR CLIENTS			
● Operations professional staff based in Ethiopia field office (ETFO) (%)	46	72	50
● Projects task-managed from ETFO (%)	64	67	85
● Downtime of Wide Area Network in ETFO (%)	10	1	1
● Connecting to field offices (% successful videoconferences)	100	100	97
ENGAGING AND MOBILISING STAFF			
● Average time to recruit new staff (days)	75	75	75
● Share of staff who are women (%)	38	38	40
● Vacancy rate (%)	0	0	9
IMPROVING BUSINESS PROCESSES AND COST-EFFICIENCY			
● Disbursement request for special account processed and paid within 30 working days (%)	84	100	100
● Disbursement request for direct payment processed and paid within 15 working days (%)	81	88	100
● Percentage of procurement documents rejected (%)	10	3	3
● Time taken to process procurement documents (days)	11	9	9
● Project audits submitted on time (%)	100	100	100
● Percentage of audit reports accepted (%)	100	100	100
● Training to strengthen fiduciary capacity (numbers)	2	1	2

.. = Data not available.

Source: African Development Bank.

Box 4.1 A joint secretariat to harmonise efforts and policies

The Joint Secretariat Support Office to the African Union Commission, the African Development Bank and the United Nations Economic Commission for Africa was launched in Addis Ababa in May 2011. The Secretariat helps develop African policy positions for a wide range of international forums. It works to support policy engagement on areas such as mitigating and adapting to climate change and infrastructure investment across the continent.

The Joint Secretariat helps the three institutions achieve greater coherence in their policy advocacy, while providing a consultative and oversight mechanism to monitor initiatives and eliminate duplication. It also works with NEPAD's Planning and Coordinating Agency to achieve greater effectiveness in international support.

of the most visited offices of the Bank; in particular, the AfDB President comes regularly to Addis Ababa to attend international meetings and coordinate with the regional institutions.

Efficient information technology

We have invested judiciously in IT infrastructure and systems, to improve connectivity within the country office and with the Bank's headquarters. As a result of these investments, the ● **downtime of the Wide Area Network** in the office has been kept to just 1% in 2014, while ● **connections to the country office by videoconference** have been 100% successful over the period, against a Bankwide target of 97%. This enables the country team to work together more effectively and ensures that staff can participate in wider Bank meetings and initiatives, in line with our One Bank philosophy.

We have strengthened access to the wide range of applications needed to manage our portfolio effectively. We have also purchased new and reliable computers and increased the office's IT security and back-up capability. These improvements enable staff, including those on visiting missions, to work efficiently without IT problems.

Engaging and mobilising staff

Our Ethiopia country office has a good record on staff retention. The **vacancy rate** has remained at zero over the last three years, which is above the Bank's corporate target of 9%. In addition, the **share of female staff** is at 38%, exceeding the Bank average of 27% (see Figure 4.2).

At the end of 2014, we had 25 staff in our field office, compared to just 9 in 2003, making Ethiopia the third-largest country office (excluding those with a regional role). There is a good mix of expertise in the country team, ranging from sector specialists to experts in procurement and disbursement, financial management, human resources and IT development. These diverse skills enable us to take on responsibility for managing the portfolio from the office, to provide advice and support to country offices in neighbouring countries, and to provide expertise and experience to sector working groups.

Improving business processes and cost-efficiency

The country office works closely with the Ethiopian Government to increase the efficiency of our operations. Our staff hold regular training sessions for colleagues from Ethiopian executing agencies, to develop their skills and their understanding of the Bank's requirements. For example, in 2014, we held a one-week workshop to deliver **training to strengthen fiduciary capacity** in procurement, financial management and project management. We had held two similar workshops in 2013.

The Bank works closely with its national counterparts to build their capacity to manage development projects efficiently

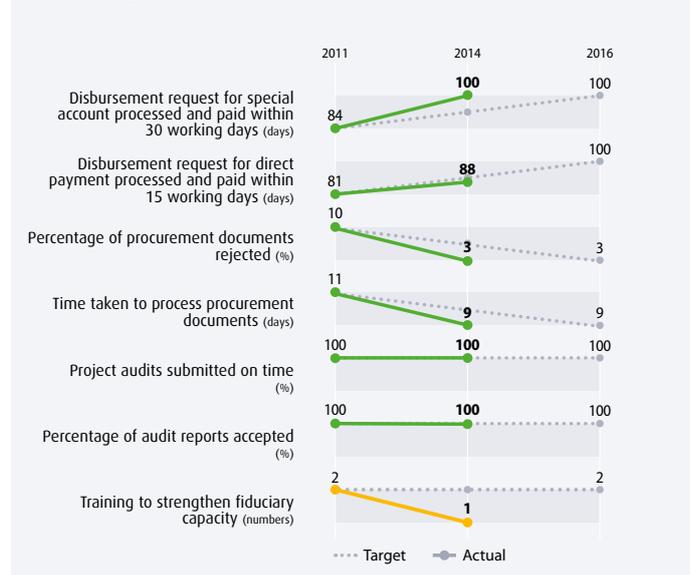
While we have substantially enhanced our business practices, there is still scope for improvement. The main outstanding challenges in the procurement field are around the quality of bidding documents and delays in follow-up. Besides holding the fiduciary clinics, our country office staff have been addressing these issues through quarterly procurement meetings with staff in Government and executing agencies, and providing targeted support to individual procurement officers when needed. These efforts have delivered marked results, with the **percentage of procurement documents rejected** falling from 10% in 2011 to just 3% in 2014 and the average **time taken to process procurement documents** decreasing from 11 to 9 days (see Figure 4.3).

Our disbursement rates for the Ethiopia portfolio have also improved as a result of the training. The percentage of **disbursement requests for special accounts processed and paid within 30 working days** has improved considerably, from 84% in 2011 to 100% in 2014. The proportion of **disbursement requests for direct payment processed and paid within 15 working days** has increased from 81% in 2011 to 88% in 2013. The office continues to give diligent attention to timely disbursement, and our 2015 stretch targets are 100% success for both special accounts and direct payments.

Figure 4.2 Engaging and mobilising staff



Figure 4.3 Improving business processes and cost-efficiency



As a development bank, we take our fiduciary responsibilities very seriously. This requires careful attention to project audits. In Ethiopia, 100% of **audit reports have been submitted on time** during the three last years. The **percentage of audit reports accepted** is also good: 100% of the reports were accepted in 2014 (12 reports), up from 92% in 2011.

Improved financial management is a key priority for the Bank across all sectors, and we work with other donors to promote it. Since 2010, we have provided over \$11 million towards public financial management reform in Ethiopia as part of our support to

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decentralised basic services. We also give targeted assistance to project accountants to ensure satisfactory financial management for all our operations.

Conclusion

After 40 years of AfDB support to Ethiopia, the last few years have seen a substantial strengthening of our presence in Ethiopia, in accordance with the Bank's decentralisation policy. The majority of our professional staff who work in Ethiopia are now based

in the country office, handling nearly three-quarters of project management tasks. We have built a skilled and capable team, supported by robust IT and communications systems, to ensure that we continue to operate as One Bank. Our strong country presence enables us to work actively with our country counterparts, providing them with training and support on implementation challenges, and with the other donors in Ethiopia, through coordination groups or dialogue mechanisms. Our presence also enables us to engage actively on Africa-wide policy agendas and in the many international events held in Addis Ababa. ■



The potential for producing energy in Ethiopia is huge, and almost all of Ethiopia's electricity is renewably sourced. In the coming years Ethiopia could become Africa's second-largest exporter of electricity. The Bank is actively engaged in supporting Ethiopia in developing its energy sector.