

## Agricultural Water Management in Africa:

### An Independent Evaluation of the African Development Bank's Role, 1990-2007

OPEV is evaluating the Bank's assistance to agricultural water management (AWM). The evaluation aims to draw lessons from the Bank's experience in the sub-sector, and formulate recommendations to inform and guide the Bank's future investments in this sub-sector. A portfolio review has been completed and country case studies in Ghana and Mali are underway.

The portfolio review covers the 1990-2007 period. It identified 217 AWM operations with an approval value of US\$ 3.447 billion. In comparison, approvals for agriculture (excluding water) stood at US\$3.536 billion for 300 operations. The African

Development Fund (ADF) provided 84% of the funding. The portfolio review shows that 50% of all financing went to 8 countries. Funding increased during 1996-2001 but has since declined, although funding for multi-country operations has increased.

The portfolio review also indicates increasing efficiency: elapsed time from approval to first disbursement dropped from 30 months in 1990-95 to around 15 months in 2002-2007; and overruns in the time taken for implementation have nearly been eliminated in recent years, down from high levels for projects approved in the early 1990s.

Figure 1: Distribution of AWM Bank lending by region and time cohort

Significant decrease in Bank lending in AWM with a substantial focus on the west and northern regions

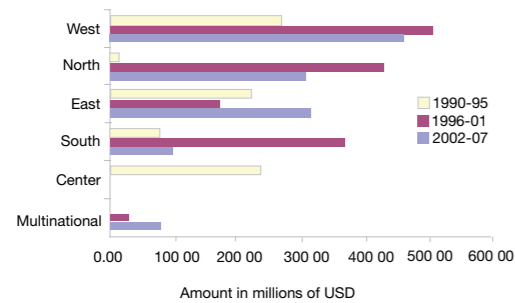
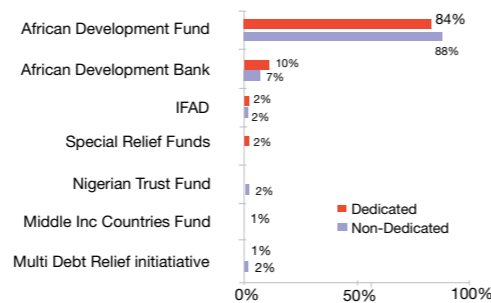


Figure 2: Financial breakdown of Bank AWM operations by funding source (% of operations)

AWM depends mostly on AfDF financing



### Upcoming Evaluation Reports

- Annual Review of Evaluation Results 2010
- Independent Evaluation of Bank Assistance to the Education Sector
- Gabon Country Assistance Evaluation
- Mozambique Country Assistance Evaluation

### About OPEV

OPEV is the Operations Evaluation Department of the African Development Bank (AfDB). It conducts independent, systematic assessments of the relevance, effectiveness, efficiency, and impact of the Bank's strategies, policies, and operations.

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# OPEV Sharing

From experience to knowledge...  
From knowledge to action

## Aiding African Agriculture – Broken Promise or Tempting Prospect?

*Dear Colleagues,*

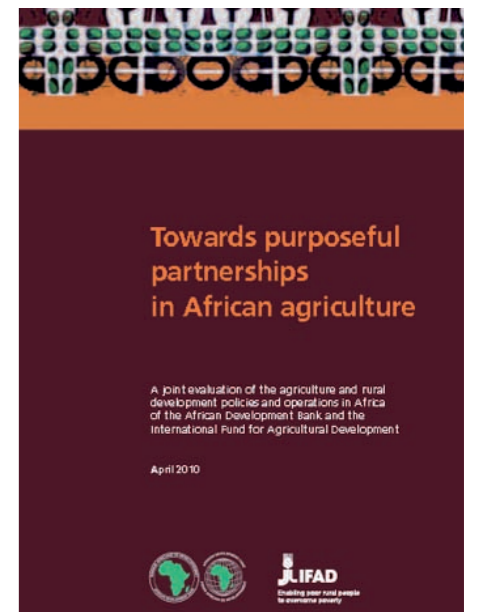
Agriculture has long been seen as a key to Africa's economic development, as well as a way of putting food on the table for Africa's people. Yet, while much of Asia has prospered as a result of the "Green Revolution", African agriculture has in past decades failed to live up to its promise. Policy-makers neglected the sector, and investment and development aid for the sector fell away during the closing decades of the last century. However, the food price crisis of 2007-08 served as a global wake-up call, and agriculture is once again an important focus of policy, investment and development.

Against this changing landscape, the Bank's independent evaluation department, OPEV, undertook a major evaluation of assistance to agriculture in Africa, conducting the study jointly with the independent evaluation office of the International Fund for Agriculture (IFAD). Completed at the end of 2009, the study found that, given the many changes in the African context, there is now an opportunity for agriculture to flourish in Africa. But attention is needed to develop stronger national, regional and international policy frameworks, and to

build new and more purposeful partnerships across the sector in order to improve performance and boost agricultural production and trade. This newsletter reports the results of this joint evaluation overleaf.

OPEV staff and myself enjoyed working closely with colleagues in operations, who welcomed the conclusions and recommendations emerging from the evaluation. The evaluation results have been used to develop a new Agriculture Sector Strategy focusing on "infrastructure for agriculture". As the evaluation manager, Mr Detlev Puetz, has commented: "The strategy is very much in line with the evaluation's call for a more focused approach to the sector, drawing on the Bank's areas of comparative advantage and strategic direction".

OPEV continues its work in the sector. As well as several project-level evaluations, the department is conducting a study on the theme of "Water for Agriculture", which is also reported in this newsletter. Evaluation manager, Blaise Nkamleu, recently visited Mali and Ghana. On return from the field, he remarked: "We anticipate that the results of this study will help the Bank's agriculture specialists and the



country teams to improve the Bank's approach to storing and managing water and ensure the benefits quite literally flow to where they are needed".

Although OPEV's work shows that results in the agriculture sector have in the past often been disappointing, it also shows that the prospects are good for greater success in the future.

*Colin Kirk*  
**Director, OPEV**



# Towards Purposeful Partnerships in African Agriculture

## Presenting an in-depth evaluation of agriculture and rural development operations in Africa: a timely assessment of relevance, performance, and partnerships

A joint evaluation by the independent evaluation offices of the African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD) focused on the agencies' performance in agriculture and rural development (ARD) and on strategic partnerships between IFAD and AfDB and beyond.

### The objectives of the evaluation were to:

1. Determine the relevance of ARD policies and operations and assess their performance and impact;
2. Evaluate the strategic partnership between IFAD and AfDB as well as partnerships with other sector stakeholders; and
3. Propose recommendations to enhance the development effectiveness of the two institutions.

*The Bank Group's Agriculture Sector Strategy (AgSS) underscores the need to work in a sharper and smarter way; moving away from multi-component projects. ...*

*The AgSS also emphasizes, as recommended by the Joint Evaluation, purposeful partnerships based on complementarity, comparative advantage and specialization, which will be important in addressing the broad array of rural needs.*

### Comment:

Mr. Ali Abou Sabaa

Director, AfDB Agriculture Department

=> More on OPEV's website

### Overall findings

- ARD remains very important for growth and poverty reduction in Africa. AfDB and IFAD play distinct but complementary roles in the sector.
- The economic situation and agriculture sector policies have improved in much of Africa. Remaining challenges include improving the investment climate, developing rural infrastructure, and strengthening institutional capacity. As agriculture in Africa is highly complex and diverse, solutions need to be tailored to the context in each country.
- Project performance in ARD has been moderately satisfactory, but sustainability has been weak. Results were only modest in promoting gender equality. Performance in policy dialogue, knowledge management and partnership building was found to be weak at the level of country programmes.
- The Bank's performance in its ARD operations was found to be less successful than in other sectors. The performance of other agencies in ARD was at a broadly similar level. This underscores the difficult nature of sector challenges in ARD overall.
- The performance of AfDB and IFAD as lenders, and of governments as borrowers, was generally unsatisfactory.
- Since 1978, AfDB and IFAD have been partners in ARD. In the past, the partnerships were limited to co-financing projects, with AfDB also providing supervision for IFAD. The performance of earlier partnerships was weak. A new MoU, signed in 2008, has so far been slow in leading to strategic action plans that are backed by adequate resources, monitoring, and focused attention by management in both agencies.

**AfDB and IFAD have made and continue to make major contributions to support ARD in Africa. AfDB needs to remain directly engaged in agriculture but be more selective in its interventions.**

### Building Purposeful Partnerships

Recent years have seen renewed support for agriculture in Africa through NEPAD's CAADP and the Maputo Declaration of 2003, which committed African governments to allocate 10 % of their national budgets to agriculture. Donors are returning to the sector, along with private investors.

The sector's fragmented aid architecture now requires a well-coordinated division of labour, based on comparative advantage, specialization and track record.

Future partnerships between IFAD and AfDB need to be selective and purposeful, with a clear focus on results. They should include civil society and the private sector. This has implications for both agencies' business models and processes.

Adequate resourcing and incentives will be needed to make partnerships work.

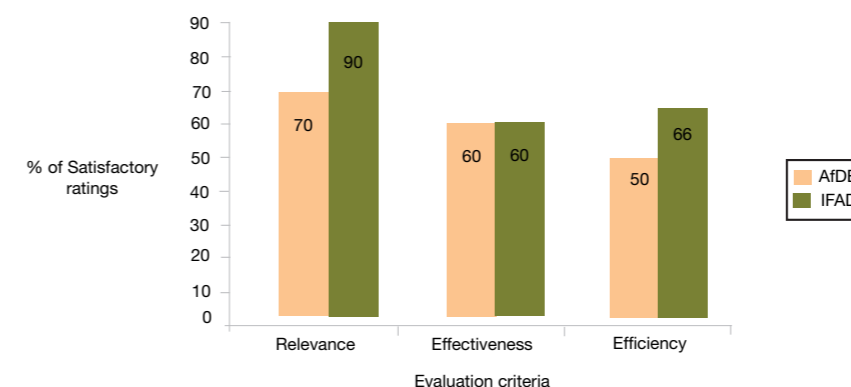
### Key Recommendations

- Address the agriculture policy gap by aligning with the Comprehensive Africa Agriculture Development Programme (CAADP), supporting national sector policies, and engaging in international advocacy on agriculture trade.
- Help improve lender performance.
- Support borrowers to expand capacity for policy analysis and program management, among others.
- Deepen the IFAD/AfDB partnership.

- For AfDB: Remain directly engaged in agriculture, but more selectively and in partnerships within and outside the Bank.

AfDB and IFAD can further strengthen their performance by focused attention on

- closing the sector policy gap.
- improving the performance of both lenders and governments, and
- strengthening the partnership between AfDB and IFAD, and with other sector players.



Relevance, effectiveness and efficiency of ARD projects could be further improved



### Global winds of change for agriculture in Africa

*The changing context and prospects for agricultural and rural development in Africa*

In this background paper on the evaluation, Hans P. Binswanger-Mkhize and Alex McCalla draw attention to the global winds of change sweeping across Africa. They document trends in African ARD in the last 25 years, identify key opportunities for and challenges to improving agricultural growth, promoting food security, protecting natural resources, and assessing the future implications for the work of the AfDB and IFAD in Africa.

### Leadership ...

**The evaluation underscores opportunities and challenges for ARD in Africa. It highlights the importance of African leadership in developing clear sector policies and strong institutions in the sector.**

### ... and strategy

**The AfDB drew on the evaluation in developing its new agriculture strategy, which was reviewed and adopted by the Board in February 2010.**