

Improving Effectiveness in Agriculture and Rural Development in Africa: Lessons Learnt from Evaluations

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Abstract

Evaluation plays an important role in international financial institutions by providing objective and credible assessments of performance and results, and by drawing lessons from past work, which will contribute to stronger performance and better development outcomes in the future. At the African Development Bank, independent evaluation is carried out by the Operations Evaluation Department (OPEV), which undertakes a wide range of evaluation work. Past OPEV agricultural sector evaluations of projects, sector policies, country assistance strategies, or business processes, have helped accumulate a substantial volume of evaluative evidence, research, and knowledge. But these findings are not always available in concise and accessible formats.

This paper has been prepared with the aim of summarizing some of the featured evaluation results in the agricultural and rural development sector. The objective is not to attempt to present all the evaluations findings but rather to highlight salient points from past evaluations of sector projects and programs. Based on a quick review of evaluation reports produced by OPEV to assess performance in this sector, the paper tends to conclude that, globally, in its interventions in the ARD sector, the Bank is doing right things, but is not necessarily doing things right. Sustainability is the area of greatest concern, and design and implementation strategies are the source of most failures for agriculture and rural development operations. This paper concludes by elaborating on how these findings can help sustain economic recovery and long term growth in Africa.

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Introduction

A major drag on Africa's development is the underperformance of the agriculture sector. This is a critical sector in the region, as it accounts for a large share of gross domestic product (GDP) and employment. Because of its importance in overall GDP, export earnings and employment, as well as its forward and backward linkages to the non-farm sector, international assistance has always favored the agriculture and rural development (ARD) sector. To date, the development community has supported an important number of projects and programs with the aim to revitalize this sector in Africa.

Every program/project begins with an intuition about what will work. However, the hopes and good intentions of program implementers, coupled with the human tendency to try new methods, leads to programs being initiated and even replicated without learning whether they actually work. After decades in which development agencies have disbursed billions of dollars and developing country governments and nongovernmental organizations have spent hundreds of billions, it is deeply disappointing to recognize that we know relatively little about the impact of most of these programs and projects. Scarcity of evaluation results and low utilization of available evaluation results are to be blamed. Too little evaluative research on development effectiveness gets done and the evaluations that are done are not used or are not as useful as they could be for learning about development effectiveness.

Despite growing recognition of the need to learn from experience (success depends on knowing what works²), it is still hard to find good available evidence to guide strategic choices and help decision makers to foresee the potential outcomes of their prospective decisions. A dearth of rigorous evaluation leaves decision makers with good intentions and ideas, but little real evidence of how to effectively spend resources to reach worthy goals. When the evidence exists, it is too often not disseminated properly or is presented in an unclear way with no clear message and implication for policy and practice. Addressing the gap in lessons learnt, and systematically building evidence about what works, would make it possible to improve the

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effectiveness of domestic spending and development assistance by bringing vital knowledge into the service of policymaking and program design.

To this end, at the African Development Bank's (AfDB) Operations Evaluation Department (OPEV) is putting resources into the kinds of studies needed to judge which interventions work under given conditions, what difference they make, and at what cost. OPEV conducts independent evaluations of the Bank's strategies, policies, and operations, with a view to helping the bank to foster sustainable growth and poverty reduction in Africa. In particular, in recent years, a lot of efforts have been put in assessing the relevance, effectiveness, efficiency, and impact of bank assistance in the agricultural and rural development sector. Recent agricultural sector evaluation undertaken by OPEV, be it at project level, on sector policies, country assistance strategies or business processes, have over the years accumulated a substantial volume of evaluative evidence, research, and knowledge. This paper summarizes some of the featured evaluation findings in the agriculture and rural development sector and elaborates on how these findings can help sustain economic recovery and long term growth in Africa.

The next section provides an overview of the African agricultural sector and the Bank's assistance to this sector. Section 3 summarizes lessons from past evaluations and reviews of projects and programs in the agricultural sector in Africa. Section 4 highlights the importance of time delays in the ARD sector. This is followed in section 5 by discussions on how recent evaluation findings can help support Africa's economic recovery. The last section is devoted to some concluding remarks.

2. Global trends on aid to ARD and the Bank' role

Global trends

Of Africa's 900 million people, about two thirds live in villages and small rural towns. The continent has a larger proportion of very small and/or landlocked countries than any other region of the world. A past failure to grow and the neglect of agriculture have sharply increased poverty and hunger in sub-Saharan Africa, whereas growth has contributed to poverty reduction in North Africa. Recent economic expansion in this region has reduced poverty, and the growth of the agricultural sector which has been associated with this expansion has been a powerful factor in reducing hunger.

Since the 1950s the sector has been seen primarily as a source of resources for industrial development rather than as a positive engine of growth and poverty reduction. The run-up in

food prices of the mid-1970s, coupled with the realization that poverty was a predominantly rural phenomenon, resulted in agriculture and rural development being placed high up on the agenda in the 1970s. Rural development was approached via massive integrated rural development projects and free-standing agricultural credit projects that created and supported specialized agricultural credit institutions which proved to be unsustainable in the long run and which rarely reached small farmers (World Bank, 1996). Large-scale projects built a great deal of irrigation infrastructure but paid little attention to user-driven institutions or to environmental and social sustainability (World Bank, 1995). Free-standing research projects were fairly successful in building or strengthening agricultural research. In the early 1980s, rural development represented the largest sector of lending for most development agencies.

The international and institutional landscape of the early 2000s was radically different from what it was in the 1980s. The cold war was over, replacing a nuclear stand-off with increasing numbers of national and sub-national conflicts. Aid to agriculture and rural development (ARD) has globally declined since the early 1980s. The decline was particularly significant in the agriculture sector. Despite an increase of 250% in total official development assistance (ODA), aid to agriculture declined in real terms by nearly half between 1980 and 2005 and from about 17% to 3% in terms of share of total aid. Recent trends in ODA to ARD suggest that a turning point might have been reached. Total aid commitments to ARD reached a minimum of US\$ 3,013 million in 2002 (over the period 1995-2007) but by 2007 they had more than doubled, having risen to US\$ 6,594. The declining proportion of aid to agriculture is taking longer to be reversed. The share of ODA to ARD dropped from 10.3% in 1996 to 3.7% in 2005 but increased to 5.1% in 2007.

Aid to ARD in the Africa region has followed a similar trend. The region absorbs on average about 34% of total ODA. Since 1995, ODA to ARD in Africa reached a minimum of US\$ 991 million in 2002 but by 2007 it has more than doubled (US\$ 2,456). The share of ODA to ARD in the region declined from 11.8% to 3.5% between 1995 and 2005 but by 2007 it had increased to 5.4%. The sources of ARD funding have fluctuated over the years although, with the exception of 2003 and 2006, most aid is provided from bilateral donors. According to OECD-DAC aggregate data, the main sources of bilateral aid to ARD in Africa are the United States, Japan, Germany and France. Main sources of multilateral aid are the World Bank, the European Commission and the AfDB. From 1995 to 2007, the respective share of the major multilateral commitments were: World Bank: 39.5%, AfDB: 25.5%, EC: 18%, IFAD 17%.

AfDB support to ARD

The African Development Bank's "...primary objective is to promote sustainable economic growth to reduce poverty in Africa" (AfDB, 2006a). Total AfDB group loan and grant approvals have increased steadily over the past decade from under US\$2 billion annually to more than US\$3 billion in 2006. Agricultural operations made up a high of 32 per cent of approvals in 1985-1988 but declined to 19 per cent in 1989-1997 (AfDB, 2000). As a share of the total, they have decreased further since then, with agricultural and rural development loans and grants totalling US\$362 million and making up slightly over 10 per cent of total approvals of US\$3.472 billion in 2006 (AfDB, 2006a).

The relative importance of newly approved investments specifically for agriculture in Bank' portfolio has declined somewhat over the past decade from about 13 per cent of all loan approvals in 2004-2006 (and an even higher 18 per cent for the period before) to about 8 per cent for 2007/2008. This is due to the rapidly increasing overall volume of lending at the Bank over the past decade, whereas lending for agriculture remained relatively constant. The absolute volume of investments for agriculture since 2001 stabilized at around US\$350 million annually (reaching US\$360 million in 2008)³. From 2001 to 2007, AfDB commitments to ARD in Africa oscillated between 10 and 25% of the ODA commitments to ARD recorded by the OECD-DAC Creditor Reporting System. But many other ARD activities are financed through other sectors, such as public investments in rural roads and transport, energy, communications or water for household consumption. Since 2006, AfDB's expanded private sector operations have been increasingly focusing on agri-business investments, through large-scale private operations (above US\$15 million) and public-private partnerships, particularly in middle-income countries.

The new general AfDB vision and strategy emphasizes investments in infrastructure, governance, private sector and higher education. Investments in these core thematic priority areas are supposed to support the Bank's goals in poverty reduction, regional integration, human development, and agriculture. This new focus compares with a stronger emphasis on rural and human development in the previous vision and strategy of the early 2000s. The Bank has also recently redefined its vision and role in agriculture in the new Medium-Term Strategy for 2008-2012 and has subsequently refocused its rather wide-ranging ARD policy of January 2000 on fewer activities. Furthermore, the document concludes that, while progress has been made, the Bank's efforts have been too narrowly focused on production aspects "...with

³ The African Development Fund (ADF) is part of the Bank Group. The African Development Bank Group provides a wide range of lending products. The relative decline in ARD funding noted above is more pronounced for the Bank's non-concessional window for middle-income countries than for concessional funds from its ADF window, which provides concessional loans and grants to Africa's poorest countries. No interest is charged on ADF loans; however, the loans carry a service charge of 0.75 percent per annum on outstanding balances.

virtually no backward and forward linkages” (AfDB, 2007a). Specifically identified weaknesses are agribusiness development, limited private-sector engagement and partnerships.

3. Evaluation of ARD projects and programs at the Bank: What have we learnt?

In recent years, OPEV has assessed a certain number of projects and programs in the agricultural sector. This section summarizes the body of evaluation evidence accumulated so far. The elements presented in this section are based on a quick review of evaluation reports produced by OPEV to assess performance. OPEV use MDBs’ internationally accepted evaluation principle. Presentation in this section is organised around the widely use evaluation criteria of relevance, effectiveness, efficiency, sustainability, and lender and borrower performance.

- *Relevance and quality at Entry*

The relevance criteria examines whether the project/program goals and objectives were consistent with the country’s overall development strategy and national plans, and the Bank’s assistance strategies. Nearly all evaluations reviewed conclude that projects/programs were relevant to the country’s agriculture sector development objectives and the projects are generally consistent with the Bank’s CSP and strategic objectives for agriculture and rural development. In most cases the needs of the rural poor have been considered and they are targeted in some way, and agency corporate policies have also been respected. There is a net impression that the Bank has a clear corporate vision of what he should do in the agriculture and rural development sector.

Same cannot be said for quality-at-entry (QAE). The quality at entry assessment includes the examination of whether the objectives were clear, realistic and important for the country/sector. It also includes the quality of the design, the reasonableness of assumptions about relevant external factors and projects risks. Too often, quality at entry is considered problematic in ARD projects and programs. Ambitious objectives, limitations in design logic, multiple-component projects addressing several dimensions of poverty and institutional arrangements are factors constraining QAE. Moreover, many evaluations reported that agricultural projects do not learn from past experiences and there is a great tendency of repeating the same mistakes.

Box 1 illustrates what is typically found in most evaluation reports of ARD operations. The case here is of an evaluation carried out in 2008, reviewing the results of the AfDB's assistance to the Agriculture and Rural Development (ARD) Sector in Ethiopia during the period 1993-2004.

Bank funded ARD operations without sufficient attention to synergies between projects and studies. There are not always clear causal relationships between ARD projects and ARD studies. When projects were preceded by studies, they still proved inadequate for assuring quality at entry and problem free implementation. Some of the reasons for this include the quality of the studies and the long lapse in time between the studies and projects design and implementation.

Box 1: Excerpt from: Ethiopia – Review of Bank Group Assistance to the Agriculture and Rural Development Sector (2008)

Nearly all the projects are relevant to the country's agriculture sector development Objectives. The projects are generally consistent with the Bank's CSP and strategic objectives for developing agriculture and rural sector in Ethiopia, as well as the GoE's priorities for the ARD. Furthermore, these projects reflect the development needs of the regions of their locations, and they were based on good feasibility studies –all contributing to their quality at entry.

However, there were notable design deficiencies in some of the projects: failure to incorporate lessons learned from past project in formulation and appraisal of projects (e.g., Wush Wush II was a culmination of the success case of Wush Wush I tea project); failure to adequately address the decentralization challenges especially for development management capacity and the appropriateness of Bank rules and procedures; inadequate assessment of institutional and organization capacity of projects, non-use of log frame to guide project implementation (NLDP and SERP); no adequate contingency plans for projects susceptible to political instability and governance failure (e.g., the project area of SERP is historically known for its prone to conflicts); and inadequate monitoring and evaluation system as well as baseline studies built in to the projects (e.g., SERP was in operation for eleven years with no monitoring and evaluation system).

- *Efficacy*

The central question here is to what extent different projects funded by the Bank in the sector have achieved development objectives articulated at approvals and specified in categories such as policy goals, physical, financial, institutional, social and environmental, recognizing any change introduced in the project since Board approval?

The projects/programs embody a hierarchy of objectives that sometime go beyond the common agriculture sector objectives (i.e., improving production and productivity, agricultural diversification, and competitiveness), and in many projects, M&E systems are not systematically instituted. Consequently what is usually assessed under efficacy is output effectiveness. Without built-in baseline data and adequate evaluation system in place, the projects are not capable by design to provide progress on their stated long-term objectives such as improving income level, living standards and food security. Instead what is often reported is achievement of outputs such as, for example, numbers of cross bred animals, number of ha of irrigated land, number of farmers trained etc.

Globally, efficacy of agricultural projects exhibited a mixed record of performance. When considering achievement of outputs as usually reported in Project Completion Report (PCR), the efficacy measurement could be considered globally moderately satisfactory. But if one look at outcomes as it should be, the efficacy will look generally unsatisfactory. Shortfalls in implementations and the cancelling or cutback of projects components reducing efficacy is common features. These shortfalls reduce project outcome, or sometime even leave beneficiaries worse off than the without project. This is usually the case for project involving agricultural infrastructures (Box 2). In the irrigation sector for example, unfinished structures are often highly vulnerable to erosion or

Box 2: Excerpt from: Agricultural Water Management: Effectiveness of the African Development Bank's Assistance to Ghana, 1990-2007

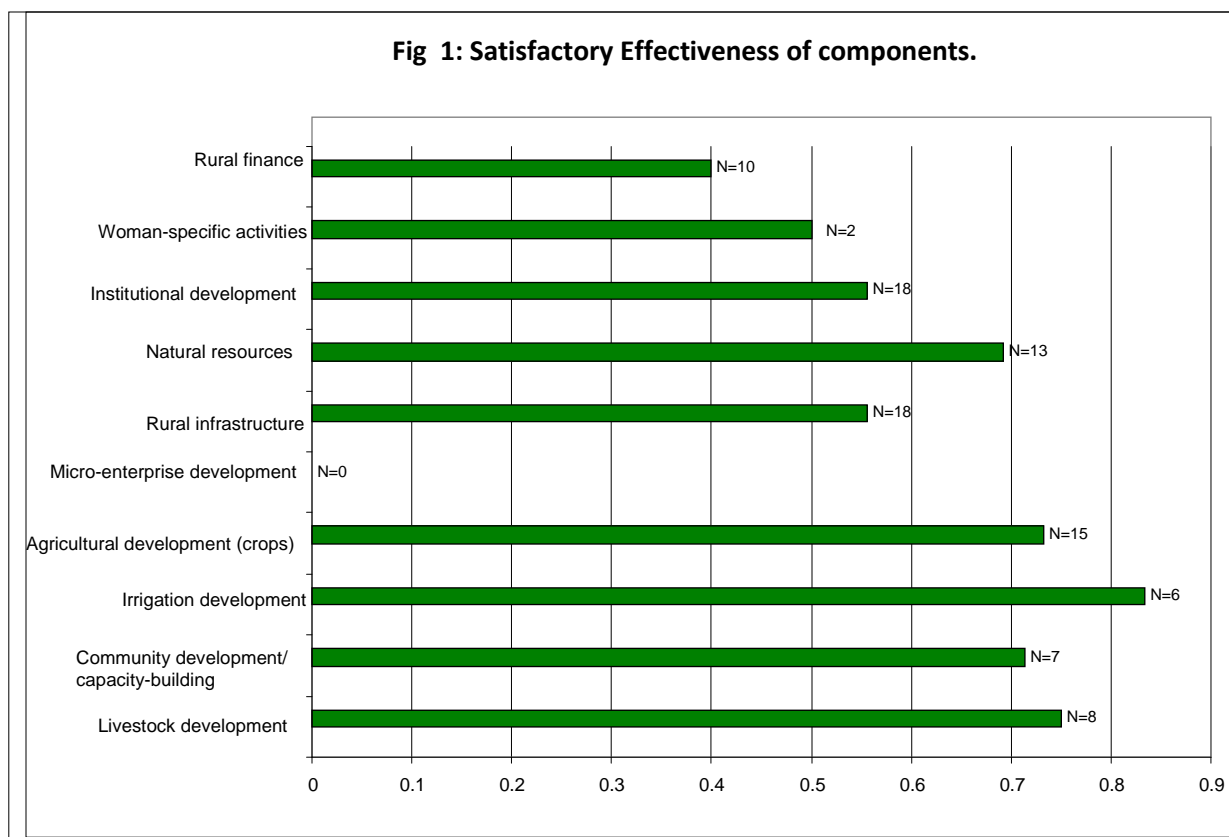
Efficacy was low or likely to be low (for ongoing project), due to severe delays in implementation, reduction in physical goals and cancellation of activities. The main problems stem from the civil works, namely; difficulty in procurement of contractors, poor performance of the contractors, and poor supervision of the contractors. The consequences of delays and poor quality in the implementation of Agricultural Water Management civil works are more serious than similar delays in other sectors..... Poorly designed or incomplete structures may leave the beneficiaries worse off than the no-project situation, by land degradation or loss of access to land. No compensation scheme exists for such cases.

deposition. A delay leading to failure to complete the work during the working season may result in damage or destruction of the work already undertaken during the rainy season. The work must then be restarted completely afresh, or in the worst case scenario may require additional remedial work, clearing debris etc. before being back at the starting point. Obviously this will result in greatly increased costs.

The Bank seems to be more effective in some activities than others. In fact, all projects comprise a number of components the collective performance of which determines the overall effectiveness of a project. The last joint evaluation investigated 27 completed agricultural projects and revealed that globally more than 60% of the projects were rated moderately satisfactory or better in terms of efficacy. However, this is mostly based on PCR ratings⁴. Irrigation development, although less encountered (only 22% of the 27 projects had irrigation component), was the most successful component, followed by livestock development and agricultural development (Fig. 1). A common element in the success of these components was the attention devoted to promoting participatory processes for the management of activities. The least successful components were those related to rural finance and women-specific activities (which is considered a proxy for gender activities), followed by rural infrastructure and institutional development (Fig. 1). This was partly because rural finance services did not always benefit the neediest as a result of limited institutional outreach capabilities in rural areas and because of high transaction costs with dispersed populations for whom innovative financial products have not been fully developed.

Other factors affecting effectiveness included the extent to which prior conditions of loan effectiveness were fulfilled, the performance of technical assistance and other service providers, and the presence or absence of complementary projects, programmes and policies. Additional factors to be mentioned are the availability of markets and marketing infrastructure in production based projects, administrative restructuring, political stability and the security of project facilities. Less frequently, exogenous factors played a part, for example, drought, flood, landslides and even spontaneous out-migration of project beneficiaries. Finally, effectiveness was also associated with high quality project supervision and implementation support, country presence and good borrower performance.

⁴ Among the 27 project evaluations only six were independently evaluated (three PPERs and three project evaluations from sector reviews) and the rest were validated PCRs.



Source: Meta-evaluation (2008). (“x” axis represents the proportion of satisfactory; “N” is the number of time the component was encountered out of the 27 projects).

- *Efficiency*

The efficiency criterion is used at the evaluation department to measure to what extent the project benefits are commensurate with inputs, looking at cost and implementation time. Economic and financial rates of return are used to that end, or, if not possible, other measures of cost-effectiveness. The rates of return on investment; the Economic Rate of Return/Internal Rate of Return (ERR/IRR) calculated at the time of appraisal of project or time of project completion are tools for the assessment of the efficiency of resource use. To ensure transparency and informed decision making, cost-benefit estimates should be available and used in advance of decisions. At the project completion, ERR/IRR should help post-evaluate the efficiency. Unfortunately, these indicators of efficiency of resource are not calculated for many of the projects and the Bank’s use of cost- benefit analysis for decisions and efficiency assessment is limited. Comparable institutions like the World Bank experienced similar

concerns. A recent study by the World Bank⁵ found that, the percentage of World Bank projects that are justified by cost-benefit analysis has been declining for several decades, owing to a decline in adherence to standards and to difficulty in applying cost-benefit analysis. The study adds that cost-benefit analysis of projects is hampered by the failure to collect relevant data, particularly for low-performing projects.

In the absence of these indicators, other measures of efficiency such as time and cost overruns, capacity utilization, number of target beneficiaries reached, rates of loan recovery, when and where available are been used as proxy measures of efficiency (Box 3).

Box 3: Morocco – Evaluation of Bank Assistance to the Agriculture and Rural Development Sector

Undertaken in 2005, this evaluation concluded that:

Efficiency of Operations: The rates of return (economic and financial) were not systematically calculated as thoroughly as expected. However, a weakness that seemed to have persisted throughout the intervention period concerns the significant slippages on project approval, signature, effectiveness and completion dates. Of all projects (excluding lines of credit), the average period between the date of approval and date of signature is five months, while the period between the date of signature and the date of effectiveness is 25 months. The variation coefficients are respectively 40% and 41%. These slippages could constitute qualitative and quantitative determinants likely to impact negatively on the profitability of projects. The PCRs of the projects analysed indicate that the Bank was not involved in identification and preparation missions (Doukkala, PDPEO and Natural Resources Conservation). There were cancellations of some items of the initial amounts to be disbursed by the Bank for all these projects. Such cancellations which are explained in part by savings on costs made by the borrower during works could also be due to an overestimation at appraisal. The efficiency of operations is considered unsatisfactory.

⁵ Cost-Benefit Analysis in World Bank Projects (World Bank Sept, 2010).

With regard to efficiency, there is room for improvement in the operations. The recent Meta-Evaluation revealed that 50 percent of completed agricultural and rural development projects were rated unsatisfactory with regard to efficiency. Common challenges include implementation time overruns, delays in staff deployments and rapid turnover of project management personnel, difficult communication between the structures involved in the management of certain projects, lack of familiarity and non-conformity with Bank procedures. Another sources of inefficiency included lack of timely allocation of counterpart funds, multiple components, underachievement of objectives, and poor quality of output amongst others.

There is globally a taste of unrealistic forecasts in appraisal estimates of IRR/ERR and the relevance of cost-benefit analysis underlying IRR/ERR continues to be an issue for debate. The weak points in economic and financial analysis of projects are fundamental issues such as the public sector rationale, comparison against alternatives, and measurement of benefits against a without-project counterfactual. Normally, project justification needs to include a discussion of whether the project is producing a public good and why the project was chosen over alternatives. But the problem is that in most case, at the point of appraisal, there are no more alternative to consider, as the decision has already been taken to focus on a particular project, making IRR/ERR be no longer a decision tool.

- *Sustainability*

Sustainability refers to the likelihood that project results will be maintained over the intended project life. In practice, evaluations assess the likely sustainability by examining different sustainability domains: technical soundness; government commitment (including supportive legal/regulatory framework); socio-political support; economic viability, financial viability, institutional, organizational and management effectiveness; environmental impact, and resilience to exogenous factors.

Recent evaluations in the agricultural sector pointed to the fact that sustainability is an area of greatest concern. Despite the improvement in recent projects, sustainability remains a weak area for projects and programs. Of the 27 projects investigated in the last joint AfDB/IFAD evaluation, around 65 percent were found to be unsatisfactory in this area. Among other issues, low sustainability was attributed to unresolved land tenure issues, lack of ownership, unclear responsibilities for maintenance of project facilities (especially infrastructure), inadequate

transfer of technical skills to beneficiaries, fragility of grass-roots institutions, inadequate authority of local management units, and lack of post-project maintenance funds (Box 4).

Box 4:

The final report of the joint evaluation of Agriculture and rural development AfDB/IFAD showed that project sustainability is treated more systematically in recent country strategies and project design documents, but inadequate appreciation of the changing country context is often evident. More attention needs to be given to defining clear exit strategies: the common assumption is that local ownership, beneficiaries' participation in projects and partnerships with domestic stakeholders are essential to ensuring sustainability. The Rwanda COSOP indicates that sustainability will be built by ensuring that projects are integrated into institutional frameworks and that assistance is directed primarily to exiting from national and local structures, which must build up their capacity and autonomy. In Morocco, strong participatory approaches have promoted sustainability – but sustainability also depends on technical and financial support from government agencies, which is not always available. In The Sudan, the limited budget allocation for meeting recurrent costs for government services was an obstacle to the financial sustainability of projects.

- *Bank and borrower performance*

The performance of governments or borrowers is one of the most critical factors for achieving effectiveness and combating poverty. Their contributions and inputs are fundamental in country strategy formulation and project and program design and execution. Bank performance is mainly measured against its contribution to project design, supervision and implementation support (including contribution to resolving bottlenecks and making the necessary adjustments to design during execution) and non-lending activities – knowledge management, partnership building and policy dialogue. Borrower performance usually assesses the government performance by reviewing the quality of project management including M&E and ability to coordinate actions among stakeholders, the adequacy of assumption of ownership and

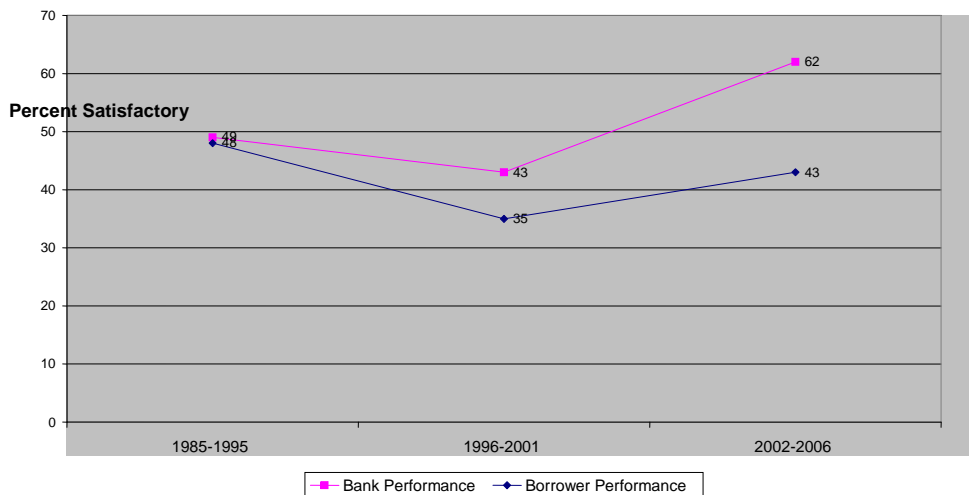
responsibilities during all phases, provision of the required policy and institutional environment to achieve results and sustainability on the ground.

More than half of the agricultural sector projects come out with an unsatisfactory performance of Bank and/or borrower. A number of reasons lie behind the weak performance found in past years. Weak Bank performance is mainly attributed to design weaknesses. The Bank sometime pursues a “one size fits all” approach in project design, and supervision and implementation support, irrespective of the regional’s and/or country’s institutional and policy contexts. This leads to inadequate analysis of the context and risks as well as ambitious design objectives. The call for more analytical work to guide projects formulation is a recurrent theme in evaluation reports.

Explanations of weak borrower performance include: (i) inadequacies in the staffing of project management units, and high staff turnover; (ii) inadequate training and support for project staff in participatory planning, procurement procedures and financial management; (iii) slow staff recruitment; (iv) weak institutional support; (v) inexperience with lenders procedures; and (vi) ineffectiveness of M&E systems as instruments of management.

Many initiatives have been ongoing at the Bank to correct these bad performances which were common to all the sectors. Looking at the Bank’s portfolio generally, in recent years, Bank and Borrower performance improved significantly, after a notable drop in the second half of the 1990’s (Figure 2). This upward trend, is partly a result of management improvements at the Bank after the mid-90’s internal crisis and reorganization, but almost also attributable to the gradual recovery of many African countries from adjustment shocks and major political, social, and economic transformations in the late 1980s and early 1990s. Satisfactory Bank performance improved from a low of 43% in the 1990’s to 62% nowadays (Figure 5). On the other hand, satisfactory Borrower performance went up much less and remains very low at 43%, with continued severe problems in ADF countries. This stresses the needs of a more focused attention towards building institutional capacity in RMC.

Figure 2 - Bank and Borrower Performance over Time
(Bank Total)



4. A particular bottleneck: Projects start-up delays

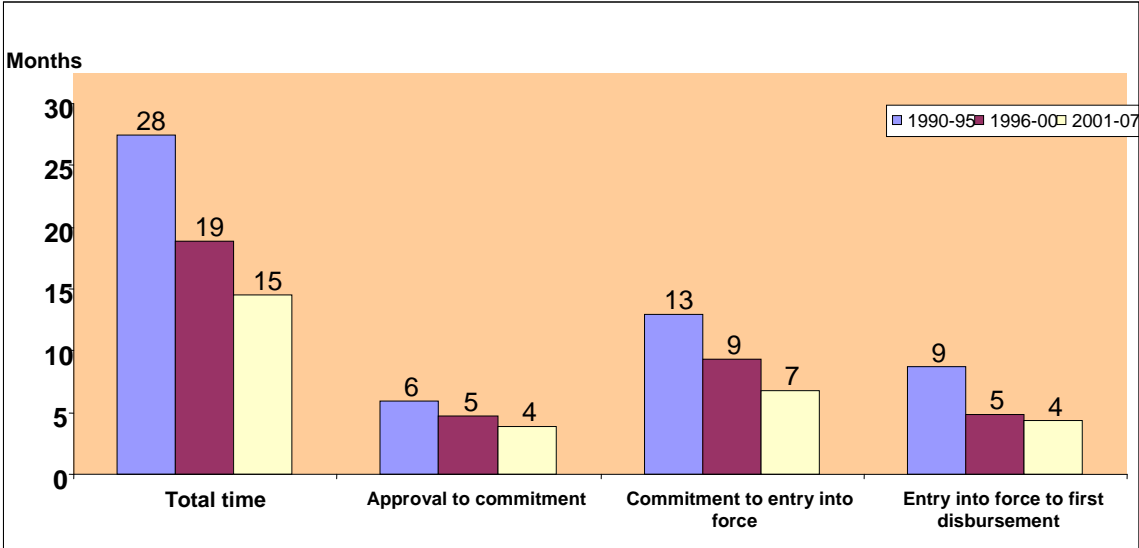
An abundant number of evaluation and non-evaluation studies at the Bank have pointed long gestation and delays at project start-up as one of the main impediments to the performance of the Bank funded projects and programs. An ongoing study at OPEV focuses on the particular case of operations in the agricultural sector, using a dataset of all the agricultural sector operations approved by the Bank between 1990 and 2007 (517 operations).

The study found that: (1) globally, the total time elapsed between approval and first disbursement is twenty (20) months on average. This is a considerable length of time given that normally, after loan approval, project documents will allow a maximum of 180 (6 months) days for the loan agreement to become effective. The avoidable service charges associated with such delay are supplementary burden to the performance of Bank operations. (2) Close to half of the total time delay is attributed to delay between commitment and loan effectiveness. This indicates that borrowers bear a major part of the responsibility in the project delay at star-up. A loan will be declared effective after a certain number of conditions are fulfilled (mainly by the borrower). (3) There have been substantial improvements in time delay since the 1990s, which could be an indication of lightening in start-up procedures or more professionalism in project preparation (Figure 3).

Knowing the characteristics of project that affects its probability to experience start up delay is crucial. The study tells us that Multinational projects are significantly more efficient in term of delays at start-up. The smaller the operation, the greater will be the probability to experience long start-up delays. The longer the planned implementation period of a project, the higher the start-up delay will be. Projects with many components have lower probability of experiencing delays at start up. After project has entered into force, the time elapsed to first disbursement will be longer for ADB countries.

A key implication of these findings is that time delay at the project start-up is a weak part of the project cycle and it is essential for the Bank to take step to address this phenomenon. Addressing the problems that lead to such delays at the sector level can help reduce the overall delays and improve the economic rate of return and impact for projects in the agricultural sector.

Figure 3: Change over time in delayed time from project approval to first disbursement



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5. Conclusion

Agriculture and rural development (ARD) has considerable potential to support growth; it is essential in reducing poverty, hunger and malnutrition and in achieving the MDGs. but faces many challenges due to multidimensional complexity and heterogeneity of the region. The development community should try to use the potentialities offer by this sector to reduce African poverty as much as it can with available resources. A range of evaluation reports suggests, however, that learning and accountability with respect to this goal have been

endemically weak. More investment in evaluation and more utilization of evaluation results are still a challenge.

African governments and donor agencies alike have generally had ineffective sector policies, and despite some success stories, aid to the sector has generally shown weak performance. This picture is also relevant for the African Development Bank.

Most agricultural Banks' projects did achieve impact in certain domains, but either failed to reach the poor and most vulnerable, which are often stated as priority, or achieved far less impact than expected. Development is a learning process, in which future practitioners benefit from current research. This paper highlights key generic features which recur across a varied set of evaluation studies in the ARD sector, and which point the way to enhanced results for the future. Globally, the paper find that in its interventions in the ARD sector, the Bank is doing right things, but are not necessarily doing things right. Evaluative research has some of the properties of a public good, in that the benefits spillover to other projects. When size opportunity to learn, the benefits can be large and global.

The lessons of recent evaluations highlighted in this paper point to areas needing particular attention if one want to improve projects performance and their impact on development in ARD. Of most concern, is the frequent unsatisfactory performance of both the Borrowers and the Bank. For the Bank Group reasons range from major design flaws, inadequate supervision, poor coordination with co-financiers, communication problems with Borrowers, to lack of proper training and preparation for procurement and disbursement. The Bank's activities in support of agriculture and rural development comprise lending, analytical work, and policy advice. Too often, the analytical work necessary for the diagnosis of issues and which should help shape the policy advice and lending, are limited, scattered, of variable quality. They are also no clear procedures in place to ensure that the findings of analytical work are systematically reflected in lending and policy dialogue.

Agriculture projects work in environmentally challenging circumstances, they must grapple with a uniquely complex set of issues some of which are entirely outside of the control of those who design, fund, implement and gain from them. These include inadequate infrastructure and difficult market access, multiple institutions and distorted input and output prices, not to mention the individual decisions of thousands of farmers. But, these factors are mostly known and to a large extent predictable (at least in terms of estimated risks) at the time of project design and during project implementation. Hence, they can in large measure be managed.

Drawing on evaluative lessons can help support economic recovery in Africa. Arguments present in this paper tend to confirm a number of long-standing complaints about Bank

projects and programs, notwithstanding management perpetual claims that they are fixing the past problems. The design and implementation strategies are the source of most failures. It is important to put more effort to render projects, at the time they enter portfolio, ready to work in the complex environments for which they have been designed. This implies putting more energy, more time and more financial resource at the project conception level. The cost of this supplementary effort is far lower than the cost of bad project design and wrong implementation strategies. If closely followed-up and seriously implemented, these lessons draw from evaluation would assist in addressing most of these weaknesses in project and program implementation and contribute to enhancing and sustain the economic recovery and long term growth in Africa

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