

AFRICAN DEVELOPMENT BANK GROUP



Bank's Public Sector Operations in Fragile States

Lessons Learnt and Recommendations

*Fragile States Unit
(OSFU)
September 2011*

This report has been prepared with the support of Mr. André G. KOMENAN (Consultant) and Ms. Céline MIVEDOR (Research Assistant).

TABLE OF CONTENTS

1.	INTRODUCTION	1
2.	DEVELOPMENT CHALLENGES IN FRAGILE SETTINGS.....	1
3.	PRINCIPLES OF GOOD INTERNATIONAL ENGAGEMENT IN FRAGILE SITUATIONS	2
4.	SCOPE AND METHODOLOGY OF THE STUDY	4
5.	REVIEW OF BANK’S OPERATIONS IN FRAGILE STATES	5
5.1	FINDINGS OF THE ANNUAL PORTFOLIO PERFORMANCE REVIEWS (APPR)	5
5.2	ASSESSMENT OF BANK’S OPERATIONS IN FRAGILE STATES (2008-2010).....	5
5.3	PERFORMANCE OF OPERATIONS	9
5.4.	DATABASE.....	10
5.5	RESULTS.....	11
6.	COUNTRY LEVEL CONSTRAINTS TO THE EFFECTIVENESS OF OPERATIONS IN FRAGILE STATES	13
7.	BANK PROCESSES AND CONSTRAINTS TO THE EFFECTIVENESS OF OPERATIONS IN FRAGILE STATES	15
8.	LESSONS LEARNT	16
8.1	OVERVIEW.....	16
8.2	DEFINING AN ENHANCED OPERATIONAL APPROACH FOR FRAGILE STATES	17
8.3	DESIGN OF OPERATIONS	17
8.4.	IMPLEMENTATION OF OPERATIONS.....	21
8.5	BUILDING BANK’S OWN CAPACITIES	22
9.	CONCLUSION	24

Annexes

List of Tables

Table 1	Bank's operations approved during ADF XI (2008-2010) by Types of beneficiaries and sectors (Counts and Percent)
Table 2	Bank's Operations approved during ADF XI (2008-2010) by types of beneficiaries and sectors (Amount and Percent)
Table 3	Bank's Investment Operations and Related Loans and Grants Approved between 2008 and 2010 by Types of Beneficiaries and by Sectors (Counts and Amounts)
Table 4	Performances of Investment Operations Approved during ADF XI (2008-2010) by types of beneficiaries (Counts and Amounts)
Table 5	Supervision of Operations Effective for First Disbursement by Types of Supervision and by Beneficiaries
Table 6	Supervision of Operations Effective for First Disbursement
Table 7	List of Pillar 1 FS and FO

List of Boxes

Box 1	Principles of Good International Engagement in Fragile States and Situations
Box 2	Objectives of the Fragile States Facility
Box 3	TOGO - Bank's Phased Approach to Resumption of Its Assistance
Box 4	Using Flexibility in Implementation to boost results on the Ground: The Case of the Institutional Capacity Building for Poverty reduction and Good Governance (SUDAN)
Box 5	SABABU Project in Sierra Leone
Box 6	Linking Pillar 1 and 3 Activities (COMOROS)

List of Graphs

Graph 1	Distribution of Operations by Sector and Group of Countries
---------	---

List of Annexes

Annex 1	Comparative Table of Responses by Other Institutions to Fragile Situations
Annex 2	Country Eligibility Criteria to Pillar 1 Resources
Annex 3	Rapid Response Procedures: Possible Template for Pillar 1-Eligible Countries
Annex 4	Distribution of Public Sector Investment Operations by types of Countries
Annex 5	General Road Map from Board Approval to First Disbursement
Annex 6	Supervision of Operations Effective for First Disbursement

List of Acronyms and Abbreviations

AfDB	African Development Bank
APPR	Annual Portfolio Performance Review
AsDB	Asian Development Bank
DP	Development Partner
FO	Field Office
FS	Fragile States
FSF	Fragile States Facility
HIPC	Highly Indebted Poor Countries
IMF	International Monetary Fund
IADB	Inter-American Development Bank
IsDB	Islamic Development bank
LICUS	Low –Income Countries under Stress
MDRI	Multilateral Debt Relief Initiative
NFS	Non-Fragile States
OFS	Other Fragile States
OSFU	Fragile States Unit
PBA	Performance-Based Allocation
PCEA	Post Conflict Emergency Assistance
Pillar 1 FS	Pillar 1 Fragile States
PIR	Project Implementation Report
PRGF	Poverty Reduction & Growth Facility
WB	World Bank

“Progress (in integration of African economies), or the lack of it, will be closely related to success in rebuilding post-conflict states and managing fragile situations.” Therefore, “Engaging in fragile and post-conflict states is an imperative, not an option. The Bank should have a leading role but intervene selectively, consistent with its other areas of focus. Its assistance must be flexible, fast, and consistent, well coordinated with other players. And additional financial and human resources will have to be directed accordingly.”

Report of the High-Level Panel– “Investing in Africa’s Future”, 2007.

EXECUTIVE SUMMARY

Fragile states (FS) represent about one-third of African countries and while diverse they are faced with development challenges that show some commonalities among them, including political instability, violence, and severely degraded institutional and administrative capacity. FS are also characterized by deteriorated or non-functioning physical and social infrastructure and as a consequence have low human development and high levels of poverty. Further, these economies have weak fiscal positions and are highly dependent on external aid. Finally, their instability is a threat to the stability of their neighbors and their sub-regions.

The Bank therefore places emphasis on its strategic engagement with FS and plays a major role in their economic recovery and rebuilding of institutions with the view to consolidating the peace, stabilizing their economies and laying the foundation for sustainable poverty-reduction and long-term economic growth. In March 2008, the Bank established the Fragile States Facility (FSF) and the Fragile States Unit (OSFU) to coordinate its effort in this regard. The Bank has undertaken to review the specific conditions in which its FS operations are designed and implemented with the view to improving project effectiveness.

This study reviews the operations in the nine (9) countries benefiting from the supplementary financing window of the FSF; these are Burundi, Central African Republic, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Guinea Bissau, Liberia, Sierra Leone and Togo. The study is based on review of documents, interviews with Bank staff and managers involved in operations in FS, field visits in four (4) FS (Comoros, Guinea Bissau, Sierra Leone, and Togo), and a statistical analysis of Bank's operational data in SAP. The study focuses mainly on public sector investment operations in the nine (9) countries developed and approved since 2008 when the FSF was established. The active portfolio in FS includes 31 operations in these nine countries for a total value of UA 0.53 billion.

The findings of the study, based on conventional portfolio performance indicators, show that the FSF is a simple, fast, flexible financing instrument which complements other Bank support in FS and has resulted in improved delivery. Coupled with this is the closer supervision of operations undertaken in FS. Hence, the study shows that the Bank's FS have improved in fulfilling conditions for project effectiveness and disbursement and that their average disbursement ratios are higher than in most non fragile states. However when the FS portfolio assessment is broadened beyond disbursement indicators then the performance is mixed as is reflected in the Outliers and Exceptions Reports and the Annual Performance Portfolio Reviews. It is therefore clear that, the generally poor local conditions in FS and the low level of institutional, organizational, and human capacities require additional effort in order to translate rapid disbursement into high-impact results and outcomes of these interventions by the Bank.

The study also highlights the main lessons learnt. First, the establishment of the coordinating unit and the setting up of the unique financing vehicle of the FSF have led to the improvement in the performance of operations in FS and reaffirms the Bank's commitment to ensuring more effective engagement in these countries. Second, the existence of the Facility, its resources, and sustained dialogue with development partners (DPs) in the design and implementation of operations in FS have helped bring these countries to the forefront of Bank's operational agenda. Third, the commitment by countries to pay particular attention to the resumption and maintenance of dialogue with the Bank has led to greater responsiveness on their part. Fourth, the Bank has provided closer supervision of its operations by strengthening its presence in the field by setting up more offices in FS and paying more attention to understanding better the underlying political economy of each country.

In spite of significant improvements in performance, much more needs to be done to improve the design and implementation of operations in FS. The Bank needs to move quickly to ensure that: (i) adequate flexibility is built into the operations to allow for necessary adjustments in the course of implementation; (ii) country services in charge of implementation are adequately staffed with sufficiently trained personnel, with at least a minimum hands-on experience; (iv) intensive supervision of the operations is maintained in all FS, and resources for supervision are appropriately allocated; (v) Bank's HQ task teams are appropriately staffed with adequate skills mix; and, (vii) greater responsibility is devolved to field offices.

The study further suggests that the Bank's re-engagement of the dialogue with FS following a long period of dis-engagement should be carefully sequenced with development of local capacities at the core of such dialogue; moreover, avoiding a complete rupture even during periods of sanctions by maintaining non-lending activities is highly recommended. Finally, the role of civil society in the design and implementation of operations, especially in helping to build local capacities and monitoring results on the ground, should be adequately taken into account.

1. INTRODUCTION

1.1 The Bank continues to place increased emphasis on its assistance to Fragile States (FS) and has made its role in supporting their economic recovery and re-engagement to enable transition out of fragility one of the central pillars of its country assistance. The report of the High-Level Panel (“HLP – Investing in Africa’s Future”, 2007) established by the Bank’s President to consider “the future of the African Development Bank (AfDB) and its role in ensuring Africa’s success” stressed that “Progress (in integration of African economies), or the lack of it, will be closely related to success in rebuilding post-conflict states and managing fragile situations.” Bank assistance must be flexible, fast, and consistent and well coordinated with other players. These orientations were further developed in the Bank’s Medium-Term Strategy (2008-2012) and in the establishment in March 2008 of a Fragile States Facility (FSF) and a Fragile States Unit (FSU).

1.2 This report aims to review the specific conditions in which its FS operations are designed and implemented with the view to improve program impact, reinforce its approach and reduce operational costs. In doing so, the Bank is conscious that FS are diverse and each requires a careful analysis of the local context and tailored program of assistance.

1.3 This report presents the main findings of the analysis of data from Bank’s operations as well as primary data gathered during field trips in a sample of four (4) FS (Comoros, Guinea Bissau, Sierra Leone, and Togo) representing regional and language distributions.¹ Following the introduction, Section 2 summarizes the development challenges in FS; Section 3 presents the engagement of Development Partners (DPs) in FS; Section 4 details the scope and methodology of the study; Section 5 reviews the Bank’s operations in FS, while Section 6 draws the lessons learnt and proposes recommendations for improving the design and operations in FS.

2. DEVELOPMENT CHALLENGES IN FRAGILE SETTINGS

2.1 FS present peculiar features of fragility that create a particularly complex development challenge and high operational risks and costs to DPs. Three challenges are important to consider:

- i. *FS are diverse and their internal conditions are fluid.* These conditions vary among and within FS as well as by regions, sectors and over time. Fragility is indeed a continuum along which country circumstances fall ranging from marked deterioration in performance, to active conflict, to post crisis and transition, and finally to gradual improvers. This is not a linear process and countries may run the risk of falling back into conflict. Addressing such situations requires a high degree of flexibility, patience, and tolerance for frequent changes in the course of action.
- ii. *FS exhibit extremely weak capacities.* The weak capacities are reflected in low numbers and poor quality of human resources, weak institutions (rules, regulatory framework, policies and laws) and poor organizational (structures, processes, networking, and systems) due to protracted conflict or civil strife, years of neglect or disregard. A more holistic approach is required to address these challenges.
- iii. *Corruption and lack of an established civics system is usually widespread.* This is one of the often-mentioned causes of fragility and is directly linked to the preceding challenge. However, addressing them requires capacity building and commitment of both the government and the population to improve the societal fabric. Advocacy, sensitization, and good, transparent, and predictable application of the rules is required.

¹The team initially planned to visit a fifth country (Central African Republic); the trip however could not take place.

2.2 Risks such as fluidity of the situation and political instability are important because they can result in costly implementation delays and increased opportunity costs to the beneficiaries. These risks could also increase direct project management costs, input costs and sometimes the destruction of facilities already procured. The lack of local capacities also delays startup and implementation of operations and can produce poor results. Corruption and lack of civism are also major risks; they may lead to violation of agreed procedures especially those related to procurement and financial management, and distraction of operational inputs from their intended destination and purpose.

2.3 These risks increase the costs for DP operations in FS compared to non-fragile states (NFS) due to the need for closer and more intense monitoring of operations, longer implementation periods, and higher costs of communication, security and personnel in FS. DPs are therefore faced with the challenge of reducing operational costs. An additional factor is the need of strengthening incentives and enhancing flexibility in their procedures and operational modalities to produce development results while limiting fiduciary risks in FS operations.

3. PRINCIPLES OF GOOD INTERNATIONAL ENGAGEMENT IN FRAGILE SITUATIONS

3.1 Aid effectiveness and modes of engagement in FS have received considerable attention within the international community. Development Partners, including the Bank, have generally adopted the principles for Good International Engagement in Fragile States and Situations (Box 1), and the Accra Agenda for Action, to guide joint donor assistance in post-conflict settings.

Box 1. Principles for Good International Engagement in Fragile States and Situations

1. Take context as the starting point
2. Ensure all activities do no harm
3. Focus on state-building as the central objective
4. Prioritize prevention
5. Recognize the link between political, security and development objectives
6. Promote non-discrimination as a basis for inclusive and stable societies
7. Align with local priorities
8. Agree on practical co-ordination mechanism between international actors
9. Act fast, but stay engaged long enough to give success a chance
10. Avoid pockets of exclusion (“aid orphans”)

3.2 Although progress varies from institution to institution, commitment of DPs to rebuilding FS is clear and harmonization of donor activities is progressing in the following four key areas: (i) Strategy, policy, and procedures; (ii) adoption of specific financing instruments; (iii) enhancing their ability to more effectively respond to local challenges in FS through specific organizational and staffing approaches, and (iv) intensification of partnership. The shared objectives of all these initiatives are to enhance the effectiveness of operations through increased responsiveness, flexibility, simplified operational design and procedures, country ownership, long-term engagement, and enhanced field presence and proximity to the clients (Annex 1 provides a description of the engagement of the DPs in FS). In line with the principles for good international engagement in fragile states and situations the Bank’s approach is to be more responsive to its regional member states as well as to strengthen coordination with development partners.

The Bank's Approach

3.3 The Bank's strategy on FS, which is grounded on the OECD-DAC Principles of Good International Engagement in FS, provides a framework built around three key pillars as described in Box 2 below. It establishes the FSF as a single distinct financing vehicle for the three pillars.

Box 2. Objectives of the Fragile States Facility

The Fragile States Facility (FSF) was established in March 2008 by the Board of Directors of the African Development Bank (AfDB) and the African Development Fund (ADF) as an operationally autonomous (trust fund) entity within the African Development Bank (AfDB) Group to provide supplemental grant support to more effectively assist states emerging from conflict or crisis through consolidation of peace, stabilizing economies, and laying the foundation for sustainable economic growth.

The Fragile States Unit (OSFU) operationalizes the FSF by:

- Providing resources and advisory services to regional and sector departments operating in FS
- Contributing to the implementation of debt arrears clearance programs
- Managing the targeted technical support program for capacity building, and facilitating skills transfer
- Coordinating and aligning Bank operations in FS
- Facilitating the dissemination of information and knowledge on the Facility and FS.

The FSF supports eligible countries through three windows as follows:

- **Supplemental Support (Pillar 1)** to provide eligible FS with financing in addition to the ADF country allocation to support governance, human and institutional capacity building, and the rehabilitation and reconstruction of basic infrastructure.
- **Debt Arrears Clearance (Pillar 2)** to contribute to clearing the debt arrears of eligible countries. The support helps to normalize their relations with the ADB Group and give them the possibility of benefitting from debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI). The budgetary space thus created helps to finance investments in priority sectors such as health, education, infrastructure and agriculture.
- **Targeted Support (Pillar 3)** to contribute to the development of human and institutional capacities and economic analyses to facilitate the preparation and management of development policies and programs. The Targeted support also offers technical assistance to countries by providing experienced experts and offering support in the form of services.

3.4 The Bank's current list of FS includes 17 countries.² This list has been established based on an annual joint evaluation by the Bank and the World Bank. These are countries that have a Country Policy and Institutional Assessment (CPIA) below or equivalent to 3.2, or the presence of a UN and/or regional peace-keeping or peace-building mission during the past three years. While all the 17 FS have access to Pillar 3 resources (Technical Assistance and Capacity Building – Targeted Support), 9 of them³ so far meet the eligibility criteria for accessing Pillar 1 resources (see Annex 2). In addition, 3 regional economic communities are also benefiting from the FSF Pillar 3 support: The Indian Ocean Commission, the Mano River Union, and the International Conference of Great Lakes. Finally, under Pillar 2 two (2) countries (Côte d'Ivoire and Togo⁴,) benefitted from arrears clearance financing which enabled them to re-engage with the international community.

3.5 The FSF had an initial allocation of UA 420 million (equivalent to 7.5% of ADF-11 total replenishment) which was supplemented by the ADB's net income to reach the total amount of USD 647.80 million by end 2009.

3.6 The strategy provides a number of specific modalities to improve the impact of Bank operations among which are: (i) a streamlined operational business process to reduce processing delays and improve focus, quality at entry, and performance monitoring; (ii) more flexible waivers allowing for up to 100% Bank financing of operations in FS, including recurrent expenditures, taxes,

²These are: Burundi, Central African Republic, Chad, Comoros, Republic of Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Guinea, Guinea-Bissau, Liberia, Sao Tome & Principe, Sierra Leone, Somalia, Sudan, Zimbabwe, and Togo.

³They include: Burundi, Central African Republic, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Guinea-Bissau, Liberia, Sierra Leone, and Togo.

⁴These countries also benefit from FSF - Pillar I

and local costs (in line with the new Bank Group Policy on Expenditure Eligibility of March 2008); (iii) strengthening operational complexes and field offices through enhanced recruitment and delegation of authority downward to task managers and to field offices; (iv) specific rapid-response procedures to speed up disbursement and procurement activities (see Annex 3).

3.7 The “Operational Plan for the Bank Group Accelerated Engagement in Fragile States” lays out the operational program and actions for the period of ADF XI (2008-2010) and the indicative directions for 2011 and beyond. The plan streamlines Bank’s planned lending and non-lending work program and provides an outline of the in-house coordination and implementation mechanisms needed to accelerate service delivery on the ground. This plan indicates 43 new operations in FS for a total value of about UA 821 million for the period and that the proposed lending program for the nine Pillar 1 FS would require resources well beyond the available PBA and top-up resources combined. The funding level revealed a total financing gap of UA 186.46 million mainly related to seven (7) countries: Burundi, CAR, DRC, Guinea Bissau, Liberia, Sierra Leone and Togo. The Bank’s strategy therefore includes rigorous resource mobilization actions in order to fully meet the needs of all the nine FS as well as support the other potentially eligible countries.

3.8 The “Guidelines on Administration of the Technical Assistance and Capacity Building (TCB) Program of Pillar 3 Operations” elaborates on the processing and approval procedures of Pillar 3 operations with a value of UA 2.0 million or below, thus covering a procedural gap that existed in the Operations Guidelines of the Fragile States Facility. These guidelines further provide the appraisal and approval procedures, implementation arrangements, and the review processes toward well-targeted technical assistance, combined with institutional capacity development, large-scale training of serving senior and technical staff in public institutions, and deployment of highly skilled experts residing in the Diaspora, to support recovery efforts of Pillar 3 eligible countries. The Guidelines propose to consolidate the three sub-components of Pillar 3 operations (secondment for capacity building, small grant to non-sovereigns for service delivery, and knowledge-building and dialogue) into an integrated technical assistance and capacity building program (TCB).

4. SCOPE AND METHODOLOGY OF THE STUDY

4.1 The study focuses mainly on Bank’s operations in the nine countries eligible to the Supplementary Support Window (Pillar 1); these are: Burundi, Central African Republic, Comoros, Côte d’Ivoire, Democratic Republic of Congo, Guinea-Bissau, Liberia, Sierra Leone, and Togo. The operations considered are those developed by the sector departments **with or without resources from the FSF**. The period covered by the study is from 2008 to 2010 that is since the Policy for Enhanced Engagement in FS and the Guidelines were approved by the Board of Directors; this period also corresponds to the ADF XI financing cycle. The findings of the report are based on (i) the analysis of Bank’s operations data in SAP and various reports including the Outliers and Exceptions Reports, APPR, PIR, etc., (ii) interviews with a sample of Bank staff and management involved in operations in FS; and (iii) field missions carried out in September and October 2010 in four FS countries (Comoros, Sierra Leone, Guinea-Bissau, and Togo).

4.2 The rationale for focusing the study on the nine “Pillar 1 Countries” which are post-conflict/post-crisis countries is that they represent the highest proportion of utilization of FSF resources given that they are also all eligible to Pillar 3 – Technical Assistance and Capacity Building. And some like Côte d’Ivoire and Togo have accessed all three FSF pillars.

4.3 The study includes a review of data from four groupings according to the type of beneficiaries as follows: Pillar 1 FS (nine countries), Other FS (eight countries), Multinational

Organizations, and NFS (36 countries). The analysis on the performance of operations has been based only on public sector investment operations, the single most important and relatively homogenous group.

4.4 A key limitation in the use of SAP data is the accuracy and consistency of information pertaining to the same operations. These are mainly related to the data entry methods and the SAP-competency of staff entering them. For example, the team encountered many cases of miscoding of the loan types which are the main criteria for selecting the types of operations. These are related to input errors or lack of adequate codes for new types of operations, the SAP system having not kept pace with the creation of new lending instruments in the Bank. Cleaning the data for this miscoding required a closer examination of the individual projects including referring to the operations task team for clarification. In addition, timeliness of data input into SAP is another important concern; as a consequence, data extracted at a given time are often largely incomplete. This study is based on data extracted on December 21, 2010 and is therefore based on a number of operations estimated to be about 10% lower than the actual number. However, there is no specific pattern observed in the data that could have altered the findings of the study.

4.5 Another common case of data limitations is related to the recording of supervision missions; missions are often undertaken for several purposes which might include any combination of project development (identification, preparation, or appraisal), launching, supervision, or completion. The information is entered into SAP without reference to the actual time spent on each activity and the main emphasis of the mission; therefore the information provided by the system cannot give an adequate assessment of the importance accorded by the task team and management to each activity. These limitations notwithstanding, the analysis carried out in the context of the study is based on a careful scrutiny of the data and provides a consistent image of the reality of performance of Bank's operations between 2008 and 2010.

5. REVIEW OF BANK'S OPERATIONS IN FRAGILE STATES

5.1 Findings of the Annual Portfolio Performance Reviews (APPR)

5.1.1 The 2010 Annual Portfolio Performance Review (APPR) includes 817 ongoing and newly approved operations with a total value of UA 22.3 billion; among these there are 170 private sector operations (for a total value of UA 4.8 billion), 222 regional operations (for a total value of UA 3.7 billion), the rest being public sector single country operations (425 operations for UA 13.8 billion). Among these, the active portfolio in FS includes 66 operations in the nine countries eligible to FSF - Pillar 1, for a total value of UA 1.086 billion).

5.1.2 The findings of the 2010 APPR (confirming the trend already observed in 2009 APPR) show that on average, the Bank operations in the FS performed less well in problem projects and operations eligible to cancellation relative to Bank wide average, performance in other indicators was mixed. Nonetheless significant progress has been made in the performance of operations in FS since 2005; for example, the disbursement ratio and number of operations supervised twice a year increased by 35 percent and 27 percent respectively in 2009.

5.2 Assessment of Bank's Operations in Fragile States (2008-2010)

5.2.1 During this period, Pillar 1 (Supplemental Support), with the largest resource allocation among the three FSF pillars, had ADF financing for 18 operations in eight out of nine eligible countries for a total amount of UA Million 163.8 (contributing to a total project cost, including co-

financing, of UA Million 705.9, that is 23.2% of this total). Under Pillar 2 financing was provided for debt arrears clearance for two eligible countries (Côte d’Ivoire and Togo) for a total amount of UA Million 255.5 and enabled them to re-engage with the Bank Group and access debt relief under the HIPC initiative and the Multilateral Debt arrears clearance program. Under Pillar 3 (Targeted Support), 57 capacity building activities were financed in 14 countries for a total amount of UA Million 24.1 to support the enhancement of capacities in FS. Six additional activities have so far been financed in 3 regional organizations (Indian Ocean Commission, Mano River Union and Great Lake Conference) for a total amount of UA Million 1.0.

5.2.2 Based on the data extracted on December 21, 2010, from 2008 up to 2010, the Bank Group’s Boards of Directors approved a total of 391 operations (UA Billion 13.03) of which a total of 67 operations were in FS (including Pillar 1 and Other FS (see tables 1 and 2 below).

Table 1. Bank’s Operations Approved during 2008-2010 by Types of Beneficiaries and by Sectors (Counts and Percentage)

	Pillar 1 FS		Other FS		NFS		M		Total	
	Number of operations	Percent	Number of operations	Percent	Number of operations	Percent	Number of operations	Percent	Number of operations	Percent
Agriculture	8	17,02%	4	20,00%	39	16,12%	2	2,44%	53	13,55%
Infrastructure	13	27,66%	8	40,00%	101	41,74%	39	47,56%	161	41,18%
Environment	0	0,00%	0	0,00%	1	0,41%	17	20,73%	18	4,60%
Finance	4	8,51%	2	10,00%	20	8,26%	11	13,41%	37	9,46%
Social	8	17,02%	5	25,00%	27	11,16%	5	6,10%	45	11,51%
Multi-Sector	14	29,79%	1	5,00%	54	22,31%	8	9,76%	77	19,70%
Total Number of Approved Operations	47	100%	20	100%	242	100%	82	100%	391	100%

This table refers to all Bank’s (including public sector and private sector) operations.

Note: FS = Fragile States; NFS=Non-Fragile States; M=Multinationals

5.2.3 Tables 1 and 2 show the distribution of operations by sectors and categories of beneficiaries (see Figure 1).⁵Overall, the priority the Bank gives to infrastructure is clearly reflected in this distribution with overall 41% of the number of operations (57.6% of the total lending volume) going to this sector, followed by multi-sector operations (19.7% of the number of operations for 25.4% of the total lending volume). While a similar pattern is observed in the distribution across sectors of multinational operations and NFS operations (where more than half of the resources go to Infrastructure and about a quarter to multisector), it is different for Pillar I FS where Infrastructure and Multisector operations have an equal share of the resources (about 44% each). As mentioned earlier, the need to support institutional reforms and restoration of good governance may explain the relative importance of multisector operations. There is only one multi-sector operation approved in other FS during the period considered; the relatively small number of investment operations in other FS does not permit any meaningful conclusion.

⁵These data refer only to approved operations during the period reviewed and do not include the pipeline of projects.

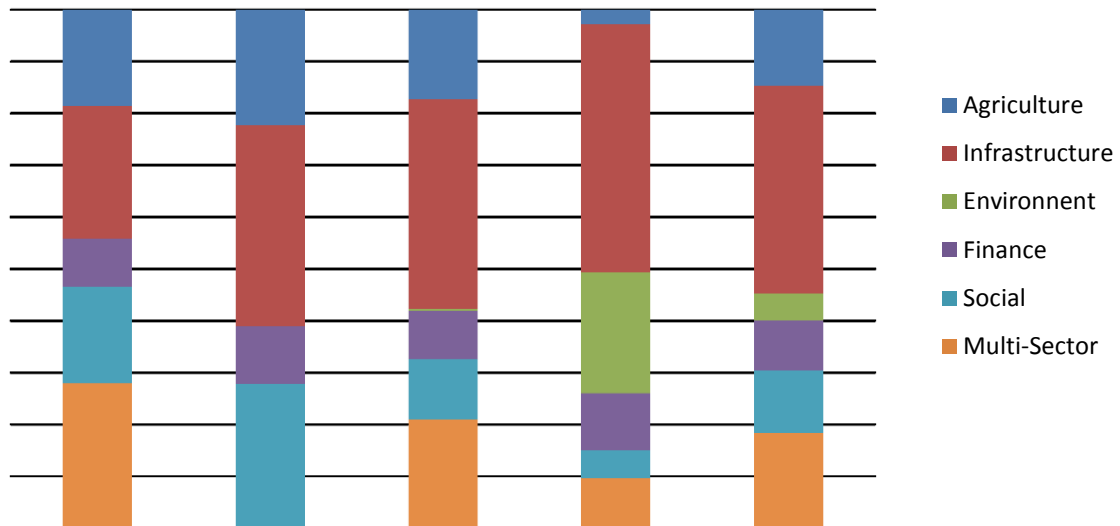
**Table 2. Bank's Operations Approved during 2008-2010 by Types of Beneficiaries and by Sectors
(Amount (UA million) and Percent)**

	Pillar 1 FS		Other FS		NFS		MULTINATIONAL		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Agriculture	19.972	3.85	2.629	1.00	408.789	4,02	30.000	1,42	461.389	3,54
Infrastructure	227.21	43.78	247.374	94.19*	5,812.378	57,30	1,217.087	57,77	7,504.049	57,57
Environment	0	0.00	0	0.00	12.000	0,12	93.119	4,42	105.119	0,81
Finance	5.174	1.00	0.768	0.29	838.690	8,27	257.371	12,22	1102,003	8,46
Social	34.081	6.57	8.427	3.21	464.443	4,58	42.471	2,02	549.422	4,22
Multi-Sector	232.521	44.81	3.440	1.31	2,608.185	25,71	466.556	22,15	3,310.702	25,40
Total Amount of Approved Operations	518.958	100%	262.637	100	10,144.48	100	2,106.60	100	13,032.68	100
Distribution of Financing by Types of Countries (%)	03.98%		02.01%		77.84%		16.16%		100%	
Average Size of Operations	11.04		13.13		41.91		25.69		33.33	

* This high percentage is due to a private sector project (Guinea) which cost alone represents more than 53% of the total allocation to infrastructure for Other FS.

5.2.4 In conclusion, the distribution of operations by categories shows that the Bank's portfolio under ADF XI reflects its priorities with differentiated emphasis depending on the group of countries: Higher priority seems to have been accorded to budget support and institutional reforms (multi-sector operations) in Pillar 1 FS than in the other groups. This higher priority may reflect the view that Pillar 1 FS need to first restore their capacity to deliver basic social services and the institutions for good governance. The pattern is different for NFS with more stable institutions where the development of productive and basic infrastructures is the major constraint to their sustained growth.

Graph 1. Distribution of Operations by Sector and Group of Countries



Public Sector Investment Operations

5.2.5 In order to base the analysis on a more homogenous set of data, only operations which follow the similar procedures for effectiveness and disbursements have been retained; these are public sector investment operations. Table 3 below presents the data described by sectors and types of beneficiaries excluding the operations in Private Sector Development, Policy-Based operations (i.e. Structural and sector adjustment operations, budget support), Emergency Aid Grants, PPF, and MIC grants. There are 176 such operations (out of 391 operations in total) financed by 212 loans and grants. The distribution of these operations shows a clear priority given to Infrastructure with on average more than 86% of the Bank’s financing going to this sector and this ratio is maintained for NFS, Multinational Operations and Other FS for which also more than 65% of the number of operations are in this sector (See Annex 10 for the detail table). For Pillar 1 FS, however, ratio is slightly lower (77.70%) than the overall average and less than 60% of the operations belong to this sector. While the priority accorded by the Bank to Infrastructure operations is clearly reflected in FS, the need to also address urgent structural and social issues is also taken into account in these countries; understandably, the share of multi-sector (usually PBOs) and social sector operations is much higher among Pillar 1 FS than in the other groups of countries.

Table 3. Bank's Investment Operations and Related Loans and Grants Approved between 2008 and 2010 by Types of Beneficiaries and by Sectors (Counts and Amounts)

	Pillar 1 FS			Other FS			MULTINATIONAL			NFS			TOTAL		
	Number of Operations	Number of Loans and Grants	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Loans and Grants	Total Amount
Agriculture	3	5	18.35	0	0	0.00	2	2	30.00	17	18	366.96	22	25	415.31
Infrastructure	13	18	227.2	6	6	64.92	31	39	1 110.04	68	85	4 842.70	118	148	6244.88
Environment	0	0	0.00	0	0	0.00	3	3	82.00	1	1	12.00	4	4	94.00
Finance	0	0	0.00	0	0	0.00	2	2	19.00	0	0	0.00	2	2	19.00
Social	4	4	31.80	1	1	5.82	3	3	41.00	11	12	332.36	19	20	410.98
Multi-Sector	3	4	15.06	1	1	3.44	0	0	0.00	7	8	41.38	11	13	59.88
Total	23	31	292.41	8	8	74.18	41	49	1 282.04	104	124	5 595.40	176	212	7 244.05

Note: This table refers only to public sector investment operations; excluded are operations in: Private Sector Development, Policy-based operations (structural and sector adjustment, budget support), Emergency Aid Grants, PPF, and MIC Grants.

5.3 Performance of Operations

Indicators

5.3.1 The study uses two types of common indicators of performance: (i) Delays (to satisfactorily meet conditions for first disbursement and delays to actual first disbursement) to measure the speed of project initial steps to implementation and (ii) disbursement rates to measure project effectiveness and expediency in implementation. These indicators are also used in the context of the Annual Portfolio Performance Review (APPR) and therefore can allow comparison.

5.3.2 Delays to effectiveness and to first disbursement are expected to reflect the level of capacity in the country to fulfill all the conditions prior to first disbursement (general conditions and specific conditions) expeditiously, and its commitment and readiness to undertake project activities quickly. Given that there also appear to be significant delays between the fulfillment of all conditions precedent to first disbursement and the actual first disbursement, this study distinguishes two types of delays (i) from approval of the operations to the fulfillment of conditions for first disbursement (effectiveness) and (ii) from effectiveness to actual first disbursement.

5.3.3 In interpreting these indicators, it should also be recognized that the size and the sector of operations and therefore the composition of the portfolio play a role. A study on the subject (Gohou and Soumaré, 2010) based on data covering all Bank's operations since 1967 draws a number of interesting conclusions among which the following are relevant to this study: (i) Delay to first disbursement is related to the beneficiary country's economic development (as measured by the current GDP per capita), (ii) large projects experience shorter delays than smaller ones, and (iii) projects in "pro-poor" sectors (Agriculture, Education, and Health) experience longer delays. As much as possible, the study has attempted to take these factors into account. Based on these results, the expectation for this study is that disbursement delays would be longer for FS in general than for NFS with more stable institutions and generally stronger capacities.

5.3.4 Delays to effectiveness for first disbursement. These delays measure the speed at which countries satisfy the general and specific conditions for first disbursement. They are a good indication of the readiness, level of capacities in the countries to quickly prepare and clear key

documents, rigidity or complexity of the country's regulation, but also may reflect the appropriateness of the set of conditions precedent to first disbursement, and the reactivity of the Bank's task teams. These delays may vary from country to country, and even from sector to sector in a given country. Annex 5 details the typical steps leading from Board approval of an operation to its eligibility for first disbursement. A study by ORQR (How to reduce first disbursement delay in AfDB financed operations? October 2010), based on four case studies shows bottlenecks at different steps of the process that are related to the regulation and procedures of the particular country. The study by Gohou and Soumaré (2010) also shows differences in delays between loans and grants with average delay to first disbursement for ADF loans being twice as long as the delays related to grants; the difference for ADB loans and grants is smaller. This pattern can be explained by the process of fulfilling the general conditions for loans which often requires approval by parliament, a step that can be long and which is not required for grants.

5.3.5 Delays between effectiveness and actual first disbursement. This indicator, which represents the time between fulfillment of all conditions (general and specific) precedent to first disbursement and actual first disbursement, is a reflection of capacities of the country to undertake essential activities required for startup of operations. Depending on the operational requirements these may include activities such as establishing an implementation framework, recruiting key staff, preparing required documentation for startup of the operations, medium term budget and operational plans, procurement plans, and other key startup activities.

5.3.6 Disbursement rates. Disbursement rates are a common indicator for project implementation efficiency. It measures the level of transfers of resources from the Bank to the country for the implementation of the project's activities; while it may not necessarily and accurately reflect the actual implementation rate on the ground, it is widely recognized as one of the best proxies for project implementation efficiency because it uses a common and objective yardstick (in our case, UA). In addition, the main reason for using disbursement rates as a proxy for rate of implementation is that the bulk of the project resources are usually disbursed as direct payment against contractual agreements between the countries and the contractors and based on implementation of the contracts as certified by the countries. Reflecting the actual physical implementation would have required another set of data not readily available.

5.4. Database.

5.4.1 Bank's operations follow a range of procedures and steps in their development, approval process, and implementation modalities. Therefore, in order to base the analysis on a more homogenous set of data with respect to their implementation modalities, only *public sector investment operations* have been retained.

5.4.2 Based on the above selection, the data examined for the performance of operations includes 176 investment operations of which 23 are in Pillar 1 FS, 8 in Other FS, 104 in NFS and 41 multinational operations. Linked to these operations are 212 loans and grants⁶ including 31 in Pillar 1 FS, 8 in Other FS, 124 in NFS and 49 for Multinational operations. Because loans and grants even when they are linked to the same operation have different conditions of effectiveness and

⁶Operations can be financed by one or several sources managed by the Bank. These sources can be either loans or grants. The database includes the following ones in addition to the traditional ADB, ADF, and NTF windows: Special Relief Fund (SRF), Middle Income Countries Fund (MICF), African Water Facility Trust Fund (AWTF), Congo Basin Forest Fund (CBFF), Fund for African Private Sector Assistance (FAPA), Rural Water Supply and Sanitation Initiative Fund (RWSSIF), Fragile States Facility (FSF), and Accelerated Co-Financing Facility for Africa (ACFA).

disbursement procedures, the performance indicators are calculated based on them rather than on the number of operations.

5.5 Results⁷.

5.5.1 Delays to effectiveness for first disbursement. Overall, an average of 5.67 months is necessary for investment operations to fulfill the general (“entry into force”) and specific conditions (“effectiveness”) determining their actual effectiveness for first disbursement; this average is 5.26 months for Pillar 1 FS, 8.16 months for other FS, 6.33 months for NFS, and 3.83 months for multinational operations. Pillar 1 FS have therefore the shortest delays to first disbursement of all national investment operations (see Table 4 below). These results are unexpected because, as mentioned earlier, the fulfillment of the grant or loan conditions require a level of capacities which is often lacking in FS.

5.5.2 The results could have been explained by the fact that FS are more often financed through grants than loans and that general conditions for grants are easier to fulfill than loans. The data however do not clearly confirm any outstanding difference between grant and loans (on average it takes 13.13 months for a loan and 11.54 months for a grant to fulfill all the general and specific conditions preceding to first disbursement). In addition, it was not possible to distinguish between the dates of fulfillment of general conditions and those of the specific conditions; countries often forward to the Bank all the proofs of fulfillment of these conditions at the same time, regardless of the actual date of fulfillment of the individual conditions. This may explain why for a large number of operations, the two dates are the same in the SAP database.

5.5.3 Delays between effectiveness and actual first disbursement. Substantial delays were also observed between these two dates, and these delays can be as long as 14.7 months and as short as 0.2 months. Table 4 presents these delays computed among disbursing operations as follows: It takes on average 1.43 months for Pillar 1 FS to effect their first disbursement and 1.67 months for NFS to achieve the same (a difference of about 10 days). This finding is also unexpected.

5.5.4 Disbursement ratio. The results in Table 4 show that the average disbursement ratio is 22.80% with Pillar 1 FS disbursing faster (24.05%) than all the other national operations including other FS with 12.57% (although this ratio may not be significant given the small sample size of only 4 observations), and NFS with only 19.02%. Multinational operations disburse the fastest (34.80%). The ratio of disbursement of Pillar 1 FS is therefore the highest of all national investment operations.

5.5.5 These unexpected results call for further investigation; as indicated earlier, these results may also reflect an improvement of the Bank’s own performance, especially with respect to FS which require closer attention and follow-up. To confirm this, an examination of the data on supervision of operations has been carried out and the summary of the results is shown in Tables 5 and 6 below and the details in Annex 6.

⁷ Results should be interpreted with caution given the small number of operations for FS as compared to the Bank-wide portfolio and the small sample size from the selected pilots for this study.

Table 4. Performance of Investment Operations Approved during ADF XI (2008-2010) by Types of Beneficiaries

Indicators	Pillar 1 FS	Other FS	NFS	Multinational	Total/Average
Number of approved investment operations	23	8	104	41	176
Number of related loans and grants	31	8	124	49	212
Number of related loans and grants effective for 1st disbursement	20	6	78	20	124
Number of loans and grants disbursing	16	4	62	17	99
Average delays between Board approval and effectiveness(in months)	5.26	8.16	6.33	3.83	5.67
Average delays between effectiveness and actual first disbursement (in months)	1.43	0.95	1.67	0.86	1.42
Average disbursement ratio	24.05%	12.57%	19.02%	34.80%	22.80%

Note: Effectiveness is understood as having fulfilled the conditions precedent to first disbursement.

5.5.6 Supervision of operations. By December 2010, there are 111 public sector investment operations that are effective for first disbursement; among these, 81 (72%) are older than 6 months (since effectiveness). According to the Bank's operational rules, launching missions are organized for every operation upon its effectiveness. According to the SAP records, only 38 launching missions have been organized that is one out of three of the 111 operations effective for first disbursement; among the 81 operations that are at least 6-month old (since effectiveness) and for which launching missions should have been organized, only 34 such missions seem to have indeed taken place. As indicated earlier, data recorded in the SAP System are not accurate because missions are often undertaken with several objectives and not all these objectives are registered. In addition, the actual time spent and effort devoted to each of these mission activities is not indicated; it is therefore impossible to assess the importance given to each of them by the task team. Table 5 also shows that more than 93% percent of the supervisions are for "field supervision" (72.38%) and "launching" (20.99%). The study combines the two types of missions as an indicator of the intensity of the Bank's "attention" provided to the operations.

Table 5. Supervision of Operations Effective for First Disbursement by Types of Supervision and by Beneficiaries

Type of Supervision	Pillar 1 FS	Other FS	NFS	Multinational	Total	Percent
Field Supervision	23	10	72	26	131	72.38%
Desk Supervision			2	3	5	2.76%
Launching	6	4	23	5	38	20.99%
Country Portfolio Improvement Plan	1				1	0.55%
Sector Portfolio Improvement Plan			6		6	3.31%
Total	30	14	103	34	181	100%

5.5.7 Table 6 shows that 73 out of 111 operations effective for first disbursement (that is 65%) have been supervised; this number represents also 90% of the operations 6 months or older. Among the operations effective for first disbursement, proportionately more operations have been supervised in FS, in particular in Pillar 1 FS, than in the other types of beneficiaries. This is also reflected by the number of supervision missions which is proportionately higher for FS, with a ratio of 2.5 missions for Pillar 1 FS, 3.5 for Other FS, and 2 for NFS.

Table 6. Supervision of Operations Effective for First Disbursement

Indicators	Pillar 1 FS	Other FS	NFS	Multinational	Total/ Average
Number of operations effective for 1st disbursement	17	6	69	19	111
Number of operations older than 6 months*	11	4	51	15	81
Supervised Operations					
Number of supervised operations	12	4	45	12	73
Percent of supervised operations	70.59%	66.67%	64.29%	63.16%	65.18%
Number of supervisions**	30	14	103	34	181.0
Supervision ratio	2,5	3,5	2	2,8	2,5
Operations Not Supervised					
Number of operations not supervised	5	2	24	7	38
Number of operations older than 6 months not supervised	1	1	8	3	13
Average age of operations older than 6 months not supervised	7,7	7,4	11,7	15,5	11,9
Number of operations younger than 6 months not supervised	4	1	15	4	24

* The age of the operations is calculated from the date of effectiveness

** Supervisions include: Field supervisions (131), desk supervisions (5), launching missions (38), Country Portfolio Improvement Plans (1), Sector Portfolio Improvement Plans (6)

5.5.8 The data do not provide any indication on the actual time and effort spent by task team in managing the FS portfolio as compared to that spent on NFS; this time and effort which includes the extensive review of documents emanating from project teams in the countries, the time spent on communication (verbal, electronic, and written), is not recorded in any central database. The interviews carried out with task managers suggest that the time and effort required to manage operations in a FS is much more intense than for NFS.

5.5.9 To sum up, the performance of operations in Pillar 1 FS as measured by the speed of implementation (disbursement ratio) is higher than that of NFS; this is explained by a combination of factors including (i) the commitment of the governments and their agencies to successfully implement the operations as manifested by their responsiveness to requests for information and timely respect to agreed decisions, given their pressing needs for resources in all sectors and (ii) the Bank's enhanced strategic engagement with these countries through faster processing of operations, enhanced supervision, active follow-up of activities, and greater flexibility in interpreting rules and regulations. There is however, much room for improvement and the rest of this report is an attempt to outline the areas for such improvements based on the statistical findings, the interviews with Bank staff and the field visits.

6. COUNTRY LEVEL CONSTRAINTS TO THE EFFECTIVENESS OF OPERATIONS IN FRAGILE STATES

6.1 The main constraint to the effectiveness of Bank's operations in FS is weak capacities. Capacities are understood here as encompassing three dimensions:

- *Institutional capacities* already defined in section 2.1 of the study. Country systems (procurement, financial regulations, codes, etc.) in most FS are not functioning, either because they do not exist, or because they are not implemented.

- *Organizational capacities* which refer to structures, processes, networking, and systems: Political and administrative instability, lack of reliable and up-to-date information to support targeted programming, design of operations, and impact measurement; unreliable communication (road, telecommunication) networks; unreliable energy supply; limited organizational capacity of the private sector and inability to abide to procurement and implementation rules and procedures.
- *Human capacities* which refer to the ability of people to acquire and apply knowledge at individual, institutional, system and organizational levels: Limited national expertise to lead the design of policies, programs, and operations; intense mobility of trained personnel.

6.2 While FS in general lack capacity in these three dimensions, their individual profile varies widely from one country to another with respect to the importance of each of the dimensions. The most common and critical capacity constraints as they relate to the design and implementation of operations are described below.

6.3 *Lack of complete and up-to-date information.* Operations in FS often mark a resumption following a sometimes long period of disengagement with the Bank. During this period, the countries faced with urgent and short-term issues, have often neglected the gathering and maintenance of key economic and social data. As a the result, the internal institutional and individual knowledge (memory) in these countries is either lost or has become too obsolete to provide a basis for the analysis required for meaningful strategic programming, identification of priorities, and design of operations. A similar concern is related to the information on the Bank's and other DPs operations.

6.4 *Weak Capacities for Strategic Programming.* Capacities for strategic programming have been weakened by (i) the loss of reliable information and the lack of up-to-date data to identify gaps and target and prioritize policies and activities, (ii) the loss (through emigration) of key and knowledgeable staff, and (iii) the long period of managing in a crisis environment and of dealing only with immediate/short-term issues. As a consequence of this lack of strategic programming and the long periods of crisis and limited dialogue with development partners the capacities for *strategic programming* of development in the FS countries have also weakened or deeply eroded and limited their ability to *coordinate the international assistance*.

6.5 *Weak fiduciary systems with excessive political interferences* in the implementation of agreed procedures. Unfortunately, solutions often devised to counter this tendency lead to *cumbersome administrative procedures* resulting in long delays in clearing critical documents, and *weak oversight capacity of the government services* leading to poor implementation of contracts.

6.6 *Limited capacity (and willingness) of the private sector firms* to participate in bidding procedures due to lack of information, training, capacity, and sometimes trust in the processes and institutions. In addition, the limited number of qualified private contractors is also an impediment to the productive competition among them and engenders a pressure on their limited capacities to respond to increasing demand and therefore their ability to deliver quality. This situation also often results in higher costs of delivery of goods and services than in NFS.

6.7 *Weak capacity of civil society organizations* limiting their ability to play their role in evaluation of public policies based on informed analysis. This is important as in many FS, civil society organizations play a critical role in providing basic social and economic services in areas where the capacities of decentralized services of the governments are limited.

7. BANK PROCESSES AND CONSTRAINTS TO THE EFFECTIVENESS OF OPERATIONS IN FRAGILE STATES

7.1 *Time allocated to project development and supervision is insufficient.* Interviews with Bank staff indicate clearly that local conditions in FS are such that developing operations in these countries require more time and resources than in NFS. Some of the constraints identified were: a) the lack of reliable and up-to-date information to guide the identification of activities; b) widespread needs that largely exceed the available resources and therefore require careful research and analysis to identify and prioritize activities; c) the weak local human capacities and lack of assistance to Bank staff on mission to prepare operations in a fully informed manner; d) the difficult communications and logistics (poor roads, heavy traffic jams, unreliable telecommunications, and limited access to internet, long waits for meetings, etc.); and e) working conditions (for example, electricity shortage). In addition staff stress that in some cases the processing of operations is expedited at the expense of following the full project cycle. As a consequence, the research and thorough analysis expected in the development process of operations is lacking.

7.2 A review of Country Strategy Paper (CSPs) and appraisal reports of operations in FS reveals that in spite of the claims that FS require a specific treatment, there is an insufficient analysis of the specific conditions prevailing in FS and the particular features of fragility of the countries. As a consequence, these *Bank documents do not take full account of the particular situation and expectations of FS* and propose only limited alternatives to address their constraints. As an illustration, the Board-approved Rapid Response Procedures designed to facilitate and expedite procurement and disbursements are not used.

7.3 *Bank's rules and procedures are often too complex and rigid.* FS in general find Bank's rules and procedures (for procurement and disbursement) very difficult to understand and implement, and that they are interpreted by task managers without consideration for the particular conditions of the countries. The local conditions and especially the lack of capacities in FS suggest that special procedures are required. Although a step has been taken by the Board in approving the "Rapid Response Procedures", projects have not really integrated these into their design. In addition, in the course of implementation, local conditions may require an adapted interpretation of the rules which Bank staff are not always in a position to make. This perception by RMCs of complexity and rigidity of the Bank's rules and procedures has an adverse impact on project implementation when they prove to be very different from those of the other DPs. *Insufficient harmonization of procedures, regulations, and documents among DPs* is indeed one of the most common remarks made by countries with respect to the Bank. Although this issue is not particular to the Bank, it does impact on the effectiveness of its operations. In addition, the effort by FS to revise their procurement and financial country systems (often with Bank's support) have not been systematically followed by a Bank's formal assessment in order to allow their use in the context of Bank's operations.

7.4 *Lack of field presence or proximity.* FS require sustained attention and presence for effectiveness of operations. The Bank has field offices in only three of the nine FS covered by this report, DRC, Sierra Leone, and Guinea Bissau (the latter with only a national program office hosted by the UNDP local office). Although some FS such as Liberia and CAR, benefit from the support of nearby field offices (Sierra Leone and Cameroun, respectively), resources (staffing, transport and mission, administrative support) are said to be insufficient to adequately provide the needed support. This lack of proximity of the Bank coupled with the low responsiveness of the Bank to requests from countries is a serious constraint.

7.5 *Communication problems with task managers.* Good communication with task managers makes an appreciable difference in the timely and effective implementation of operations. Countries are unfortunately experiencing long delays in receiving responses to requests due to the unavailability of task managers who have to attend to requests from several other operations or are often on missions in other countries. The decentralization process is potentially envisaged as a solution to this problem.

7.6 *High turnover of Bank's Task Managers.* FS require continuous and sustained support for the resolution of issues. The frequent changes of Bank's task managers of individual operations present a challenge to the countries because effectiveness of operations often depends on specific (and not always documented) understandings between task managers and country project teams, practices, communication channels, and tacit knowledge of the country environment on the part of the task managers to facilitate and expedite decision making and implementation. New task managers often take charge of operations with only a minimal (or sometimes no) transfer of knowledge of the operational challenges and of pending issues, and therefore have to go through a learning process with the effect of disrupting on-going momentums.

7.7 Analysis of the performance of Bank operations shows however that based on the key portfolio performance indicators, fragile states have made progress and there is room for improvement. The study results showed that Pillar 1 FS experience shorter delays to effectiveness, shorter delays to actual first disbursement, and have improved disbursement ratios and supervisions. Although these results may not be statistically significant, they are unexpected because the local poor physical and institutional conditions and human capacities in FS suggest the hypothesis of poorer performance of operations in these states.

7.8 Finally, the section identified a number of key constraints to the effectiveness of operations in FS as follows: (i) time spent to the development and supervision of operations is insufficient to thoroughly attend to all the issues for optimal effectiveness; (ii) there is a need to refocus CSPs and project documents to take full account of specific conditions of FS; (iii) there is a need to review Bank's rules and procedures to adapt them better to the conditions of FS; (iv) there is a striking lack of field presence (or even proximity) to enhance effectiveness of operations; and finally, (v) the high turnover of Bank's tasks managers in charge of operations in FS is a constraint to the effectiveness and speedy implementation of operations in these states.

8. LESSONS LEARNT

8.1 Overview

8.1.1 The report confirms that capacity challenges –institutional, organizational, and human– pose bottlenecks to the success of Bank operations and progress of the FS towards normalcy and sustainable growth. The countries are in the process of building their capacities with the support of the Bank and other DPs. The report also outlines a number of factors that may have played a determining role in the relative performance of FS as compared to NFS. First, the “FSF effect”: The existence of the Facility, its resources, and the dialogue with DPs on the conditions of design and implementation of operations in FS has helped bring FS to the forefront of Bank's operational agenda. Second, countries commitment to the resumption and maintenance of the dialogue with the Bank has translated into greater responsiveness on their part. Third, because the Bank's commitment to the success of its engagement in FS is a major indicator of its own effectiveness it has adapted its processes and rules to the conditions in these countries and provided additional resources both to finance operations and to implement them. In this respect, the Bank has provided closer follow-up of

its operations in FS with more frequent field visits, greater attention by task managers to the needs of the countries, and constant contacts with them. Finally, although this has not always been the case, there has been a careful analysis of the local conditions in which operations will be designed and implemented. In spite of these favorable conditions, much needs to be done to improve the design and implementation of operations in FS. The rest of this section focuses on this.

8.2 Defining an Enhanced Operational Approach for Fragile States

8.2.1 The operational challenges outlined throughout this report as well as Senior Management's commitment strongly suggest the need for an enhanced Bank's approach to operations in FS throughout all the phases of the project cycle from design to impact evaluation.

8.2.2 Such engagement, taking into account the specific conditions of FS requires a mix of elements including careful analysis of the specific context with limited information, simplified design, embedded capacity building, adequate skills mix of task management teams, intense project supervision and monitoring, responsiveness and flexibility. Given the fluidity and evolving context of FS, operations should be designed in a flexible enough way so as to allow for changes in the course of implementation.

8.2.3 Bank operations in FS also need to ensure that: (i) country departments are adequately staffed with sufficiently trained personnel, with at least a minimum hands-on experience; (ii) Bank's tasks management teams are appropriately staffed with adequate skills mix; (iii) adequate resources for supervision are allocated to operations in FS; (iv) where possible, the Bank should aim for continuity in terms of the composition of project appraisal teams (PAT) working on a specific FS in addition to task managers; and (v) greater responsibility is devolved to the field offices. This section makes a set of recommendations organized around the design and implementation phases of operations and key institutional parameters.

8.3 Design of Operations

8.3.1 *Phase and sequence* Bank's re-engagement and dialogue with FS should follow a pattern adapted to capacities and needs. An often adopted sequence starts with quick-disbursing operations linked to the establishment/reforms of key fiduciary institutions rules and regulations, then the support to the development of institutional and organizational (and human) capacities, and finally investment operations (See Box 3: Togo – Bank's Phased Approach to Resumption of its Assistance). The sequence of intervention confirms that the Bank and DPs consider capacity development as a priority and further recognize that it is a long-term process that requires sustained support. DPs also recognize that the beneficiaries of capacity development activities should include the Government as well as the other internal stakeholders (the private sector and civil society). Therefore, with respect to programming, substantial resources for capacity development will still be required over a number of ADF cycles.

Box 3. TOGO – Bank’s Phased Approach to Resumption of its Assistance

Togo went through a long period of socio-political instability and is gradually regaining a peaceful social climate. The prolonged crisis which seriously impacted the country’s economic and social development process resulted from the country’s difficult transition to democracy in the early 1990s. During this period, the dialogue with the international development partners (DPs) was suspended. Return to normalcy started in 2004 and accelerated in 2006 with the signing of the Comprehensive Political Agreement; the Bank resumed its assistance to the country through the phased approach described below. During these phases, the Bank paid particular attention to coordination with the other Development Partners and contributed to the preparation of Economic and Sector Works to guide its approach and define its role.

Phase 1 (2004-2008): Preparation of the resumption of cooperation with DPs. The dialogue aimed at the resumption of the Bank’s cooperation with Togo started in 2004; a first Country Dialogue Paper was prepared in 2005 and a second one in 2006 which noted the very low level of human capacities in the central and decentralized government administration that resulted in the failure to provide basic public services, the disorganization of the public spending chain, the poor management of the public debt, and the weakness of the public procurement services. To support the resumption of the dialogue with the country, the Bank approved (i) a grant to finance the Institutional Capacities Development Support Project (PARCI, June 2006, UA 2.2 million) to enhance public services especially in the areas of public finance (treasury, budget, and debt management), and (ii) the clearance of the country’s arrears to the bank (July 2008, UA 14.7 million) which led to the lifting of sanctions. This first phase opened the way to a more regular dialogue with the Bank and other Donors.

During 2008, the Bank and the government prepared an Interim Country Strategy Paper (I-CSP, 2009) based on the Interim PRSP, and identified two pillars to be implemented sequentially as follows.

Phase 2 (2009): Promotion of Good Governance (Pillar 1 of the I-CSP): This phase implemented in 2009, aimed at mitigating the country’s risks in public finance management and the business climate, and removing the institutional constraints to economic growth. This objective was achieved through the Bank-financed Reform and Economic Governance Support Program (REGSP, 2009, UA12.5 Million), a budget support (quick-disbursing) operation, and an institutional support to strengthen macroeconomic and financial management (UA 9.21 Million of which 4.36 Million from FSF resources and UA 4.85 Million from ADF-11).

Phase 3 (2010): Support for economic infrastructure (Pillar 2 of the I-CSP): Based on the previous phases which strengthened the country’s capacities to better manage the economy, the third phase aimed at creating the conditions for revitalizing economic growth, through support for the construction/rehabilitation of transport and energy infrastructures (UA 23.39 Million) while continuing to provide assistance for strategic planning and sector policy management.

8.3.2 *Maintain minimal engagement rather than fully disengage with FS.* Another lesson related to the re-engagement with FS is that it is facilitated when there is *no complete rupture of the dialogue even during the periods of sanctions* and that a minimum non-lending relationship is maintained. This could include the knowledge generation and dissemination work, data maintenance, training activities, support to programming, etc.

8.3.3 *Detailed analysis of the local institutional context and the underlying political economy of the countries.* The environment of FS can be very complex with fast changing local conditions and can include very different features from NFS. Designing and implementing operations in FS therefore require a thorough understanding of the local context and challenges involved, in particular a careful analysis of the institutional context as part of the design of operations. Given the very limited database available, financing of *quick surveys* to better target and prioritize operational objectives and activities, or of comprehensive surveys where absolutely necessary can be indispensable (See the case of the Sudan, Box 4 below). The need for analytical work as a basis for sound design of operations and strategic programming should not however delay the attendance to more immediate and short-term needs. Keeping a *balance between long-term programming and responding to short-term urgencies* is certainly one of the key operational challenges in FS.

Box 4. Using Flexibility in Implementation to Boost Results on the Ground-The Case of the Institutional Capacity Building for Poverty Reduction and Good Governance (ICBPRGG) in Sudan

The ICBPRGG project approved by the Board on 07 March 2007 for a total amount of UA Million 10.69 of which UA Million 9.62 from ADF resources and the rest as counterpart funds 1.07 from the Government of Sudan. It aimed at “strengthening the capacity of key national institutions in North and South to implement macro-economic reforms and good governance practices for poverty eradication in Sudan”. Its components included (i) a support to the national Poverty Eradication Strategy Paper (PESP) process through in particular the implementation of a national household survey to provide updated baseline data, (ii) the strengthening of the capacities of various national and local government and non-government entities, and (iii) a project management unit.

The implementation of this operation presented an unprecedented challenge to the Bank because of the particular political and institutional context of the country: “one country-two systems”, transitional administrative setup, large economic and social disparities, high operating costs, and serious capacity constraints (especially in the South) -- lack of basic infrastructure, communication, banking system, qualified suppliers, and qualified personnel (especially in Financial Management) with ensuing high turnover of qualified staff. For example, the project once lost 3 accountants within one week. It was difficult to find the qualified one, and when a qualified accountant was found he quit the same day, because he was offered another job paying better.

To address all these issues, the bank put in place a flexible approach (with close supervision) which included among others: Procurement and disbursement, with the use of procedures similar to the FSF rapid response procedures, establishment of a Field Office, use of technical assistance, and use of external banks to lodge the project Special Account.

As a result, disbursement of the project which became effective in March 2008 is currently at 51% (much better than most projects) and its achievements are already striking: The Household Survey has been completed and its results published that provides solid baseline indicators for the preparation of the PESP. Also worth noting, the training of over 100 state budget sector officials including 22 ministries, 10 State Finance Ministers (through the support to the ten Southern states functions) specifically in sector based planning and budgeting which is linked to the Government budget sector working groups. In addition, some 70 chairpersons of independent commissions and chambers (e.g., the Anti-Corruption Commission and the Audit Chambers) have also been trained to enhance the creation of common understanding national planning and budget frameworks, which is to be used in preparation of plans and budgets at Government and State levels. The importance of building this foundation is the direct link established with the core functions identified by the Government to be put in place in Southern Sudan by July 2011. In the North, similar achievements have been made in the training of some 200 State budget officers on pro-poor budgeting across the 15 Northern states.

8.3.4 In addition the *adherence to the full project development cycle* (identification, preparation, and appraisal) is highly recommended to ensure that operations are well conceived with active participation by national staff and are designed to respond to the local context and expectations. Failing to do so can result either in unrealistic objectives or in costly institutional inconsistencies which often lead to the destabilization of government services and processes, or failure to take into account all the key parameters of the implementation of the project which lead to undue delays in implementation. This is the case when, for example, the design of operations sometimes includes the establishment of new structures/institutions to respond to short-term objectives without due consideration of the existing institutional context and create duplications of services. Another case is related to the very high transaction costs of operations in FS for which unfortunately the operations do not always provide sufficient resources (costs of communications, transport, DHL, etc.).

8.3.5 *Take into account the evolution of the needs and conditions of FS.* The conditions in FS can be very fluid and changes can therefore affect the implementation of the operations profoundly. Indeed, operations are designed to respond to specific conditions at the time they are developed. The design of operations does not always (and most of time cannot) take into account the potential evolution of the needs and conditions (institutional, sociological, political, etc.) of implementation in order to build-in changes made necessary in the course of implementation. Yet, key parameters in the appraisal reports once approved by the Board of Directors cannot be easily modified. The Bank could also consider the introduction of new and more appropriate financing instruments such as adaptable program lending (APL) similar to the ones being used by other institutions.

8.3.6 The challenge therefore is to be able to design operations that are to be implemented over several years in a flexible manner so as to adjust easily to changing local conditions, while safeguarding Bank’s rules and regulations. (See Box5Sababu Project in Sierra Leone). Finally, the “rapid-response procedures” approved by the Board should be extended to all operations in FS.

Box 5. SABABU Project in Sierra Leone

The Bank and the World Bank co-Funded the Rehabilitation of Basic and Non-Formal Education and Vocational Skills Training (SABABU) Project (UA 35 million of which and ADF contribution of 16 million) was developed in 2002 following the end of the protracted and violent civil war and the elections in May 2002. Sierra Leone was faced with the dual challenge of assuring the return to school of all school-aged children and that of educating the thousands who had been of out-of-school due to the war, and those that never received formal education or training. This project was developed in close partnership with other DPs and local and international NGOs. The operation was designed as an emergency response for primarily the rehabilitation of the dilapidated classrooms and the training of teachers.

The education sector was then characterized by strong leadership at the policy level but weak implementation capacity especially at regional levels where the decentralized government services were absent. In addition, a key feature of the Sierra Leone educational system was the partnership between different religious denominations and the government in the delivery of primary and secondary education whereby the Government paid teacher salaries, shared the cost of facilities and maintenance, developed curricula and standards, provided teacher training, and administered examinations while the missions built and managed the schools. In 2002, more than 85% of the schools were administered by the missions among which 95% of the technical/vocational schools. In addition, more than 90% of the schools that have been rehabilitated between year 2000 and 2002 had been done in collaboration with international and national NGOs.

The design of the project therefore called for a devolution of responsibility to implementing partners to International and local NGOs, faith groups, Community-Based Organizations, and other agencies of government that were entrusted with the delivery of the civil works (construction and rehabilitation) and other activities in the many areas far from Freetown where the Ministry of Education Science and Technology (MEST) was absent. As the local conditions evolved with the progressive return to normalcy and the subsequent redeployment of the MEST's decentralized services in the regions and the improvement of their capacities, this project design appeared to the MEST a constraint to the effective delivery of its mission. A project design that would have allowed to progressively involving MEST's decentralized services as their capacities improve would have served the dual purpose of delivering the services, while empowering the Government.

8.3.7 *Increase the involvement of civil society in the design and implementation of operations.* The role of civil society organizations in FS cannot be overemphasized as in some of these countries, they have largely contributed to delivering basic social services during the times of civil strife or wars. They sometimes are a mine of information on the needs, the localization of the target populations, the priorities, and the most effective implementation modalities. Associating them in the design and implementation of operations can lead to better targeting, effective implementation, and evaluation of the impacts.

8.3.8 *Intensify the development of local capacities.* Capacity, notably, is lacking in FS and these countries expect Bank's operations to strengthen their capacities to levels where they could lead the design and implementation of projects and programs, coordinate external assistance, and evaluate the impact of these operations. It is noted, however that not enough capacity building activities are embedded in the operations and that insufficient training is provided to countries even in the area of project management (project design, procurement, disbursement, etc.) and implementation of Bank's procedures which are directly related to the effectiveness of the operations.

8.3.9 It is therefore recommended to (i) include *Capacity Building and Technical Assistance (TA) in every operation.* A particular focus should be put on the entities and procedures related to procurement (Tender Boards and national procurement procedures) with the view of intensifying the strengthening of institutional, organizational (rules and procedures), and human capacities aimed at central and decentralized government entities and also at the private sector and civil society; and (ii) include *intensive training of local operation implementation teams*, and eventually internationally recruited staff if necessary including the use of the Diaspora expertise.

8.3.10 The Bank could also play a key role in *reinforcing DP-coordination capacities and focusing them* around the strategic pillars of the PRSP and Government's development strategy, and promoting *greater harmonization of procedures* among DPs to facilitate implementation of operations. In this respect, tighter linkages between Pillar 1 and Pillar 3 activities of the FSF are required. A good illustration of the use of TA in support other operations is presented in Box 6: The Case of Comoros.

Box 6. Linking Pillar 1 and 3 activities – The Case of Comoros Water and Sanitation Project

The Board has approved on 17 December, 2009 a co-financed Comoros Water and Sanitation project (UA Million 21.52 of which UA 8 Million from the FSF and UA 2 Million from RWSSI Trust Fund). Given the current weak human capacities of the Directorate General of Energy and Water (DGME, the focal department in charge of supervising the implementation of the project), key technical assistance was indispensable to the successful implementation of this. To address this critical gap, the Bank through Pillar 3 of the FSF allocated UA 0.64 Million (USD 1 Million), a large part of which would be for the recruitment a Project Technical Assistance (PTA) to support the Project Management Unit (PMU) and ensure the hitch-free conduct of the early activities require to start the project, and especially the heavy and complex procurement activities that are required at the early stages. The use of Pillar 3 resources was opportune in this case because they can be mobilized before Board approval of the grants and therefore can help carry out activities critical to the jump start of the project.

Further, the project included an organizational audit of the Water and Electricity Company (MAMWE) that would make recommendations to improve the governance of the sector and remove the constraints identified. This organizational audit was one of the performance benchmarks for the water and electricity sector agreed with the International Monetary Fund in the context of its program with the Government of Comoros. USD 125,000 have been earmarked from Pillar 3 allocation to finance this organizational audit; the implementation of this audit and its recommendations should open the way for other Development Partners to invest in this critical sector.

8.4. Implementation of Operations

8.4.1 *Properly launch operations as a key to a successful implementation.* Project staff in charge of implementing operations is most often different from the ones that participated in the design of these operations; besides, they are appointed after project effectiveness and therefore are not fully attuned with the key design and implementation features of these operations and need to be adequately trained at their start in order to understand thoroughly. Project staff that benefit from proper project launching experience a steeper learning curve and are more effective in the implementation of their operation. Bank's launching missions tend to be too short and more focused on informing the public at large on the objective of the operations than on developing the capacity of project staff to implement them. Other DPs such as the World Bank devote much more time (as much as one week in some cases) to project launching event and when necessary organize extended missions with experienced staff to get projects off the ground quickly. It is recommended that the Bank consider devoting much more time to project launching with a substantial coaching component.

8.4.2 *Intensify implementation monitoring of operations.* Because of their weak implementation capacities, FS require sustained guidance and advising in the implementation of operations. Most of DPs have planned for a mix of options to ensure this, and the country visits have confirmed that operations that are given sustained attention by task managers are progressing better. Although the Bank provides closer supervision to operations in FS than in NFS, the intensity is insufficient. The length of the missions is the same as in NFS, although the issues can be more complex and the conditions on the ground may require more time to understand the issues thoroughly and deal with them, advise, and sometimes work with the local project staff to implement solutions. It is therefore recommended to intensify supervision missions for FS operations and to provide greater attention to reinforcing the Government's capacities to monitor on-going operations and evaluating their impacts.

8.4.3 *Enhance responsiveness of Bank's Task Managers.* In addition to the difficult conditions of implementation of operations in FS, it is observed that the very low level of responsiveness of Bank's task managers to requests leads to long breach of communication between the local project staff and the Bank and slow implementation. Indeed, approval process of procurement or disbursement documents can take weeks or even months and information on disbursements are not immediately made available.

8.4.4 *Exchanging in the same language facilitates implementation.* Stakeholders in non-English or French-speaking countries find it difficult to participate in the activities related to Bank's operations. While project staff is often able to interact with Bank staff in one of the official languages of the Bank (French and English), contractors and other stakeholders of the operations find it difficult to

participate in the implementation. In particular, the obligation to translate important and bulky procurement documents is an important constraint to the contractors in the bidding process. The Bank should consider translating and disseminating in the country's official language copies of the basic Bank policy and project documents and be prepared to accept key documents such as bidding documents prepared in these languages.

8.5 Building Bank's Own Capacities

8.5.1 *Strengthen field presence.* The table 7 below shows the list of the nine (9) Pillar 1 FS with the planned Field Office (FO) coverage. Only two (2) countries (DRC and Sierra Leone) have a FO (in Guinea Bissau the Bank maintains a program office with two staff). The nearby FOs identified in the table provide some kind of support with only limited resources and explicit mandate. As indicated, close follow-up of operations is critical to their effectiveness. The Bank would need to strengthen FOs with adequate resources (administrative and communication budget) and a clear mandate for providing guidance and assistance, and clearing key documents in order to expedite implementation. To this end, staffing of these FOs would need to be reconsidered to include the right profile both in terms of number and skills mix.

Table 7. List of Pillar 1 FS and FO

	Countries	FO or close FO
1	Burundi	RWFO
2	Central African Republic	CMFO
3	Comoros	MGFO
4	Côte D'Ivoire	X
5	Democratic Republic of Congo	DCFO
6	Guinea-Bissau	SNFO
7	Liberia	SLFO
3	Sierra Leone	SLFO
9	Togo	GHFO

* Countries with own FOs. In the case of Guinea Bissau the program office does not have technical staff and would require the technical support of SNFO

8.5.2 *Better coordinate Bank's effort in support of FS.* It is important to enhance the internal coordination of activities among the Bank's various departments in order to optimize their impact, avoid duplications including with other DPs and ensure maximum consistency. While leadership ensuring this coordination lies with the country departments, it would take the active participation of all the other Bank's unit involved in the countries including operation departments and those of the Office of the Chief Economist in charge of training (EADI), production and dissemination of statistics (ESTA) and research (EDRE).

8.5.2 *Enhance the Skills Mix of Bank's Operational Staff.* Constant follow-up by TMs, their ability to understand project challenges, and commitment to results are essential to the effectiveness of operations in FS. Institutions such as the World Bank have developed elaborate institutional frameworks and tools to provide quicker and more effective response including enhancing field presence, increasing staffing in FOs in FS by 50%, providing specific incentives and career development paths for staff working in FS and institutional backup teams. The Bank on its side could pay particular attention to the skills mix of Bank's task management teams which takes into account the technical skills, competencies, experience and sensitivity to the issues of FS. It has been identified that the most desirable personal aptitudes (besides the technical expertise and experience, especially in FS settings) include: (i) Diplomacy, communications, mature and political judgment, networking, political management skills, energy, creativity, and resilience skills to carry out effective

client dialogue and donor coordination; (ii) strong practical operational management and client capacity building skills including fiduciary expertise, for effective portfolio management; and (iii) strong previous experience in FS settings. In assigning staff to work on FS, these attributes should be taken into account.

8.5.3 Better prepare staff through sensitization, information and training. The interview with staff as well as review of project documents indicate that staff working on FS often ignore the very existence of the OECD/DAC Principles of Good Engagement in FS as well as the Board-approved Rapid Response Procedures aimed at facilitating implementation. Wider dissemination through meetings and training sessions of these and other key instruments would play an essential part in a strategy for enhancing further the Bank's engagement in FS.

8.5.4 Develop a strategy to maintain core operational staffing on FS. Task managing operations in FS require specific skills, aptitudes and knowledge; it also calls for building trust with country counterparts in order to make quick and informed decisions required in FS settings. This staff profile is best acquired through experience in working on FS. However the observed high turnover of staff assigned to operations in FS and limited transition (hand over process) between staff replacing each other limit responsiveness of task managers and the effectiveness of Bank's operations.

8.5.5 Develop standard project management tools. The lack of a complete set of standard documents to guide project design and implementation is a limitation felt by Bank's task managers. A handbook of project management which would complement the revised operations manual and include key procurement, disbursement, project implementation, and other documents could also serve as prime training tool not only for new Bank task managers but for project staff in the countries.

8.5.6 Enhance CSPs for FS. CSPs for FS do not always take full account of the particular conditions of this type of countries. There is a need to refocus CSPs on FS on carrying out a deep and thorough analysis of the conditions, opportunities, challenges, and risks in these countries, and formulating appropriate country medium-term strategies tailored to these conditions, goals, and objectives for return to normalcy. These strategies would allow for the refining of the Bank's strategic selectivity of operations in FS.

8.5.7 Enhance the SAP System. The current configuration of the SAP Project Systems shows limits, some of which have been identified in the report. In order for this tool to fully play its valuable role of providing key strategic information for the Bank, it needs to be reviewed and adapted to the changes taking place in the Bank. For example, new lending instruments established by the Bank which need to be included in the list in order for task managers to correctly categorize their operations. Another area is that the field supervision modules should also be enhanced to facilitate the capturing of time splitting among multiple mission objectives.

8.5.8 Generate and disseminate a body of knowledge. The challenges related to the design and implementation of operations in FS call for creativity and innovative solutions. The Bank should undertake to evaluate the various options utilized, take stock of the implementation of these solutions, and disseminate the best practices in order to improve operations in other countries including NFS. To this end the Bank should play a leadership role in defining and implementing a knowledge management program on FS which would include (i) carrying out analytical work to support policy dialogue, monitoring and evaluation of the impact of its operations in order to inform the design and implementation of its programs and projects, and (ii) sharing knowledge with other DPs in order to better coordinate external assistance.

9. CONCLUSION

9.1 This report provides an analysis of the experience of the Bank in enhancing its engagement in fragile states by reviewing the Bank operations during the period 2008-2010. Generally, in fragile states the Bank supports public sector operations however there is an increasing demand for private sector development initiatives which will require careful consideration as to how best the Bank can play a facilitative role. Institutional capacity strengthening and technical assistance mainly drawn from the diaspora will remain an important hallmark of Bank support to fragile states. The report also draws important lessons and recommendations for future work in fragile states and for the deepening of the body of knowledge on regional member countries in fragile situations.

Bibliography

Documents and References

1. Anderson, Ian (June 2005). *Fragile States: What is international experience telling us?* Australian Government: AusAID
2. Asian Development Bank (2009). *Fragile Situations*. ADB Focus Series.
3. Asian Development Bank (2007). *Achieving Development Effectiveness in Weakly Performing Countries (ADB's Approach to Engaging with WPCs)*. ADB, Manila.
4. Barungi, Barbara & Victor A. B. Davies (2010). *African Development Bank's Experience in Fragile States*. Policy Brief on Fragile States. AfDB/OSFU.
5. Chauvet, Lisa & Paul Collier (2004). *Development Effectiveness in Fragile States: Spillovers & Turnarounds*. Oxford University: Centre for the Study of African Economies.
6. Dollar, David & Paul Collier (1999). *Aid Allocation & Poverty reduction*. World Bank Policy Research Working Paper, No 2014, Washington DC.
7. Gohou, Gaston (2010), YoussoufSoumaré. *The Determinants of Development Projects' First Disbursement Delay: The Case of the African Development Bank*. Tunis.
8. Gohou, Gaston (2010), YoussoufSoumaré. *The Impact of Project cost on the Disbursement Delay: The Case Of The African Development Bank*. Tunis.
9. McGillivray, Mark & Simon Feeny (2008). *Aid and Growth in Fragile States*. United Nations University-World Institute for Development Economics Research (UNU-WIDER). Research Paper No. 2008/3, January 2008.
10. McGillivray, Mark (2006). *Aid Allocation & Fragile States*. United Nations University-World Institute for Development Economics Research (UNU-WIDER). Discussion paper No. 2006/01.
11. OECD (2010). *Conflict and Fragility. Transition Financing: Building a Better Response*. Paris
12. OECD (2008). *Whole of Government Approaches to Fragile States*. Paris
13. OECD DAC (2008). *Principles for Good International Engagement in Fragile States*. Paris
14. Swaminath, Anoop (2009). *A Way to Effective Service Delivery in Fragile States: Public-Private Partnership*. World Bank, Washington DC: Development Outreach.
15. Stewart, Frances & Graham Brown (2009). *Fragile States*. Center for Research on Inequality, Human Security & Ethnicity (CRISE). CRISE Working Paper No. 51.
16. The World Bank (2007). *Global Monitoring Report - Millennium Development Goals: Confronting the Challenges of Gender Equality and Fragile States*
17. The World Bank (2007). *Strengthening the World Bank's Rapid Response and Long-Term Engagement in Fragile States*. Operations Policy & Country Services. Fragile States Group.
18. Torres, Magüi Moreno & Michael Anderson (2004). *Fragile States: Defining Difficult Environments for Poverty Reduction*. UK DfID, Policy Division, Poverty Reduction in Difficult Environments Team. PDRE Working Paper 1.
19. Wimpelmann, Toruun (2006?). *The Aid Agencies and the Fragile States Agenda*

ADB Official Documents

Strategy Documents

20. African Development Bank (2007). Investing in Africa's Future – The ADB in the 21st Century. Report of the High Level Panel.
21. African Development Bank (2008). *Strategy for Enhanced Engagement in Fragile States*. Board Document. (ADF/BD/WP/2008/10, 29 January 2008).
22. African Development Bank (2008). *Operations Guidelines of the Fragile States Facility*. Board Document. (ADF/BD/WP/2008/60/Corr.1, 11 July 2008).
23. African Development Bank (2008). *An Operational Plan for the Bank Group Accelerated Engagement in Fragile States Report (BAEFSR): Report of the Working Group*. OSFU. Board Document. (ADF/BD/WP/2008/83, 9 September 2008).
24. African Development Bank (2010). *The Fragile States Facility (FSF): Guidelines on Administration of the Technical Assistance and Capacity Building (TCB) Program of Pillar III Operations*. OSFU. Board Document (ADF/BD/WP/2010/44/Rev.1/Approved, 1 July 2010).
25. African Development Bank (2010). *2004 Annual Portfolio Performance Review (APPR)*. Board Document. May 30, 2006. (ADF/BD/WP/2006/23/Rev.1).
26. African Development Bank (2011). *2010 Annual Portfolio Performance Review (APPR)*. Board Document. Draft April 2011.
27. African Development Bank (2010). *2009 Annual Portfolio Performance Review (APPR)*. Board Document. July 5, 2010. (ADF/BD/WP/2010/64).
28. African Development Bank (2007) *Report of the High Level Panel - Investing In Africa's Future - The ADB in the 21st Century*.
29. African Development Bank (2006). *Proposal for Enhancing Bank Group Assistance to Fragile States in Africa*. FSPC Unit – ORPC. December 2006. Informal Board Document. (ADF/BD/WP/2006/138).
30. African Development Bank (2010). *How to Reduce First Disbursement Delay in AfDB-Financed Operations? Lessons from Country Case Studies – Phase I*” Quality Assurance and Results Department (ORQR)
31. African Development Bank (2010). *Evaluation of African Development Bank Assistance to Fragile States (1999-2009)*. Operations Evaluation Department (OPEV)
 - *Approach Paper*
 - *Literature Review (Working Paper No. 1 by Prof. Roderick L. Stirrat)*
 - *General Portfolio Review (Working Paper No. 2 by Peter Johnson)*
32. African Development Bank – Office of the Regional Vice-President
 1. Outliers and Exception Report. June 2010
 2. Outliers and Exception Report. November 2010
 3. Outliers and Exception Report. December 2010

Appraisal Reports

33. BURUNDI: Proposition visant l'octroi d'un don sur les ressources de la Facilité des Etats Fragiles (FEF) d'un montant de 10 millions d'UC pour le financement du troisième Programme d'appui aux réformes économiques (PARE III) 19 Avril 2010 (ADF/BD/WP/2010/35)
34. BURUNDI: proposition visant l'octroi d'un don FAD de 12 millions d'UC et d'un don BAD de 2 Millions d'UC pour le financement du deuxième Programme d'appui aux réformes économiques (PARE – II). 25Novembre2008 (ADF/BD/WP/ 2008/128)

35. COMORES: Proposition visant l'octroi d'un don de 2,00 millions d'UC sur les ressources de la « facilité des états fragiles » en vue de financer le programme d'appui aux réformes économiques et de gouvernance financière (PAREGF) July24,2009(ADF/BD/WP/2009/94)
36. COMORES: Proposition visant l'octroi d'un don FEF de 8 millions d'UC et d'un don du fonds fiduciaire de l'initiative RWSSI de 2 millions d'UC destinés à financer le Projet d'alimentation en eau potable et d'assainissement. December 21,2009 (ADF/BD/WP/2009/161/Approved)
37. COMOROS: Interim Country Strategy Paper 2009-2010. Board Document March 30, 2009.(ADF/BD/WP/2009/42)
38. COMORES : Proposition visant l'octroi d'un don d'un million de dollars EU pour financer une opération d'aide d'urgence humanitaire aux victimes des inondations. 9 Septembre 2009. (ADF/BD/WP/2009/155/Approbation)
39. COTE D'IVOIRE: Proposition visant l'octroi d'un don d'un montant total de 83,87 millions d'UC (45,87 millions d'UC sur les ressources de la FEF et 38 millions d'UC sur le FAD-XI), pour le financement du Programme d'appui aux réformes économiques et financières (PAREF) 5Mars 2009 (ADF/BD/WP/2009/26)
40. GUINEE-BISSAU: Document de stratégie par pays 2005-2009 révisé. Conseil d'Administration. 10 Août 2005. (ADF/BD/WP/2005/82/Rev.1)
41. GUINEE-BISSAU: Rapport de revue de portefeuille. Board Document. 29 janvier 2009. (ADF/BD/WP/2009/13)
42. GUINEE-BISSAU: Extension to 2010 of the 2005-2009 CSP - Board Document. February 16, 2010. (ADF/BD/WP/2010/12).
43. GUINEE BISSAU: Proposition pour un don FEF de 4 millions d'UC et un don FAD de 1,7 millions d'UC pour le financement du Programme d'urgence d'appui aux réformes budgétaires (PUARB) 11 Mars 2010. (ADF/BD/WP/2010/15)
44. GUINEE BISSAU: Proposition visant la restructuration du Projet d'appui au programme national de développement sanitaire (Santé II) et l'octroi d'un don supplémentaire de 6 millions d'UC pour le financement des activités restantes 12 Décembre 2008.(ADF/BD/WP/2008/164)
45. LIBERIA: Proposal for an ADF Grant of UA 24.63 Million and an FSF Grant of UA 1.46 Million to Finance the Urban Water Supply and Sanitation Project May 5, 2010. (ADF/BD/WP/2010/43)
46. LIBERIA: Proposal for Supplementary Support to the PFMRSF I and Waiver of a Condition in Response to the Economic Impact of the Financial Crisis May 27, 2009. (ADF/BD/WP/2009/68/Approved/Rev.1)
47. LIBERIA: Proposal for an ADF Grant of UA 24.63 Million and an FSF Grant of UA 1.46 Million to Finance the Urban Water Supply and Sanitation Project May 5, 2010. (ADF/BD/WP/2010/43)
48. LIBERIA: Proposal for a Grant of UA 12 Million and an FSF Grant of UA 0.5 Million to Finance the Agriculture Sector Rehabilitation April 08,2009(ADF/BD/WP/2009/47)
49. RÉPUBLIQUE CENTRAFRICAINE: Proposition visant l'octroi d'un don de 8 millions d'UC sur les ressources de la Facilité pour les Etats Fragiles (FEF) en vue de financer le Projet de développement communautaire et d'appui aux groupes vulnérables (PDCAGV) (ADF/BD/WP/2009/95)
50. REPUBLIQUE CENTRAFRICAINE: Proposition visant l'octroi d'un don FEF/FAD de 3,85 millions d'UC pour financer le Projet d'appui a la réhabilitation d'infrastructures rurales (PARIR) 17 Décembre 2009. (ADF/BD/WP/2009/163/Approuvé)
51. SIERRA LEONE: Proposal for a Grant of UA10.00 Million from ADF/FSF Resources to Finance the Economic Governance Reform Programme I. 17 April,2009
52. SIERRA LEONE: Proposal for an ADF Grant of UA 26.26 Million to Finance the Lungi – Port Loko Road Upgrading. May 20,2009(ADF/BD/WP/2009/70)

53. SIERRA LEONE: Country Portfolio Performance Report - Board Document. December 11, 2009. (ADF/BD/WP/2009/166.)
54. SIERRA LEONE: AFDB/World Bank Joint Assistance Strategy 2009-2012. Board Document. December 2, (ADF/BD/WP/2009/162)
55. LIBERIA: Joint African Development/World Bank Assistance Strategy 2008-2011 and Eligibility to the Fragile States Facility. Board Document. December 2, 2008. (ADF/BD/WP/2008/157)
56. SUDAN: Proposal for an ADF Grant of UA 9,620,000 to Finance the Institutional Capacity Building for Poverty Reduction and Good Governance. Board Document February 14, 2007. (ADF/BD/WP/2007/17)
57. TOGO: Proposition visant l'octroi d'un don BAD/FAD de 10 millions d'UC (Facilité en Faveur des Etats Fragiles) et d'un don BAD de 2,5 millions d'UC (réponse de la Banque à la crise alimentaire) en vue de financer le Programme d'appui aux réformes et à la gouvernance (PARG). 20 Janvier 2009 (ADF/BD/WP/2009/12)
58. TOGO : Proposition visant l'octroi d'un don FAD de 4.85 millions d'UC pour le financement du projet d'appui au renforcement des capacités institutionnelles en gouvernance économique et financière (PARCI -2).Board Document. 21 Septembre 2010. (ADF /BD/WP/2010/96 Approbation).
59. TOGO : Note de dialogue 2006. Memorandum. 9 juin 2006. (ADF/BD/WP/2003/50)
60. TOGO: 2009-2010 Interim Country Strategy Paper. Board Document January 22nd, 2009 (ADF/BD/WP/2009/11)

Completion Reports

61. BURUNDI (2010): Rapport d'achèvement du Programme d'appui aux réformes économiques phase II (PARE-II) Board Document. 15 Juillet 2010 (ADF/BD/IF/2010/167)
62. TOGO : Projet d'appui au renforcement des capacités institutionnelles (PARCI). Rapport d'achèvement. Board Document. December 21,2009. (ADF /BD/IF/2009/308)

ANNEXES

- Annex 1. Comparative Table of Responses by Other Institutions to Fragile Situations
- Annex 2. Rapid Response Procedures: Possible Template for Pillar 1-Eligible Countries
- Annex 3. Distribution of Public Sector Investment Operations by types of Countries
- Annex 4. General road map from Board approval to first disbursement
- Annex 5. Supervision of Operations Effective for First Disbursement

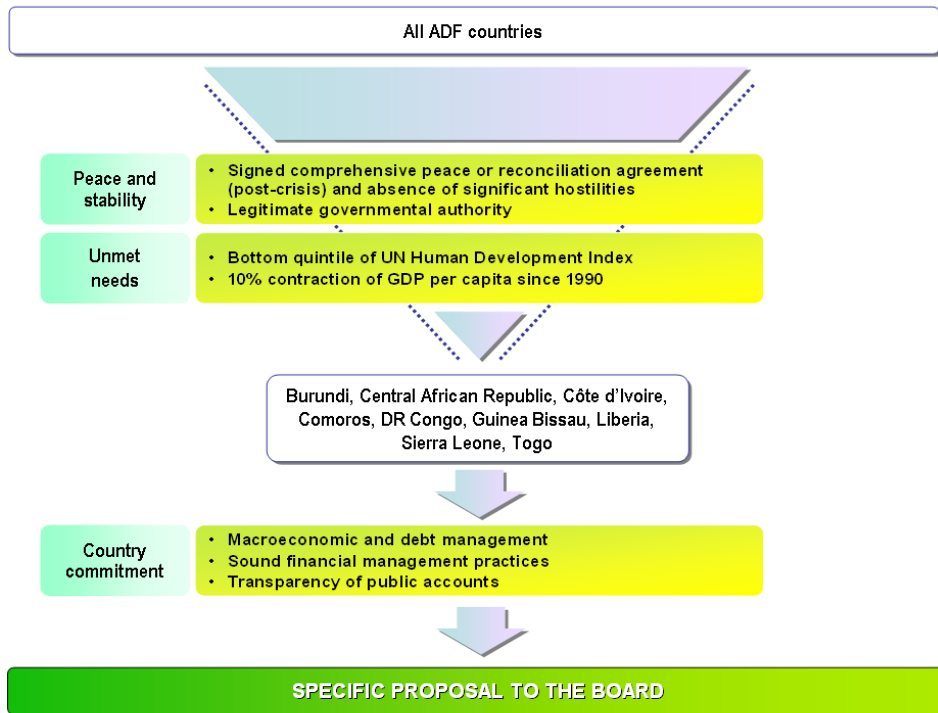
COMPARATIVE TABLE OF RESPONSES BY OTHER INSTITUTIONS TO FRAGILE SITUATIONS

Institutions	Strategies, Policies, & Frameworks	Specific Financing instruments	Organizational & staffing Approaches	Partnership Work
<i>Asian Development Bank.</i>	<ul style="list-style-type: none"> ➤ Flexible , long term approach to delivering aid by developing customized ways of engagement: <ul style="list-style-type: none"> • Methodology for classifying FS. • Increased effectiveness of operations in FS • Flexible intervention based on the country context ➤ Emphasis on country ownership & long-term framework for capacity development. 	<ul style="list-style-type: none"> ➤ Regional technical assistance managed by Field Offices (FOs) & regional departments to fund initiatives supporting the capacity of AsDB& government counterparts to develop & implement innovative strategic & operational approaches. ➤ 4.5% of Asian Development Fund resources earmarked for a number of fragile situations where capacity development needs are extensive & where there is particular vulnerability to natural disasters & external shocks. 	<ul style="list-style-type: none"> ➤ Increased engagement & field presence with sustained assistance & empowerment of FO staff. <ul style="list-style-type: none"> • Launch a series of initiatives related to staff assignments in Fragile and Conflict-Affected Situation (FCAS) FOs to strengthen staff incentives & capacity in FCAS. • Increase staff capacity in FCAS expected by 25% from the 2009 level. • Introduce new institutional strengthening & human resources policies to (i) enhance roles of FOs to become AsDB key representatives in the field for external relations & donor coordination and (ii) take a more proactive role in operations related activities. 	<ul style="list-style-type: none"> ➤ Prioritize partnerships & synergies with development partners. <ul style="list-style-type: none"> • AsDB coordinates closely with WB-IMF & bilateral agencies. • Collaboration with the IFIs to share approaches & tools in FS. • Shift towards joint assistance strategies and co-financing with others donors.
<i>Islamic Development Bank</i>	<ul style="list-style-type: none"> ➤ No formal definition of FS but existence of policy notes to assist countries experiencing fragility. ➤ Simple & flexible procurement & disbursement procedures in FS. 	-----	-----	<ul style="list-style-type: none"> ➤ Work with other development partners to better integrate approaches among diplomatic, security, financial & development actors in FS.
<i>Inter-American Development Bank (IADB)</i>	<ul style="list-style-type: none"> ➤ Special measures for engagement in FS : <ul style="list-style-type: none"> • Simplified start-up requirements • Broader eligible expenditures & tools in FS categories • Elimination of counterpart financing requirements 	<ul style="list-style-type: none"> ➤ Give grant to specific FS with large overdue debts payments before arrears clearance ➤ Recognize the need to maintain positive financial flows: <ul style="list-style-type: none"> • Introduction of non-reimbursable technical assistance + non-financial products to support policy implementation & country knowledge. 	<ul style="list-style-type: none"> ➤ Increased field presence in FCAS : <ul style="list-style-type: none"> • Delegation of additional responsibilities to its representation on the field. 	<ul style="list-style-type: none"> ➤ IDEM

COMPARATIVE TABLE OF RESPONSES BY OTHER INSTITUTIONS TO FRAGILE SITUATIONS

Institutions	Strategies, Policies, & Frameworks	Specific Financing instruments	Organizational & staffing Approaches	Partnership Work
<i>International Monetary Fund (IMF)</i>	<ul style="list-style-type: none"> ➤ Active engagement in macroeconomic & financial stabilization: Policy advice & technical support for the design of sound macro-economic policies & institutions for sustained growth & poverty reduction. ➤ Greater flexibility in program design in FS while focusing on the Fund's core areas of competence: <ul style="list-style-type: none"> • Policy advice on fiscal, monetary & financial issues & technical cooperation on all essential elements of state building. • Assistance to FS to qualify for HIPC & MDRI resources. • Lending under Special Program for Poverty Reduction & Growth Facility, & Post Conflict emergency assistance. 	<ul style="list-style-type: none"> ➤ Existence of a two-phased Economic Recovery Assistance Program (ERAP) which combines the modes of the fund's present engagement with FS into a consistent medium-term policy framework <ul style="list-style-type: none"> • TA emphasizing capacity building & macro-economic policy support • Financial support with limited but well focused conditionality with a view to further strengthening economic performance & policy implementation (Economic Recovery Financial Assistance – ERFA) 	<p>-----</p>	<ul style="list-style-type: none"> ➤ Partnerships with other international actors including those delivering security assistance.
<i>World Bank</i>	<ul style="list-style-type: none"> ➤ Support effort towards peace & state building goals (for Low –Income Countries under Stress). ➤ Institutional flexibility & close international coordination. ➤ Specific assistance strategy based on the specificity of FS. ➤ Greater flexibility for rapid responses to wider range of fragile situations with a specific focus on the social aspects of recovery & peace building. 	<ul style="list-style-type: none"> ➤ Exceptional allocation framework for FCAS: <ul style="list-style-type: none"> • State & Peace-building trust fund (WB) • Various financing instruments & allocation framework in line with their FCAS classification. ➤ Additional resources beyond their performance based-allocation (PBA) for a limited period: <ul style="list-style-type: none"> • Pre-arrears clearance • Financing for arrears clearance. • Grants. • Special post-conflict allocations. 	<ul style="list-style-type: none"> ➤ Internal organizational reforms to improve response & support clients & staff working in the field in FS: <ul style="list-style-type: none"> • Increased field presence • Incentives reforms & career development for staff working in fragile states • Callable capacity • Strengthened ability in sectors to document lessons learned on good practice & deploy experienced staff between regions & country programs • Institutional back-up teams for emergency projects. ➤ Staff guidance & sharing of lessons learned between country programs. 	<ul style="list-style-type: none"> ➤ Increased sharing of strategies with other donors. <ul style="list-style-type: none"> • Co-chairs the FS group within the OECD/DAC. • Works with UN on a new partnership note to support joint work in crisis & emergencies. ➤ Work with other partners to strengthen & better coordinate responses to fragile situations.

Country Eligibility for Supplementary Operational Support



Rapid Response Procedures: Template for Pillar 1-eligible Countries

The template of rapid response procedures is building on the new procedures approved by the World Bank, “Strengthening the World Bank’s Rapid Response and Long Term engagement in Fragile States” and “Toward a New Framework for Rapid Response to Crises and Emergencies”, on January 12, 2007. These new procedures are largely applicable to Fragile States, with the appropriate management and oversight.

Management will take the decision on their application on a case-by case basis.

The Rapid response-procedures would be applied only to the countries eligible for Pillar 1, and be subject to ex-ante approval by the Board on a case by case basis.

To ensure the Bank’s ability to speed up *disbursement*, it could:

- Provide for a quick-disbursing component designed to finance (or re-finance) a positive list of goods that have been identified as necessary
- Permit the Bank to finance up to 100 percent of the expenditures needed to meet the development objectives, including recurrent expenditures, local costs, and taxes;

In *procurement*, a more rapid response could include:

- The use of rapid procurement methods (direct contracting or simple shopping) for the procurement of services of qualified multilateral agencies/programs and/or suppliers (for goods) and civil works contractors already mobilized and working in emergency areas (for works);
- Use of third party, independent procurement agencies;
- Sole sourcing of consulting firms already working in the area and which have a proven track record in the provision of technical assistance;
- Extension of contracts issued under existing projects for similar activities through increase in their corresponding contract amounts;
- Where alternative arrangements are not available, the use of Force Account for delivery of services; and
- The use of NCB accelerated bidding and streamlined procedures and application of provisions on elimination, as necessary, of bid securities.

Ex-post controls: The risks associated with the need for much greater speed early on, such as listed above, will be balanced by more careful and intensified supervision later in the operation, including additional ex post reviews, audits by international firms and other measures, and application of appropriate remedies. There will be regular reporting to the Board in this regard.

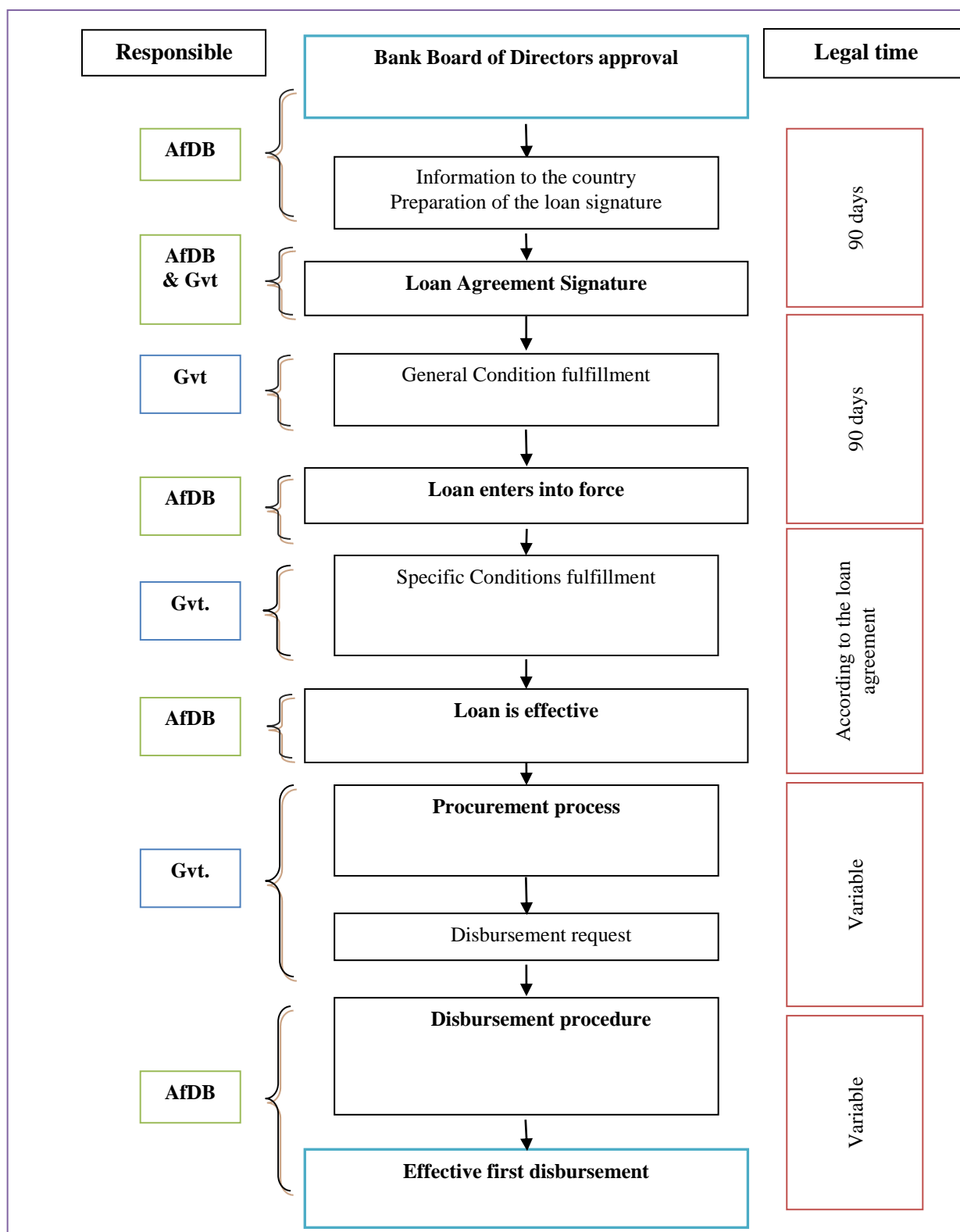
Distribution of Public Sector Investment Operations by types of Countries (Numbers)

	Pillar 1 FS			Other FS			MULTINATIONAL			NFS			TOTAL		
	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount
Agriculture	3	5	18,35	0	0	0	2	2	30	17	18	366,96	22	25	415,31
Infrastructure	13	18	227,2	6	6	64,92	31	39	1 110,04	68	85	4 842,70	118	148	6 244,88
Environment	0	0	0	0	0	0	3	3	82	1	1	12	4	4	94
Finance	0	0	0	0	0	0	2	2	19	0	0	0	2	2	19
Social	4	4	31,8	1	1	5,82	3	3	41	11	12	332,36	19	20	410,98
Multi-Sector	3	4	15,06	1	1	3,44	0	0	0	7	8	41,38	11	13	59,88
Total	23	31	292,41	8	8	74,18	41	49	1 282,04	104	124	5595,4	176	212	7 244,05

Distribution of Public Sector Investment Operations by types of Countries (Percent)

	Pillar 1 FS			Other FS			MULTINATIONAL			NFS			TOTAL		
	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount	Number of Operations	Number of Financing Instruments	Total Amount
Agriculture	13,04%	16,13%	6,28%	0,00%	0,00%	0,00%	4,88%	4,08%	2,34%	16,35%	14,52%	6,56%	12,50%	11,79%	5,73%
Infrastructure	56,52%	58,06%	77,70%	75,00%	75,00%	87,52%	75,61%	79,59%	86,58%	65,38%	68,55%	86,55%	67,05%	69,81%	86,21%

General road map from Board approval to first disbursement



Supervision of Operations Effective for First Disbursement

<i>Indicators</i>	<i>Pillar 1 FS</i>	<i>Other FS</i>	<i>NFS</i>	<i>Multinational</i>	<i>Total/ Average</i>
Number of operations effective for 1st disbursement	17	6	69	19	111,00
Average age of operations effective for 1st disbursement	10,4	12,5	10,8	13,3	11,24
Number of operations older than 6 months (since effectiveness)	11	4	51	15	81,00
Average age of operations older than 6 months (since effectiveness, in months)	13,6	16,1	14	16,0	14,3
Supervised Operations					
Number of operations effective for 1st disbursement supervised	12	4	45	12	73,00
Percent of supervised operations	70.59%	66.67%	64.29%	63.16%	65.18%
Number of supervisions*	30	14	103	34	181,00
Supervision ratio of operations effective for 1st disbursement	2,5	3,5	2	2,8	2,5
Average age of supervised operations	13,0	15,4	13,4	16,1	13,9
Number of supervised operations older than 6 months since effectiveness	10	3	42	12	67,00
Average age of supervised operations older than 6 months	14,7	19,1	14,0	16,1	14,7
Number of supervised operations younger than 6 months since effectiveness	2	1	3	0	6,00
Average age of Supervised operations younger than 6 months	4,5	4,6	4,9	0	4,7
Operations Not Supervised					
Number of operations effective for 1st disbursement not supervised	5,00	2	24,00	7,00	38,00
Average age of operations not supervised	4,4	6,6	6,0	8,6	6,3
Number of operations older than 6 months since effectiveness not supervised	1	1	9	3	14
Average age of operations older than 6 months since effectiveness not supervised	7,7	7,4	11,7	15,5	11,9
Number of operations younger than 6 months since effectiveness not supervised	4	1	15	4	24
Average age of operations younger than 6 months	3,8	5,7	3,1	3,4	3,3

*Supervisions include: Field supervisions (131), desk supervisions (5), launching missions (38), Country Portfolio Improvement Plans (1), Sector Portfolio Improvement Plans (6)