

Towards a Framework Document for the Strategic Plan, 2008-2012

Background Paper

**ADF-11 Replenishment: Third Consultation
September 2007
Bamako, Mali**



AFRICAN DEVELOPMENT FUND

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Acronyms and Abbreviations

ADB	African Development Bank
ADF	African Development Fund
AU	African Union
AWF	African Water Facility
CPIA	Country Policy and Institutional Assessment
CSP	Country Strategy Paper
DAC	Development Assistance Committee of the OECD
ESW	Economic and Sector Work
EU	European Union
ICA	Infrastructure Consortium for Africa
LIC	Low-Income Country
MDB	Multilateral Development Bank
MDG	Millennium Development Goal
MIC	Middle-income Country
MNO	Multinational Operations
MoU	Memorandum of Understanding
NEPAD	New Partnership for Africa's Development
OSM	Office of Strategic Management
PBA	Performance-based Allocations
PCR	Project Completion Report
PSD	Private Sector Development
PSO	Private Sector Operations
QAE	Quality at Entry
REC	Regional Economic Community
RMC	Regional Member Country

TOWARDS A FRAMEWORK DOCUMENT FOR THE STRATEGIC PLAN, 2008-2012

This paper is being circulated as a background paper for the Bamako meeting, at the request of Deputies. It is simply for information and intended to provide an indication of the very preliminary lines of thinking on the construct of a new Medium Term Strategy (MTS). It is therefore no more than a stimulus to further thinking within the Bank and does not constitute a Management view. A draft MTS will of course be submitted to the Board of Directors for discussion and, following revision, for their approval.

1. Introduction

- 1.1 The paper in places has tentative lines of argument, and elsewhere just draws attention to issues that should be covered. It is organized as follows. After this introductory section, Section II sets out the background for the exercise in terms of recent developments, vision(s) for the future, and the broad challenges the Bank Group faces in navigating between the past and the future. Section III summarizes the Bank Group's strategic directions. Section IV discusses implementation and monitoring. Section V constitutes a placeholder for (future) conclusions and issues for discussion.

2. Background

- 2.2 Much has changed since the Bank Group's last strategic plan was issued in November 2002¹—in the global context, in Regional Member Countries (RMCs), and in the Bank Group itself. The new strategic plan being prepared for [2008-2012] will reflect these changes. Looking ahead to the further likely changes in the global and regional context, the plan will aim to position the Bank Group by end-2012 as Africa's premier development institution. It is being prepared in parallel with ongoing consultations on the ADF-11 replenishment.
- 2.1 This section provides background on three topics—recent developments; alternative visions of the future; and the challenges of actualizing the visions. It considers these issues in turn from the global perspective, the regional and country perspective, and the Bank Group's own perspective.

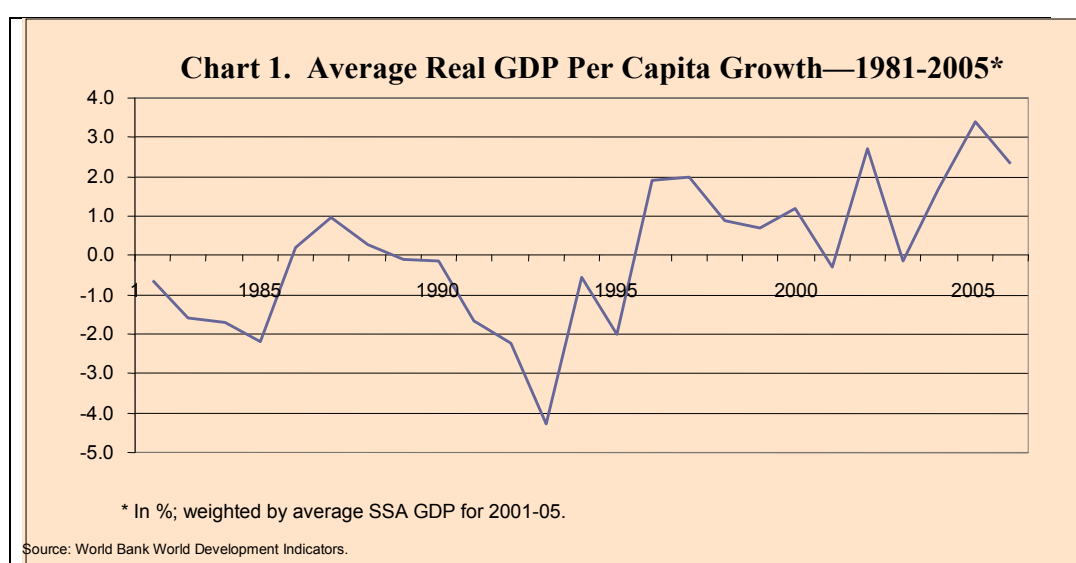
Past is Prologue

- 2.2 The world today is different from five years ago in ways that have had major repercussions for Africa. The global economy has been growing rapidly. Asia's growth and global integration has boosted world demand for commodities and reshaped global trade and capital flows, presenting both new challenges and new opportunities for Africa. However, market access for Africa's products remains severely constrained, and its competitiveness in manufacturing is lagging. Donors have made major commitments to scale-up aid to low-income countries, especially Africa, but little actual scaling-up has occurred to date. Meanwhile, an increasingly crowded and diverse donor environment has had implications for RMCs, complicating an already challenging

¹ See *African Development Bank Group, Strategic Plan, 2003-2007*, November 2002, at http://www.afdb.org/pls/portal/docs/PAGE/ADB_ADMIN_PG/DOCUMENTS/CORPORATEINFORMATION/ADB_STRATEGIC_PLAN2003-2007E.PDF.

harmonization agenda and, for the Bank Group, reinforcing the importance of achieving demonstrable results, harmonization and selectivity in its own operations.

- 2.3 Africa too has changed over the past five years, in response to the above changes and also to the ongoing improvements in many low-income African countries' policy and institutional performance. Fiscal deficits and inflation rates—key policy areas that are readily measured—have fallen sharply.² There is evidence of progress in other areas as well, such as the business environment,³ governance, and conflict resolution, although these are much more difficult to measure. The result is more robust growth in real per capita incomes than in any period since the 1960s. (See Chart 1 for the 1980-2005 period.) But progress has been uneven, with strong low-income country (LIC) performers actively planning for middle-income country (MIC) status, and fragile LICs struggling to avoid deterioration and crisis, even as externalities from global climate change pose threats to the region's already weak agricultural foundations.



- 2.4 The Bank Group has also changed.⁴ It has taken major steps to improve institutional effectiveness and credibility. It has increased its country focus and commitment to sectoral depth. It is devolving decision-making authority and streamlining internal business processes to improve client responsiveness and operational quality. It has strengthened monitoring, compliance, and accountability mechanisms; overhauled budgeting, staffing, and human resources policies; and invested heavily on a larger and deeper country presence. Building on earlier balance sheet and risk exposure reforms that led to the reinstatement in 2002 of the Bank's AAA financial rating, these and other actions have begun to pay off in terms of improved reputational capital for the entire Bank Group. Nevertheless, there is no room for complacency. There is a long and complex unfinished agenda, and much remains to be done to fully implement the measures already enacted and to take them forward.

Future Vision

- 2.5 Looking ahead, the MDGs remain core commitments for much of the international development community. But despite the recent improvements in policy performance and growth, the continent looks unlikely to meet any of the MDGs, even for poverty reduction. African growth,

² See *World Economic Outlook 2007*, IMF.

³ See *Doing Business in 2007*, World Bank.

⁴ See *Progress on Institutional Reforms*, Background Paper, ADF-11 Second Consultation Meeting, June 2007.

- while higher than before, is still too low, especially given that population is still growing quite rapidly. It is set to increase by 15 percent between now and 2015, which means that the economic aggregates need to grow by 15 percent over the period simply to avoid losing ground on a per-capita basis. This said, country circumstances vary widely, with the high-growth countries doing the best and the fragile states doing the worst. As noted, Africa's poverty reduction MDG is unlikely to be met; while the human development goals are even more problematic, with some countries regressing on child mortality and other measures. Nor is it likely that Africa as a region or most RMCs will meet the goals for access to improved water supplies and sanitation.
- 2.6 RMCs continue to voice support for the MDGs, and view growth as the primary vehicle for achieving them. This is as true for the continent's middle income countries as it is for its low-income countries. Indeed, several low-income RMCs, such as Ghana and Uganda, are looking ahead to middle income country (MIC) status.⁵ For them, the operative question is what they need to do to increase growth rapidly enough to minimize the time it takes to achieve MIC status. The answer of course points to the importance of enhancing external competitiveness via public and private investment to provide the basis for productivity and job growth, so essential in a region where population and the number of young people are increasing so quickly.
- 2.7 Notwithstanding the challenging road ahead to institutional excellence, there is a growing sense of confidence that the Bank is on the right track with its reforms and strategic directions. This sense is emerging from the ongoing discussions of the ADF-11 replenishment, and it also is consistent with the preliminary views of the African Development Bank High-Level Panel.⁶ Commissioned by President Kaberuka, the High-Level Panel will in due course report to the President. In the meantime, its preliminary observations paint a picture of the Bank as centered on poverty reduction through growth; leveraging the institution's various instruments and windows, including for private sector development; working with others; acting as a knowledge bank, by building networks and capacity across Africa; and responding to country demand, in its areas of focus, which would include infrastructure, regional integration, fragile states, private sector development, governance, and human capital.
- 2.8 Africa's ability to achieve the above will be affected in major ways by the choices and actions of others, especially in three global arenas, where the Bank can be an advocate for Africa with the G-8 and others. These include trade; aid; and the global environment, especially for climate change. Resuscitation and successful completion of the Doha agenda remains essential for Africa's medium and long-term prospects. On aid, beyond debt relief and special initiatives, most African countries are seeing stagnant or declining aid,⁷ even as the changing aid architecture has become more rather than less complicated, especially with the growth of vertical funds and their particular requirements and the emergence of non-traditional public sector investors. Meanwhile, many African countries are at risk from global warming both because of populations living in low-lying areas and because of the massive desertification and deforestation that have already occurred.
- 2.9 Notwithstanding the importance of these external factors, Africa's future will largely be determined by the choices and actions of Africans, and its own policies and institutions remain the critical drivers. Sound macroeconomic and governance policies are clearly essential. But sectoral and thematic policies and institutions also are important, especially for governance, the investment climate for the private sector (including in rural areas and agriculture), and the financial sector, given their importance to investment, competitiveness, and job growth.
- 2.10 The Bank Group has the potential to contribute much—as an advocate for Africa with global

⁵ See, for example, papers and proceedings from the Ghana Central Bank Jubilee Conference, August 6-7.

⁶ See *Preliminary Observations of the African Development Bank High-Level Panel*, Background Paper, ADF-11 Second Consultation Meeting, June 2007.

⁷ According to DAC, aid to sub-Saharan Africa, excluding debt relief, was static in 2006, leaving a challenge to meet the Gleneagles G8 summit commitment to double aid to Africa by 2010. See www.oecd.org/document/17/0,3343,en_2649_33721_38341265_1_1_1_1.00.html

actors, as an advisor to African governments, and as a catalytic investor at both national and regional levels. But, much remains to be done for the Bank Group to attain institutional excellence. Continued progress is needed, especially with respect to the Bank Group's strategic directions and the concerted implementation of agreed undertakings. A core challenge, and core priority, must be for the Bank to deliver better, more quickly, and higher quality; and to demonstrate results.

3. Bank Group Future Directions

- 3.1 Going forward, the strategy is to intensify the shift in direction that has been underway for the past 18 months, and to deepen the Bank Group's engagement in areas of comparative strength. In exploring these issues, this section discusses guiding principles behind the Bank's strategic directions and the emerging priorities.

Guiding Principles

- 3.2 Four guiding principles underpin the Bank's strategic directions as set out below. Broadly speaking, they cover the Bank's increasing concentration on areas (i) where it can show demonstrably superior results; (ii) where its interventions can create positive spillovers for Africa; (iii) where it engages effectively with regional and global partners; and (iv) where it has prospects for improving its performance. Taken together, the four are mutually reinforcing in contributing to the initiation of virtuous circles of improvement for RMCs, for Africa, and for the Bank itself.

- First, the strategy focuses on those areas where the Bank Group can help the most by offering *demonstrably superior results*. Many of the Bank's interventions will be in support of the acceleration of growth and poverty reduction through support for country-level and regional initiatives, building on where the Bank has the strongest track record of success and where strong country demand and ownership is present.
- Second, the strategy aims to maximize the *positive spillovers for Africa*. This is the Bank's signature contribution. To this end, it acknowledges the limitations of an exclusively country-by-country approach, given the small size of many RMCs, both with respect population and overall markets. It will involve close partnerships with African institutions and donors, and a stronger and more systematic focus on regional issues and challenges.
- Third, *effective partnership* is central to the strategy and its implementation. The Bank lies at an intersection of the international development architecture, as a member of global networks (such as the various MDB Working Groups and the MDB/DAC Joint Venture on Managing for Development Results) and regional networks (such as the African Union and NEPAD). These networks position the Bank to be a trusted advisor and honest broker with numerous stakeholders and perspectives, on issues emanating from donors and creditors, from RMCs, and/or from regional or sub-regional partners, such as those managing transportation corridors, cross-country energy and power pools, or river basin authorities.
- Fourth, the strategy emphasizes *continuous improvements* in what the Bank Group does. To build credibility and effectiveness for the above, the strategy steps up the pace of internal reforms launched by President Kaberuka. This will require pro-active management of operational quality and effectiveness, determining over time the areas where the Bank deepens its involvement and/or withdraws. It will involve the use transparent and timely measures of performance designed to signal the need for remedial action and to reinforce accountabilities.

Sectoral and Thematic Priorities

- 3.3 These guiding principles inform the Bank Group's *sectoral and thematic priorities*, which include

infrastructure, regional integration, governance and capacity building, private sector development, and higher education. These are all areas where the Bank is well positioned in terms of capacity and track record; are not overly crowded with donors; and play to the Bank’s strengths vis-à-vis partners, as summarized in Box 1. In turn, these priorities underpin the sectoral and thematic menus to be used in customizing Bank Group support to country and regional conditions in the context of country and regional strategy processes.

Box 1. Strategic Drivers of Bank Group Sectoral and Thematic Selectivity

Analysis undertaken in the context of the ADF replenishment process, the High-Level Panel, and the Bank’s reorganization points to a number of strategic drivers of the Bank Group’s sectoral and thematic selectivity. They include:

- **Legitimacy:** The Bank Group’s comparative advantage lies in its uniquely African configuration, deriving from its African roots, 60 percent ownership by RMCs, African president, and majority African staff. These important factors endow the Bank Group with legitimacy on regional issues vis-à-vis other African institutions, such as NEPAD, and African governments on sensitive issues, such as *governance, and in particular on anti-corruption*.
- **Leadership:** Closely related to legitimacy is the concept of African leadership, a core Bank Group value, in turns points to the importance of African institutions of *higher education* training African leaders. This concept had fallen into disfavor among many donors, who focused on primary education as central to poverty reduction while neglecting the importance of leadership in for that very goal.
- **Orientation:** The Bank Group is a *regional* institution, not a *global* one. While global institutions like the World Bank have a particular focus on *global* public goods and cross fertilization of lessons learned among regions, the Bank Group (like other regional institutions) has a particular focus on *regional* public goods—such as *regional integration, especially with respect to infrastructure, trade policies, and regulatory policies*—and cross fertilization of lessons learned among countries within the region.
- **Mandate:** The Bank’s mandate for *private sector development* covers the complementary aspects of support for the enabling environment and financial resources via credit lines, guarantees, and other vehicles designed to leverage the Bank’s balance sheet into enhanced growth prospects for RMCs.
- **Track record:** The Bank has a strong track record on *infrastructure* projects, with large ones especially so, suggesting this as an area of strategic advantage.

3.4 Infrastructure has long been a visible strength of the Bank—with comparatively strong performance in both quantity and quality -- and will be significantly scaled up under the new strategy. Broadly defined, infrastructure is critical for growth, increased competitiveness and productivity, and economic integration; for improved access to basic services; and for creating employment opportunities and market development. It contributes directly to achievement of key MDGs; indeed, clean water and sanitation are more important to the achievement of the health MDGs than doctors and other medical personnel. Much of the Bank’s role is on bread- and-butter project issues, which will continue. But there also are important new considerations with the emergence of new lenders for infrastructure, where the Bank can be extremely helpful in building capacity to evaluate infrastructure project proposals in the light of core priorities and increasingly transparent public expenditure processes. The Bank is also providing leadership for initiatives such as the NEPAD Infrastructure Project Preparation Facility and the Infrastructure Consortium for Africa.

3.5 Regional cooperation and integration are central to the strategy, with a strategic focus on

infrastructure and regional public goods.⁸ These are important in that most RMCs are small, undiversified and face major barriers to trade with regional and global markets. Limited market size, absence of economies of scale, and underdeveloped transport infrastructure, and policy obstacles inhibit private investment, and in turn the scope for job and income growth. Past ADF replenishments have apportioned increasing resources for such operations, as regional integration and trade facilitation have become priorities. The Bank Group sees such activities as a key area of its mandate and has thus been engaged in a number of regional infrastructure projects, working with interested RMCs. Going forward, it is also recommending a step-up in such operations, with incremental funding for ADF-eligible RMCs for two-thirds of project costs and ADB funding available for ADB-eligible RMCs.

- 3.6 The lessons of research and experience show that good governance is central to economic growth and development everywhere. To this end, the strategy supports—both as a key component of specific operations and on a stand-alone basis—the strengthening of accountability and transparency in the management of public resources (i) at the country level; (ii) at the sectoral level (in key sectors of Bank operations, especially infrastructure); (iii) in fragile states; and (iv) at the regional level. Consistent with the strategic focus on governance, the Bank, in collaboration with other partners, will continue to prepare Country Governance profiles as a diagnostic tool to identify key governance issues and develop a common understanding of the strengths and weaknesses of RMCs' governance arrangements.
- 3.7 The strategy sees the private sector as the key driver of job creation, income growth, and poverty reduction in most RMCs. This reflects Africa's changing growth profile (as summarized in Chart 1) and the changing economic environment in which it is operating, in which there is real money to be made. Accordingly, private sector development (PSD) is central to the Bank Group's country strategy formulation. Given the linkages to other sectors and activities—it is essential that the PSD strategy be part of the CSP preparation process, recognizing the important contribution of private sector operations in leveraging the Bank Group's balance sheet. The Bank is also developing Private Sector Country Profiles, setting out its private sector strategies for member countries and building on investment climate assessments and other diagnostic work.
- 3.8 The Bank's strategic interest in higher education stems from the recognition of the critical importance of (i) leadership to RMCs' and regional institutions' capacity and (ii) skills development in science and technology for growth in the knowledge economy. The 2007 African Union Summit put science and technology development at the center of its deliberations, requesting the Bank (and others) to collaborate on the initiative. Going forward, the Bank plans to expand its capacity to provide assistance to both low-income and middle-income RMCs in this area, focusing on infrastructure support and policy reforms.

Client Focus

- 3.9 The Bank Group intends to *package its support to country and regional clients* in the above and other areas through a judicious blend of loans, credits, guarantees, and analytic reports that fully leverage the Bank Group's different windows and capacities. Box 2 summarizes the kinds of menus to be made available to different clients, whether country or regional. Of course, the specifics will vary by country, based on the dialogue with the country authorities, and reflected in the CSP. Increasingly, analytic work to provide the basis for understanding the critical regional constraints to progress, as a vehicle for gaining consensus among sub-regional RMCs about the need for joint action, whether to be supported by the Bank Group or not. Regional and sub-regional strategies will also be prepared, as part of the Bank Group's analytic work to provide the basis for understanding the critical regional constraints to progress, as a vehicle for gaining consensus among sub-regional RMCs about the need for joint action, whether to be supported by the Bank Group or not.

⁸ See *Multinational Operations, Proposed Framework*, Background Paper, ADF-11 Second Consultation Meeting, June 2007.

Box 2. Different Product and Service Menus for Different Kinds of RMCs					
RMC Category	CSP Product and Service Menus				
	Customized ESW for strategy and project design	Capacity Building Support	PBA-based ADF Support	Supplemental ADF Support	ADB loans and ADB-leveraged PSD operations
Fragile States: Focus on governance, capacity building, basic infrastructure	i.	ii.	iv.	qualifying countries	no
Low Income Countries: Focus on infrastructure, PSD, governance, HD	v.	vi.	vii.	no	case by case, according to country creditworthiness
High-End Low-Income Countries: Focus on reaching MIC status through infrastructure, PSD, governance, higher education	viii.	x.	xi.	no	case by case, according to country creditworthiness
Middle-Income Countries: Focus on PSD for job and income growth	xiii.	targeted	no	no	xv.
Regional Initiatives: Focus on infrastructure, PSD, environmental and social impacts	xvi.	xvii.	xviii.	xix.	case by case, according to country creditworthiness

- 3.10 The Bank Group's commitment to deepen engagement in fragile states is a core strategic choice.⁹ The emerging approach recognizes that fragile states can be at different stages—from deterioration to conflict to post-conflict to improvement—and that countries may move back and forth between the different stages. It aims to provide greater levels of assistance to fragile states that have clearly emerged from conflict and/or prolonged crisis by allowing them to qualify for time-bound ADF allocations that are above their performance-based allocations. Enhanced capacity-building support also would be available for these and other fragile states.
- 3.11 At the opposite end of Box 2's capacity and income spectrum are middle-income countries. Given the Bank's strong balance sheet, there is substantial financial room to enhance assistance to MICs, whether through loans or through credit enhancement and risk management products, such as guarantees and hedging instruments. However, as with the other major MDBs, demand by MICs for financial instruments is low in this time of plentiful market resources. In this context, MIC grants will be used to undertake necessary studies, and to "soften" the terms of Bank loans to increase their attractiveness. In the circumstances, the Bank's expertise, financial management capacity, and economic and sector work will need to do the heavy lifting in most

⁹ See *Enhanced Engagement in Fragile States: Revised Approach*, ADF Replenishments: Second Consultation Meeting, June, 2007.

Bank programs with MICs, placing a premium on further quality upgrades in those areas, if the MICs are to remain engaged with the Bank.

- 3.12 A final aspect of Box 2 to be highlighted concerns the institutional commitment to becoming a knowledge bank, a source of advice and expertise for Africa. Delivering on this commitment will require a major effort. Economic and sector work (ESW) and other kinds of analysis are both a key to quality operations, but also as a distinct input into the policy dialogue with the authorities. As advisory services, ESW is central to the relationship with MIC clients, as noted above. As capacity building services, ESW is central to the relationship with fragile states, and with other RMCs as well. For all clients—and for the Bank’s relationship with them—high quality is a sine qua non of effective ESW. To this end, the strategy envisages a major upgrade in ESW quality through a new peer review system, relying on electronic networks of peer reviewers from both inside the Bank and outside. In addition, we also plan to launch a periodic quality-of-ESW review exercise, designed to assess quality of our ESW products in a systematic manner both over time and across sectors and countries, as an input into accountability, learning, and improvement.

4. Managing Implementation and Monitoring Progress

- 4.1 To implement the above in a consistent and coherent way that promotes quality, much behind-the-scenes work will be needed to build and maintain the requisite capacity and a supportive corporate culture within the Bank Group. The Strategy will need to be underpinned by a medium term resource allocation strategy, and detailed plan of implementation, including specific responsibilities and accountability. It will have to include also a capital resource strategy.

Managing Implementation

- 4.2 Implementation priorities are discussed below, structured around four topics—staffing and skills mix; staff accountabilities and guidance; alignment of resources and location of work with strategies; and business process issues. For financial resources, the ADF replenishment is making good progress and the ADB’s strong balance sheet has ample room for an expansion of lending and/or guarantees. Administrative resources, however, remain in very short supply.
- 4.3 First and foremost, attracting, retaining, and motivating staff talent is key. The Bank has already completed an ambitious recruitment program for managers, and a major program for skilled operational staff is currently underway. The program for recruiting young professionals has been revamped and expanded to build a pipeline for future managers and technical experts. Complementing these actions, the strategy also envisages the development of special incentives for rewarding innovation and solid achievement in core areas.
- 4.4 Second, policy guidance, management oversight, and accountability for quality and results are essential. Staff must be clear about the operational policies they are implementing and the benchmarks by which their performance will be judged; recent reforms creating the Operations Committee and other institutional quality assurance processes are thus very important.
- 4.5 Third, Management intends to address the unfinished agenda with respect to decentralization and the alignment of budgets with strategies. Both are central to the effective implementation of Bank country strategies and to the larger institutional strategy, which require knowledge of and presence in RMCs—especially important given the very large presence of many bilateral and multilateral donors.
- 4.6 Fourth, there is also a need to deal strategically with a number of organizational effectiveness issues, such excessive compartmentalization, bureaucracy, and delays.

Monitoring Progress

4.7 RMCs, other shareholders, and stakeholders will judge the Bank Group on results and the quality of its work. A robust performance tracking and management system will be needed. Timely feedback on operational performance will provide both an early warning system about problems needing remedial action by Management and a basis for keeping internal and external stakeholders informed about the Bank’s progress.

4.8 Survey evidence from clients, partners, and staff will provide important barometers of progress. The first ever staff survey was carried out in June. The early survey results suggest [...] These results provide a baseline for future surveys, which will be carried out [biennially], against which progress will be able to be measured. But while staff views are important, clients’ and partners’ views are more important. To this end, we are in the process of designing a survey of RMCs and other partners that would be administered in November, with plans for follow-up surveys also on a [biennial] basis, to develop a time series of perception evidence for use in assessing progress.

4.9 A second source of quantitative data on progress over time will be the results of operational quality reviews. MDB best practice has these reviews carried out at three stages of the operational cycle—entry, supervision, and completion, with the completion reviews overseen by the independent evaluation office. Within the Bank, the first arms-length assessment of the Bank Group’s *quality-at-entry* was carried out [in...], with an overall quality score for [xx] percent satisfactory. This score provides a baseline against which future performance in future years—also being measured on a [biennial] basis—can be measured. For *quality-of-supervision*, the first assessment was conducted [...], and the over quality score was [...]. For *quality-at-exit* reviews, MDB practice relies on the findings of the independent evaluation office’s vetting of self-assessment ratings provided by staff carrying out project PCRs. For the Bank, OPEV currently reviews 50 percent of PCRs, but will be increasing to 100 percent starting in [...], in line with current practice in most other MDBs.

Box 3. Assessing Quality and Tracking Changes over Time	
Operational Cycle	Review Product
Preparation	Quality-at-entry reviews
Supervision	Quality-of-supervision reviews
After Completion	OPEV PCR reviews Ex-post evaluation of selected projects

4.10 Indicators of performance on the harmonization and Paris agenda, enhanced selectivity, improved capacity to deliver, project processing times, and so on being developed by OSM.

5. Conclusions

5.1 Conclusion. Much progress to date. Growth pessimism about Africa and performance pessimism about the Bank Group have been suspended. But the breathing room for Africa and the Bank Group will not last without sustained performance. Critical to move ahead with implementation in a concerted and timely manner. Credible measures of performance will be essential in strengthening institutional credibility and effectiveness.