LETTER FROM DONALD KABERUKA
PRESIDENT OF THE AFRICAN DEVELOPMENT BANK

The past decade was one of promise for Africa, in which the continent’s economy expanded at a pace not seen in the past 40 years amid growing political stability.

The year 2008 closed on a somber note as the likely economic effects of the global financial crisis became known. For Africa, this will amplify the effects of earlier crises confronting the continent, including the food crisis, oil price volatility and the inexorable impact of climate change.

Shrinking global demand and frozen financial markets run the risk of reversing years of growth and development. Not in many years have the hard-fought results of the development process been more in jeopardy.

As we face this crisis, our leadership on the continent will be tested. We at the AfDB must rise to the challenge and act with the urgency this crisis requires. We will adapt our instruments to cushion the most severe shocks while maintaining our financing for sustainable growth and development.

Never has the need to use our resources wisely been greater. More than ever, we must improve the quality of our products and services, and stay focused on delivering results on the ground.

A focus on results is not new. In 2002, the AfDB president joined with other multilateral development banks in pledging to better measure, monitor and manage for results. Since then, our institution has taken deliberate steps to increase the effectiveness of our actions and enhance our presence in our client countries.

At the eleventh replenishment of our African Development Fund (ADF) in 2007, donors entrusted us with significantly increased resources for low-income African countries, while encouraging deeper reform and a greater sense of urgency to strengthen the culture of results within our institution.

We are committed to a set of reforms aimed at enhancing the quality of our operations, making a greater contribution to development, and reporting more systematically on this contribution. I urge each manager and staff member at the Bank to play his or her part in implementing this important agenda.

By enhancing the effectiveness of what we do today, we can help the continent weather the current economic downturn and emerge in a stronger position to deliver development results for the people of Africa.

LETTER FROM ELLEN GOLDSTEIN
DIRECTOR OF QUALITY ASSURANCE AND RESULTS DEPARTMENT

Welcome to the first issue of Simply Results, the newsletter of the recently established Quality Assurance and Results Department (ORQR).

The title reflects the Bank’s mandate to contribute to sustained improvements in development outcomes – results – in Africa. But it also reminds us that strengthening our focus on results requires us to simplify processes and procedures that distract from this goal. In order to succeed, we need to make it easier for countries to get results.

The purpose of this newsletter is twofold: First, it provides suggestions and guidelines to Bank staff on ways to improve quality and focus on results in their daily work. Second, it allows those outside the Bank to better understand the changes that are underway as we strengthen the results culture within our institution.

(continued on page 2)
QUALITY AND RESULTS MILESTONES

- December 2007 – Deputies endorse our results measurement framework for ADF-11
- April 2008 – Cross-cutting working group on ADF-11 Results established
- July 2008 – Quality Assurance and Results Department is established
- September 2008 – Board discusses Action Plan to strengthen the focus on results
- October 2008 – Operations Committee endorses Work Program
- December 2008 – New guidelines issued for project completion reporting

LETTER FROM ELLEN GOLDSTEIN
(continued from page 1)

Our Executive Board and ADF Deputies endorsed our results measurement framework for 2008-2010. The Bank’s internal Working Group on ADF Results then developed a clear action plan aimed at improving the quality of our strategies and operations, strengthening supervision of our portfolio, enhancing learning and accountability, developing results reporting systems, harmonizing with partners, and using decentralization to get better results on the ground.

We face a number of risks as we move forward. One is that we become preoccupied by necessary internal reforms, and pay insufficient attention to building countries’ capacity to manage for results which only they can deliver.

Another risk is that we overcomplicate the task — try to measure too much, too often – or oversimplify the task and reduce complex development processes to only what we can measure. But the risk of inaction and not living up to the promise and potential of our institution outweighs the others.

Although it is still early, progress to date is encouraging. A network of “results champions” is coming together to ensure that reforms are implemented throughout the Bank. A new tool is being piloted to systematically assess the quality of project design. Capacity is being strengthened in our field offices to monitor progress towards results during supervision. Procedures to report on results at the end of an operation have been overhauled to make it easier to assess our contribution to development.

Much is changing at the African Development Bank, and I hope that Simply Results will keep you informed!

VOICES FROM THE FIELD:
DECENTRALIZATION MAKES A DIFFERENCE

The one word Jean-Noël Ilboudo would use to describe the noticeable change that has taken place in the Burkina Faso field office over the past year? Trust.

“The people at headquarters trust us now,” says the infrastructure specialist who has worked in the Ouagadougou office since June 2006. “They recognize that we are professional experts – like ourselves – and that we can actually help with the workload and speed up the processes.

“We are even holding negotiations for loan agreements here in Ouagadougou,” he says. “Without having to travel to Tunis, projects are getting off the ground more quickly.”

Twenty-three field offices have been established across Africa since 2004 as part of the Bank’s decentralization strategy. Evidence shows that these offices are beginning to make a difference in portfolio quality and efficiency at the Bank.

“Before our office opened in 2006, weak supervision was the biggest problem facing our portfolio,” says Antoinette Dinga-Dzondo, the Bank’s resident representative in Burkina Faso. “Supervision missions from Tunis were often composed of one expert who would try to supervise five projects in one week – which is not a good way to do business.

“But now, we are on the ground, and the quality and the frequency of our supervision missions have increased. The field office now undertakes more than 50 percent of the supervision missions. Being in the country, we are better positioned to work with government and beneficiaries when something requires follow up.”

A recent assessment of the Burkina Faso portfolio found that the number of at-risk projects decreased from 12 in 2006 to just one in 2008. Dinga-Dzondo and her team have helped speed up the time it takes for an approved project to become effective, reducing it from 19 months in 2006 to only six-and-a-half months in 2008.

Perhaps most impressive have been the gains made in procurement efficiency since the office opened. The average time to review bids, for example, has dropped from 144 days to 54 days.

“These improvements were a result of better workflow organization, support provided by our office to improve initial documents and review done by our office before sending them to Tunis,” says Nejib Kacem, country program officer in Burkina Faso.

While recent improvements are encouraging, the field office sees scope for even greater gains. The office has been unable to speed disbursement requests, for example, because the chain of approvals, involving five or six different individuals in Ouagadougou and Tunis, remains too long. Plans to post financial management specialists in the field in 2009 should help.

* The interview with Mr Ilboudo was conducted for the Evaluation of Decentralization forthcoming from the Bank’s Operations Evaluation Department.

The African Development Bank’s resident representative in Burkina Faso, Antoinette Dinga-Dzondo, helps supervise projects that develop agriculture and improve living conditions in rural areas.
GOOD PRACTICE:
TIMELY COMPLETION REPORTING

Tove Strauss is one of three AfDB staff members who posted a project completion report (PCR) on time — within six months of a project closing — in 2008. A principal financial governance expert in the Bank’s Governance, Economic and Financial Reforms Department, Ms Strauss has also been recognized by the Vice President of Sector Operations II for the high quality of her completion reporting on the Third Economic Rehabilitation and Recovery Programme in Sierra Leone.

Q: How much time did it take you to finish this PCR?
A: A couple of months. The consultant we hired to help us did an excellent job. We also received a great deal of assistance from our macro economist, Sheikh Sesay, in the field office in Freetown.

Q: What are some of the challenges of completing a PCR on time?
A: Up until recently, it has not been crystal clear who is responsible for completing a PCR. Also, my understanding is that it used to be standard practice for departments to work on their backlog of PCRs before starting new ones. As expected, there was very little incentive to work on a PCR that was already months if not years late.

Q: What challenges did you face while completing this particular PCR?
A: My department didn’t exist before 2006 so we had to inherit paperwork from previous task managers in the Bank. The paper trail was immense and hard to follow because of institutional reforms and weak filing practices within the Bank.

Q: What did you find most useful about the process of completing this PCR?
A: I am currently designing another program in Sierra Leone and this PCR has provided me with an important checklist on what has been done in the past — and what needs to be done in the future.

Q: What feature do you think is most critical for the new PCR format?
A: Brevity. This report was more than 20 pages long and took a long time to draft! I think we need to focus on getting the job done and be a bit less ambitious in scope. After all, the most important information to capture in a PCR is lessons learned: what worked, what didn’t work and any implications for future operations.

Q: Are you surprised that not more PCRs were completed in 2008?
A: Quite frankly, yes. I just assumed that if there was a policy, we had to comply! But I do think that more people across the institution are talking about PCRs now and realizing their importance to our work. I also think it is going to be harder to skip completion reporting in the future, particularly since they are now so tied to the logical frameworks.

AfDB ANNOUNCES NEW PCR GUIDELINES

The African Development Bank is committed to significantly improving the rate of timely completion reporting over the next two years. To support this goal, President Kaberuka issued a set of revised guidelines for project completion reports (PCR) in December 2008. Some key changes to the previous guidelines include:

• Focus on closing projects. Priority should be given to 2008 exiting operations and beyond, rather than long-closed operations.
• Start early. PCRs can now be prepared any time after 85 percent disbursement.
• Prepare joint reports. Work with client countries to prepare joint PCRs that reflect the full partnership.
• Be brief. The main text should not exceed 10 pages.
• Post within six months. Bank policy for posting PCRs remains six months after project closing.

The Bank has also introduced a new fund to cover field staff’s travel and subsistence costs to do completion reports in neighboring countries. “Field staff are ideally situated to help improve the Bank’s performance on completion reporting,” says President Kaberuka. “It is also an opportunity to build their own capacity to design high-quality operations and better support effective implementation.”

The fund, which is being administered through the Bank’s Quality Assurance and Results Department, is available on a first-come, first-served basis for field staff traveling outside their country. For more information, please contact Lisandro Martin at l.martin@afdb.org.
A major change for the AfDB in recent years has been the introduction of a matrix management structure that seeks to bring technical excellence in the sectors together with a strong country program focus. It all comes together around a multidisciplinary country team jointly responsible for strategic vision and program implementation.

Over the past year, country teams have convened on a regular basis to review and provide input on all Bank products. “Our country teams met 58 times in 2008,” says Frank Black, regional director for six countries in Southern Africa. “It is encouraging that task managers are increasingly coming to country team meetings for guidance and support on issues such as aligning project scope with available resources, rather than just to get boxes ticked in the review process.”

But there are still a number of areas where country team performance can be significantly improved. According to Black, “We are not yet at a place where country teams are playing a lead role in planning, strategy, implementation or impact measurement.”

Cross-complex participation also needs to be improved, he says.

At present, regional directors consult with sector directors and other unit heads to appoint members to serve on country teams. But all agree that more needs to be done to build ownership of country teams among sector departments.

Monia Moumni, a chief water and sanitation engineer at the Bank and a member of four country teams, agrees that the multidisciplinary purpose of country teams needs to be better defined. “Country teams often review documents without taking into consideration the expertise of all the team members,” she says.

Moumni hopes that communication between the country team members will also be improved in the coming year. She says that meetings are often scheduled at the last minute and other communication is conducted via e-mail, which “does not facilitate relationship building or the exchange and dissemination of knowledge.”

Country teams are currently finalizing their work program for 2009 and incorporating many of these important changes moving forward. “It is important to remember that new ways of doing things do not have to be a burden,” says Black.

The Quality Assurance and Results Department is organizing four regional workshops for field staff to highlight the importance of improving quality at all stages of the project cycle. The workshops will discuss the Bank’s new results measurement framework, present new tools and procedures and share examples of best practice.

In January 2009, the African Development Bank began piloting a new tool – “readiness reviews” – to strengthen the quality of Bank strategies and operations. “Getting good results from development operations depends critically on three factors: country commitment, effective implementation and good design,” explains Joseph B. Eichenberger, Vice President of Country and Regional Programs and Policy Department. “When design quality is weak, implementation problems arise and the likelihood of achieving desired results diminishes. Strengthening the quality at entry of our operations is a sure way for us to build high-performing portfolios and to invest in future results.”

Strengthening quality at entry is what readiness reviews are all about. They provide country teams with structured comments on key quality aspects of project design at the concept and appraisal stages. Concept notes and appraisal reports should be sent to readiness-review@afdb.org once the country team has discussed them. A completed readiness review will be returned to the team within 48 hours with suggestions on how to strengthen quality as the preparation process continues.

ORQR would like to hear what you think about this new tool. Please e-mail us at readiness-review@afdb.org.

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In Rwanda, excited school children watch as a new AfDB-funded road is built to help boost local agricultural production and provide rural areas with better access to markets and services.