

PERFORMANCE AT A GLANCE

African Development Bank (AfDB)

JUNE 2023



ABOUT THE AFRICAN DEVELOPMENT BANK

Founded in 1963, the African Development Bank Group is the continent's largest development finance institution. It has 54 shareholding African member countries and 27 non-regional members. Its mission is to promote sustainable economic growth and reduce poverty in Africa. The AfDB has three constitutional institutions: the African Development Bank (AfDB), the African Development Fund (ADF) - its concessional window for low-income countries - and the Nigeria Trust Fund (NTF), which is not covered by this assessment.

The group operates through more than 40 country offices across the continent and about 50% of its 2000 staff are decentralised. In 2019, Bank shareholders adopted the 7th General Capital Increase (GCI-VII), the largest in its history, which doubled their capital base from USD 93 billion to USD 208 billion. The replenishment of ADF-15 saw a 32% increase in contributions. The amount pledged under ADF-16 in 2022 was the largest replenishment in the Fund's history (USD 8.9 billion). The group is currently guided by its Ten-Year Strategy (TYS) focused on the overarching objectives of inclusive growth and the transition to green growth. This TYS concludes in 2022 and will be renewed. The High 5s Agenda was adopted in 2016 to complement this framework, focusing interventions around five priority areas: Light up and power Africa; Feed Africa; Industrialize Africa; Integrate Africa; and Improve the quality of life for the people of Africa.

KEY FINDINGS

President Adesina's message in the foreword to the AfDB's 2018 annual report described the previous year as "wonderful for the African continent with a bright future." The continent's general economic performance was positive with real GDP growth estimated at 3.5%, and strong momentum. In 2020, this changed abruptly. The COVID 19 crisis reversed the positive trends and caused a debt crisis on the continent. The Bank demonstrated new dynamism and agility in responding to these shocks and in repurposing its lending programme to address the emergency situation. At the same time, it continued to adjust to new realities in pursuing a broad-spectrum change agenda that underpinned its resource mobilisation efforts through a comprehensive list of commitments made at the GCI-VII and ADF-15 replenishment.

Since 2016, the Bank has worked to close the gaps between its strategic framework, which was boosted by the launch of the High 5s Agenda, its programmes, its results-based management (RBM) and its field-level operations. It aligned its organisational structure to a more strategic and programmatic focus supported by a major decentralisation effort that has been a game-changer for establishing stronger partnership and policy dialogue with regional member countries (RMCs). The Bank has established a level of understanding of local conditions and trust with national governments that offers opportunities for stronger dialogue and coordination with development partners.

The ongoing reform agenda includes new policies, strategies, operating systems and procedures, a greater focus on quality and results, a consolidation of the decentralisation process, and a new long-term financial sustainability framework. The Bank is also pursuing overdue reforms to its human resources (HR) and budget policies and procedures; these are works in progress. There have been many changes, some are quite recent and may require more time to be fully internalised at all levels.

The Bank is a robust organisation with a set of norms, standards, and procedures that by and large mirror those of peer organisations and support a highly relevant delivery programme in line with the organisation's mandate.

This applies to operational procedures, reporting requirements, compliance with fiduciary and safeguards policies, control systems and accountability. Maintaining its AAA rating attests to the Bank's financial solidity. The Bank's active portfolio has grown significantly in size and complexity in recent years. This has stretched the Bank's capacity and put more pressure on operations to provide proactive implementation support, with due attention to quality standards and development results that the Bank is proactively pursuing. While the Bank has a comprehensive set of policies and procedures, it must focus on their effective implementation to improve performance.

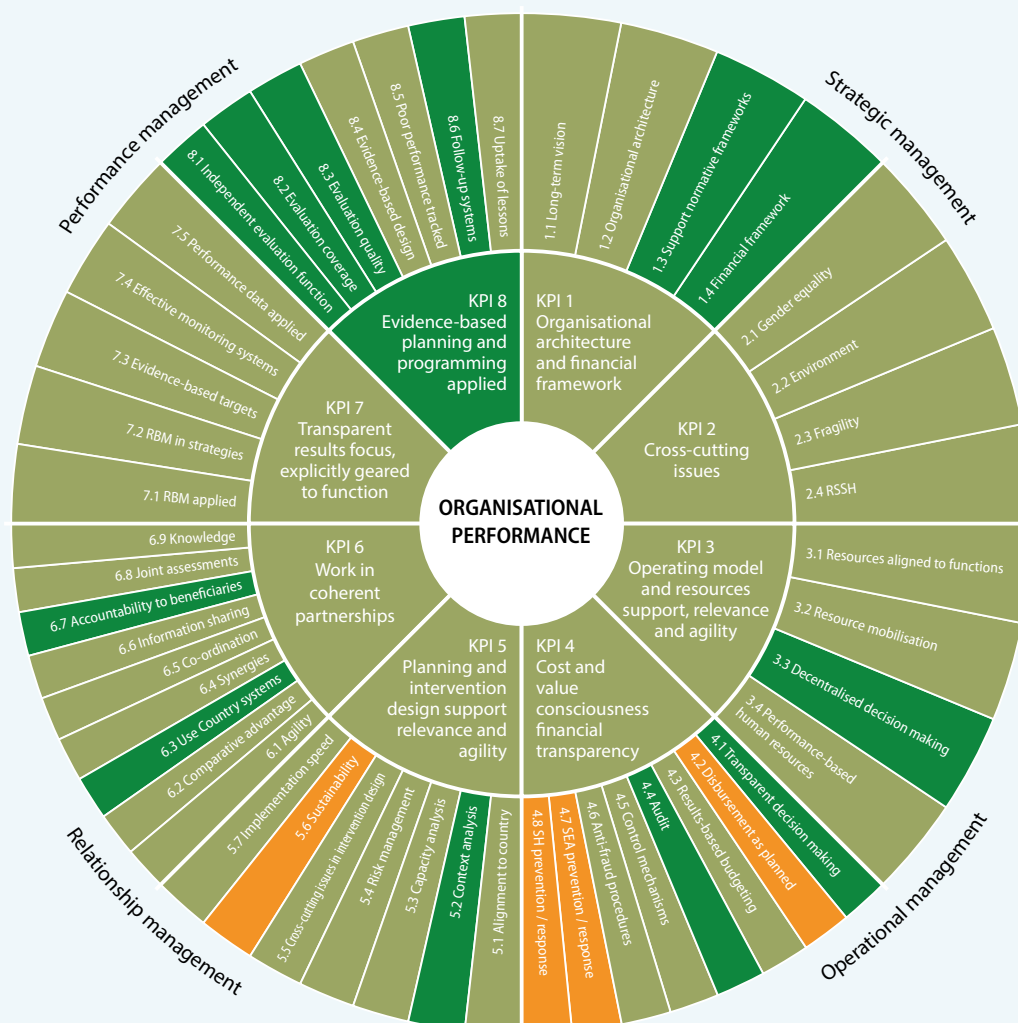
Overall, the Bank meets the requirements of an effective multilateral organisation that can adjust while operating in a particularly difficult environment. It is fit for the purpose of continuing to be a significant source of funding for Africa's development, and an important provider of policy advice and intellectual leadership on a number of issues.

Main strengths and areas for improvement identified in the MOPAN 2021 assessment

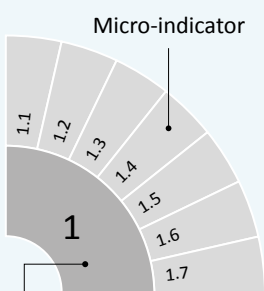
MAIN STRENGTHS

- The Bank has demonstrated dynamism and made clear commitments to major reforms to further strengthen its fitness-for-purpose. Implementation is going in a positive direction. For example, thanks to decentralisation efforts, more than 75% of projects are managed from regional hubs/country offices, and partnership and policy dialogue with RMCs is stronger.
- The Bank has demonstrated its ability to respond swiftly and with agility to emergency situations during the COVID-19 crisis.
- The Bank enjoys a privileged relationship with African governments and prides itself on being the partner of choice and a trusted advisor. This translates into a deeper understanding of needs and leadership opportunities at the country level with other partners, as exemplified in the strong relevance of the Bank's portfolio.
- Over the past five years, the Bank has made the delivery of results more central to its development efforts and has revamped institutional arrangements for quality improvements. As part of its results-based management (RBM) pillars, evaluation has gained in credibility and new quality assurance instruments have been added.
- The Bank has become a key actor in mobilising private investors, especially for infrastructure finance, and aims to foster greater private sector engagement through the African Investment Forum (AIF).
- The Bank's commitment to transparency is demonstrated by its first place in the Aid Transparency Index ranking of 50 global development institutions for SOs.

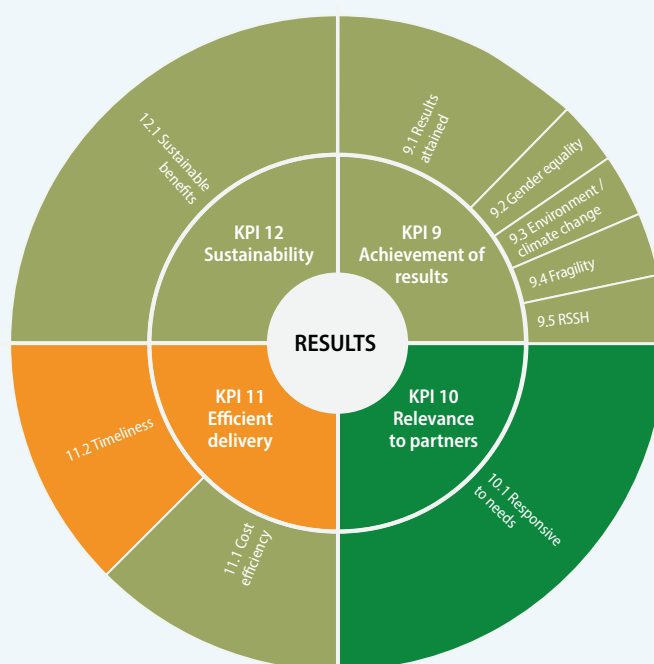
FIGURE 1: AfDB PERFORMANCE RATING SUMMARY



How to read these charts



Key Performance Indicator



AREAS FOR DEVELOPMENT

- Improvements are still needed to ensure strategic coherence (TYS, High 5s, sectoral categorisation) and a rigorous analysis of the Bank's comparative advantage. This could help the Bank to remain selective in line with core strengths while being responsive to clients' needs.
- Some DBDM reforms remain works in progress requiring consolidation. This includes further clarifying roles and responsibility between the countries and the sectors and reaching country presence targets. Despite recent progress, staff numbers and financial capacity remain constraints on reaching the required level of support to operations.
- Delays in implementation and disbursements reflect general problems with quality-at-entry reviews, unrealistic planning and targets, over-rated implementation capacity, and procurement delays. This is particularly the case for complex projects and those in fragile contexts. There is scope for improvement of the quality and timeliness of reporting tools (IPRs/ASRs/PSRs). Stronger accountability is also needed to pursue corrective action and facilitate projects/Country Strategy Papers (CSPs) restructuring opportunities as needed through mid-term review (MTR), CSP evaluations, and country portfolio performance reviews (CPPRs).
- The design of new interventions does not systematically apply lessons learned from independent evaluations and validations of projects. Also, improvements are still needed to implement internal audit recommendations and IDEV recommendations.
- Further progress is needed on protection against SEA and SH. This includes resourcing and monitoring the implementation of the Bank's PSEAH commitments, establishing and prioritising a victim/survivor-centred approach, and ensuring reporting at the Bank's Governing Board. More systematic action should be taken to identify and monitor the risk of SEA and to ensure that intervention designs examine potential measures to prevent sexual abuses.
- The Bank can improve the efficiency of partnerships to better allocate resources across the partnership system, by leveraging resources particularly from counterpart funds and co-financing, and by ensuring a fully operational information system to provide detailed reporting on partnerships.

ABOUT THE ASSESSMENT OF THE AFRICAN DEVELOPMENT BANK

This report provides a diagnostic assessment and snapshot of the African Development Bank (AfDB) and tells the story of its performance within its mandate. This is the sixth MOPAN assessment conducted for the AfDB, coming after those completed in 2004, 2007, 2009, 2012, and 2015-16. Building upon these previous assessments, this assessment covers the period from 2017 to June 2022, when the evidence collection process concluded.

The AfDB assessment was conducted through a rigorous process and took a collaborative approach that integrated the perspectives of a wide range of stakeholders. This approach provides multilateral organisations and MOPAN Network members with a robust source of evidence-based guidance on the areas to improve organisational performance.

The assessment draws on multiple lines of evidence (document review, interviews of management, and staff from headquarters (HQ) and at country levels, executive directors), and a partner survey from sources in and outside the organisation to validate and triangulate findings across 12 key performance indicators (KPIs) broken down into more than 220 individual indicators. The standard assessment framework was developed based on international best practice and further customised to take AfDB's specific mandate and priorities into account. The assessment framework was

also revisited to capture the impact of COVID-19 on AfDB's mandate and operations, and to gauge the extent to which it has been able to adapt and leverage its internal processes in responding to the crisis in an agile manner.

MOPAN covers the whole AfDB Group as well as both sovereign operations (SOs) and non-sovereign operations (NSOs), in a manner consistent with the institution's ambition to operate under the One-Bank model.

The following operating principles guided the implementation of this assessment. MOPAN 3.1 Methodology Manual provides a detailed description how these principles are realised.

THE ASSESSMENT APPROACH

The approach to MOPAN assessments has evolved over time to adjust to the needs of the multilateral system. The MOPAN 3.1 methodology applied in this assessment is the latest iteration.

MOPAN conducted annual surveys from 2003 to 2008 using the MOPAN Common Approach during 2009-14. The MOPAN 3.0 Approach was first adopted for the 2015-16 cycle of assessments.

In 2019, MOPAN 3.0 was renamed MOPAN 3.0* to acknowledge a change in how ratings (and their corresponding colours) were aligned with the scores defined for indicators. Compared to previous cycles conducted under MOPAN 3.0, the ratings threshold was raised to reflect increasing demands for organisational performance in the multilateral system. The underlying scores and approach to scoring were unaffected.

As of 2020, all assessments use the MOPAN 3.1 methodology, which MOPAN members endorsed in early 2020.¹ The framework draws on international standards and reference points, as described in the MOPAN Methodology Manual¹.

ABOUT MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) comprises 21 members² sharing a common interest in assessing the performance of the major multilateral organisations they fund.

Through its assessments and analytical work, MOPAN provides comprehensive, independent, and credible information on the effectiveness of multilateral organisations. This knowledge base contributes to organisational learning within and among the multilateral organisations, their direct beneficiaries and partners, and other stakeholders. MOPAN's work also helps its network members meet their own accountability needs and inform their policies and strategic decision-making about the wider multilateral system.



1. MOPAN 3.1 Methodology Manual, 2020 Assessment Cycle, http://www.mopanonline.org/ourwork/themopanapproach/MOPAN_3.1_Methodology.pdf.

2. Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, Norway, Qatar, Spain, Sweden, Switzerland, United Kingdom, United States. *Türkiye is an observer. MOPAN also collaborates closely with the European Union.