

NOVEMBER 2019

AFRICAN DEVELOPMENT BANK

EVALUATION OF AfDB PORTFOLIO REVIEW AND RESTRUCTURING POLICIES AND GUIDELINES

Independent
Development Evaluation
Department (IDEV)

Draft Inception Report

Centennial Group
International

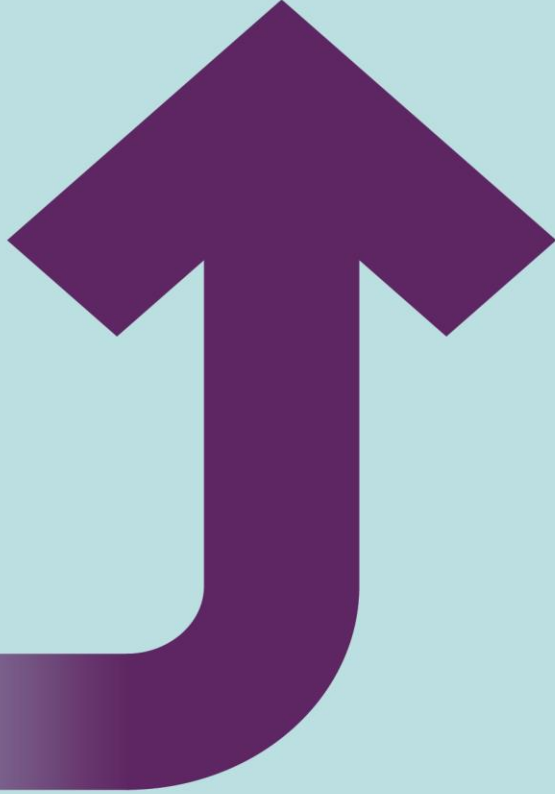


Table of Contents

<i>Acronyms and Definitions</i>	<i>iii</i>
<i>I. Introduction</i>	<i>1</i>
<i>II. Background</i>	<i>1</i>
<i>III. Purpose, Objectives, and Scope</i>	<i>4</i>
<i>IV. Evaluation Criteria and Key Questions</i>	<i>5</i>
<i>V. Approach and Methodology</i>	<i>8</i>
<i>VI. Deliverables and Timeline</i>	<i>15</i>
<i>ANNEX I: Terms of Reference</i>	<i>19</i>
<i>ANNEX II: Evaluation Matrix – Policies and Guidelines</i>	<i>28</i>
<i>ANNEX III: Evaluation Matrix - CPPR</i>	<i>30</i>
<i>ANNEX IV: Evaluation Matrix – Benchmarking</i>	<i>32</i>
<i>ANNEX V: Outline of Country Case Study</i>	<i>33</i>
<i>ANNEX VI: Topics and Questions for Semi-Structured Interviews</i>	<i>34</i>
<i>ANNEX VII: List of People Consulted</i>	<i>37</i>
<i>ANNEX VIII: Bibliography</i>	<i>38</i>

Acronyms and Definitions

ADB	Asian Development Bank
ADF	African Development Bank
AfDB	African Development Bank
BDEV	Independent Development Evaluation of the AfDB
CODE	Committee on Operations and Development Effectiveness
CPPR	Country Portfolio Performance Review
CPIP	
CSP	Country Strategy Paper
DBDM	Development and Business Delivery Model
ESG	Environmental, Social and Governance
EU	European Union
GCI	General Capital Increase
HQ	Headquarters
IED	Independent Evaluation of the Asian Development Bank
IEG	Independent Evaluation Group of the World Bank
JICA	Japan International Cooperation Agency
NSO	Non-Sovereign Operations
PCR	Project Completion Report
PCREN	PCR Evaluation Note
PSD	Private Sector Development
QAE	Quality at Entry
RFP	Request for Proposals
RISP	Regional Integration Strategy Paper
RMC	Regional Member Country
RPPR	Regional Project Portfolio Review
RPIP	
ToR	Terms of Reference

I. Introduction

As part of its 2019 work program, the Independent Development Evaluation Department (BDEV) of the African Development Bank (AfDB or the Bank) has launched an evaluation of AfDB's portfolio review and restructuring/cancellation policies and their subsequent guidelines.

The evaluation aims to distill findings and draw lessons from the implementation of various policies and guidelines for portfolio review and restructuring processes covering both public sector and non-sovereign operations (NSO). The evaluation findings are expected to inform the planned revision of the current policies and guidelines for portfolio reviews to be undertaken by the Bank's Strategy and Operational Policies Department (SNSP) and the portfolio performance rating system to be conducted by the Regional Development Vice-Presidency Complex (RDVP).

BDEV has retained the services of Centennial Group International to support its evaluation team in carrying out the assignment. Annex 1 provides the Terms of Reference.

This draft Inception Report lays out the objectives, scope, design, framework and methodology for carrying out the Evaluation of AfDB's Portfolio Review and Restructuring.

II. Background

Prior to 1995, the Bank had been conducting Country Operations Reviews (CORs) aimed at countries whose operations manifested implementation problems of a "generalized nature." The CORs, which were viewed as an enhancement of the Bank's project supervision function, were found by the Knox Report to be a useful complement to project supervision. However, the CORs were not systematic, and their outputs were not well defined.

Following a review of the experience with CORs, the Bank's Board of Directors approved the Bank Group Policy on Portfolio Review and Restructuring in 1995. The policy classified recommended actions from the Country Portfolio Performance Reviews (CPPRs) into those requiring Board approval and those that did not. Actions that required Board approval constituted restructuring of the country's portfolio, mainly

changes in lending instruments, changes in project scope, and transferring loan balances of one project to another within the country portfolio. Bank Management revised the 1995 policy and guidelines without recourse to the Board in 1999, 2004, and 2007.

Box 1: Operations Evaluation Department Review of 2000-2004 Country Portfolio Review Reports

In 2005, OPEV reviewed CPPRs performed during 2000-2004 and found the CPPR to be a useful instrument for promoting dialogue between Bank Group and Borrowers. The CPPR also provided a more complete picture of the Bank's programs than project supervision reports.

However, there were several shortcomings: uneven quality of analysis; limited scope; undue focus on projects; lack of borrower ownership of actions plans; and poor coverage of achievement of development objectives. The shortcomings were attributed to, inter alia, lack of effective teamwork and low level of borrower involvement and ownership.

In 2009, the Committee on Development Effectiveness (CODE) issued a memo to senior management highlighting issues related to the quality of CPPRs. In response, senior management appointed a Task Force that prepared an Approach Paper outlining proposals for strengthening the quality and utility of the CPPR. The Approach Paper was presented to CODE in June 2010 and approved by CODE in March 2011. On this basis, Management issued in May 2011 the revised Guidelines for Review of Country Portfolio Performance. In April 2013, the guidelines were updated to clarify the frequency of the CPPR exercise, the links to the CSP reports (including CSP Mid-Term and Completion Reports), and delegation of authority. The term CPPR was defined to include Regional Portfolio Performance Reviews (RPPRs), which cover multi-national financing and non-financing operations implementing the Bank's regional integration strategies (RISPs). The CPPR and RPPR are identical processes.

The 2011 CPPR Guidelines (updated in 2013) identified six objectives: (i) improve the quality of the Bank Group's country portfolios; (ii) assist member countries in meeting their current obligations to the Bank Group; (iii) adapt projects and programs to changing economic circumstances through restructuring, cancellations or terminations, where necessary; (iv) ensure that the implementation of the Bank Group's country

programs is on track to deliver agreed-upon results linked to strategic objective priorities identified by the regional member countries (RMCs) themselves; (v) validate the linkage between the portfolio and the CSPs; and (vi) provide guidance for future country programming through the CSP process.

The Guidelines envisioned the following key roles of the CPPRs: (i) a monitoring and evaluation tool; (ii) a diagnostic tool for identifying any problems; (iii) an information tool for the CSP process on government priorities and emerging issues; and (iv) a management tool for management to take proactive decisions to address bottlenecks in the portfolio.

AfDB also issued several policies and guidelines on loan cancellations. In 1994 it issued the Guidelines on Cancellation of AfDB Loans and AfDF Loans and Grants to provide guidance to both AfDB staff and Regional Member Countries (RMCs) as well as facilitate coordination between the Bank and co-financiers of projects/programs. In 2010, AfDB issued the Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees. The revised guidelines pointed to an accumulation of aging and non-performing operations and aimed to improve the cancellation process and the governance framework. To provide incentives for portfolio restructuring, the revised guidelines enabled RMCs to transfer 70 percent of cancelled resources to ongoing or new operations consistent with the CSPs. The CPPR would include sections on implementation of the cancellation policy. In 2013, AfDB issued the Guidelines on Cancellation of Approved Private Sector Operations. In 2015, the Bank issued a Presidential Directive which called for cancellation of loans that are not effective within six months of Board approval.

The current evaluation of portfolio reviews and restructuring is being undertaken in the context of major institutional changes in AfDB. In 2016, AfDB launched the Development and Business Delivery Model (DBDM) to improve efficiency, increase development impact, and move the Bank's operations closer to its clients. The DBDM is built on five pillars: (i) move closer to clients to enhance delivery; (ii) reconfigure HQ to support the regions to deliver better outcomes; (iii) strengthen the performance culture to attract and maintain talent; (iv) streamline business processes to promote efficiency and effectiveness; and (v) improve financial performance and increase development impact in order to deliver the High 5s. Upcoming revisions of the policies and guidelines for portfolio review and restructuring need to be aligned with the institutional reforms being undertaken by AfDB.

As noted in the Knox report, portfolio reviews build on and complement project supervision - the effectiveness of the CPPR process in turn depends the quality of supervision. BDEV's *Independent Evaluation of the Quality of Supervision and Exit of the African Development Bank's Operations (2012-2017)* noted several weaknesses in project supervision and recommended actions in four areas: (i) more proactive project management; (ii) compliance with Bank's rules; (iii) improved quality of reporting; and (iv) strengthened incentives to support a results and quality culture.

III. Purpose, Objectives, and Scope

The purpose of the evaluation is to inform the planned revision of the portfolio review and restructuring policies and guidelines. This will be a corporate (policy) evaluation, which will distill common findings and draw lessons rather than provide formal performance ratings. The evaluation will focus on the current portfolio review policies and guidelines, which had been in existence since 2011 (with revisions in 2013), and will assess their implementation by reviewing the relevance, effectiveness, and efficiency of the CPPRs. The evaluation will not assess the efficiency and effectiveness of the project supervision (including project restructuring) and project cancellation policies and guidelines. As noted above, IDEV has already evaluated project supervision.¹ However, the evaluation will examine the links between portfolio review and project supervision (including project restructuring and cancellation), specifically how the portfolio review process complements, enhances, or provides value addition to project supervision.

The main objectives of the evaluation are to: (i) assess the relevance, efficiency and effectiveness of the current institutional framework for portfolio review and restructuring, both for sovereign and non-sovereign portfolios; (ii) review the approaches, processes, format and content of the country and regional portfolio performance reviews towards achieving effectiveness and efficiency; (iii) identify best practices in portfolio review and restructuring from other MDBs; (iv) assess the effectiveness of country and regional reviews as a dialogue tool to ensure delivery of results from the Bank's program in RMCs; and (v) suggest appropriate revisions to the Bank including reforms in the policy and institutional framework, as well as approaches, processes, and practices, format and content of the country and regional portfolio performance reviews.

¹ IDEV. October 2018. *An Independent Evaluation of the Quality of Supervision and Exit of African Development Bank's Operations (2012-2017)*

The evaluation will: (i) evaluate policies/strategies governing CPPRs, RPPRs, and portfolio restructuring; (ii) compare AfDB policies/strategies and practices with relevant institutions covering both public sector and private sector operations; and (iii) assess quality and effectiveness of CPPRs and RPPRs; and (iv) provide lessons and recommendations on how to improve the relevance, effectiveness, and efficiency of the CPPRs and RPPRs, including revisions to the policies and guidelines.

The evaluation will cover the period 2011-2019 to take into account the implementation of the latest guidelines. The evaluation will also examine the efficacy of the revisions to the portfolio review policies since 1995, as well as the quality and completeness of the 2011 guidelines, which will be benchmarked against comparator institutions. A “deep-dive” will be conducted in four countries, of which two will involve field visits (see Section V below for the criteria used in choosing the countries for “deep dive”).

The findings, lessons and recommendations of the evaluation are expected to inform the planned revision of the policy framework for portfolio reviews to be carried out by the Bank’s Strategy and Operational Policies Department and the portfolio performance rating system to be conducted by the Regional Development Vice-Presidency Complex (RDVP).

IV. Evaluation Criteria and Key Questions

The evaluation will apply the OECD/DAC evaluation criteria of relevance, effectiveness, and efficiency to draw key findings and lessons. The evaluation framework starts with the theory of change and portfolio review processes and outputs to determine effectiveness in achieving objectives and to draw lessons and recommendations for greater effectiveness. The theory of change, approach, and methods are discussed in Section V.

The main evaluation questions are grouped based on the three areas to be reviewed: (i) the portfolio review and restructuring policies and guidelines; (ii) the CPPRs, including the CIPs;² and (iii) the benchmarking of the policies, guidelines and practices with comparator institutions. The following are the main evaluation questions (Annexes 2, 3, and 4 provide more detailed tables with sub-questions and data sources):

² For the purpose of this report, CPPRs are defined to include RPPRs, and CIPs to include RPIPs.

Portfolio Review and Restructuring Policies and Guidelines

Relevance:

- To what extent are the portfolio review and restructuring policies and guidelines aligned with the current institutional context in AfDB?
- How suitable are portfolio review and restructuring policies and guidelines to AfDB's approach to different RMC contexts?
- To what extent are the governance framework and incentive system for the portfolio review and restructuring aligned with AfDB's portfolio management objectives?

Effectiveness:

- To what extent were the objectives identified in the portfolio review policy and guidelines achieved?
- To what extent do the Bank's portfolio review and restructuring policy and subsequent guidelines and practices effectively support the implementation of country/regional strategies.
- What are the incentives in place to encourage staff to proactively address issues through the use of restructuring policy and subsequent guidelines?
- What is the level of awareness and ownership of Bank staff and managers of the portfolio review and restructuring policy and subsequent guidelines?

Efficiency

- To what extent do the policy and guidelines provide an efficient means of managing the portfolio?

CPPR

Relevance

- To what extent is the CPPR relevant (or providing value addition) to the objectives articulated in the 2011 CPPR guidelines?
- To what extent is the CPPR relevant (or providing value addition) as: (i) a diagnostic tool beyond what is in the project supervision reports (PSRs); (ii) a

- monitoring and evaluation tool beyond data and information available in other reports or systems; (iii) an information tool for the CSP process on Government priorities and emerging issues; and (iv) a management tool to address bottlenecks in portfolio management?
- To what extent do AfDB's CPPR practices comply with the provisions in the policy and subsequent guidelines in terms of approach, process, format and content?

Effectiveness

- How well were the portfolio improvement plans implemented and to what extent do they contribute to improving portfolio quality?
- How effective is the coordination between the regional and sector departments in addressing portfolio restructuring and implementation of portfolio improvement plans?
- How effective is the CPPR as a dialogue tool to ensure delivery of results from the Bank's program?
- To what extent is the CPPR effective in adapting the portfolio to changing economic circumstance?
- To what extent do lessons emerging from the CPPRs (especially those combined with the CSP/RISP Completion Report) and restructuring practices influence the preparation of new CSPs and RISPs? What modalities are in place to ensure these lessons are incorporated?
- What is the quality of the CPPR in terms of content, rating, and format?

Efficiency

- To what extent does the CPPR process provide an efficient means of managing the portfolio?
- Is the portfolio review and restructuring policy, as implemented, timely and cost effective?

Benchmarking Study

- How do the AfDB portfolio review and restructuring policy, guidelines and practices compare with those of key public and private comparator institutions and good practice standards?

- How efficient is the Bank's portfolio review and restructuring policy implementation compared to the identified sister organizations?
- What is the range of portfolio management tools (beyond CPPR) used by comparator institutions?

Lessons and Recommendations

In identifying lessons and recommendations, the evaluation will be guided by the following questions:

- What lessons can be learned from the implementation of the Bank's portfolio review policy and related guidelines?
- What factors enable and hinder effective implementation of the Bank's portfolio review and related guidelines?
- What are the key areas where the Bank should focus while revising the institutional framework, approach, process, format and content of the portfolio review and restructuring policy and processes to ensure effective program delivery under the DBDM?
- What lessons can be drawn from portfolio reviews and restructuring policies of the identified comparator MDBs?
- What are the key factors contributing to good and weak portfolio management plans?
- What incentives are effective to ensure candid assessments, proactive identification of project issues and corrective measures?
- What are the recommendations to improve the effectiveness and efficiency of the portfolio review process?

V. Approach and Methodology

Evaluation Design. The evaluation design uses a theory-based approach and will incorporate robust methods to ensure that the evaluation delivers evidence-based quality results that can inform practical recommendations. The evaluation design will:

- Be theory-based: Starting from the general intervention logic provided by the Bank and based on a first set of document analyses and interviews, the evaluation team will further refine the Theory of Change (see Figure 1 below) with its specific assumptions and intervention logic in order to help understand to what degree the

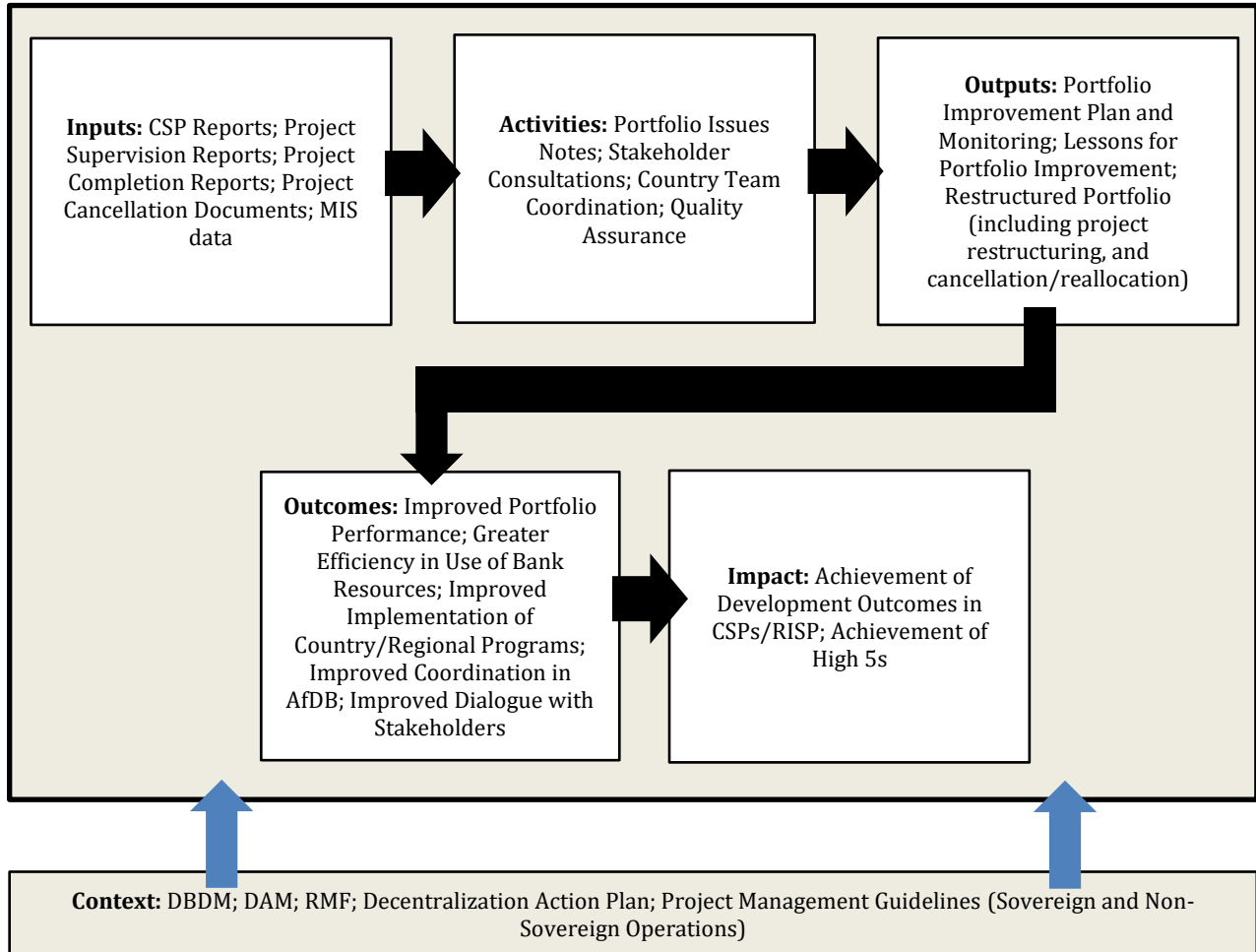
CPPRs have been coherent, relevant, effective and efficient in delivering their intended results;

- Include a robust evaluation framework: The evaluation framework will describe the overall analytical approach and will guide how evaluative evidence is collected and the corresponding analysis conducted. The approach will seek to ensure internal validity and reliability through triangulation of findings from multiple methods, data sources, and evaluator interpretations;
- Use a mix of qualitative and quantitative data, and the application of mixed methods for data collection and analysis. It will apply a range of methods that help identify the underlying factors contributing to or hindering the achievements of outcomes.

Theory of Change. A theory of change (see Figure 1 below) is constructed based on information available in the portfolio review policies. As articulated in the policy and guidelines, the objectives of the CPPR are: (i) improve the quality of the Bank Group’s country portfolio; (ii) assist member countries in meeting their current obligations to the Bank Group; (iii) adapt projects and programmes to changing economic circumstances through restructuring, cancellations or terminations, where necessary; (iv) ensure that the implementation of the Bank Group’s country programmes is on track to delivering agreed-upon results linked to strategic objective priorities identified by the RMCs themselves; (v) validate the linkage between the portfolio and the CSPs; and (vi) provide guidance for future country programming through the CSP process.

Interviews with selected staff, managers, and Board members indicate the following emerging issues as well as expectations from the CPPRs. [This section will include inputs from the consultations at HQ during the week of November 4.]

Figure 1: Theory of Change



Approach. The evaluation will use a mixed methods approach and takes into account the large number of countries and CPPRs relative to the evaluation’s limited resources, time constraints, and availability of documentation. The results of the reviews from various methods and sources of evidence will be triangulated to present findings, lessons, and recommendations. The approach has six components:

- Review of the policy framework and portfolio and project data from the Bank’s management information system;
- Desk reviews of CPPRs in two countries;
- Case studies of CPPRs in two countries to include field missions;
- Quality review of a sample of CPPRs;
- Semi-structured interviews of selected Bank staff, managers, Board members, and government counterparts;

- Benchmarking of portfolio review and restructuring policies, guidelines, practices, content, format, and governance against those of comparator institutions.

Data availability. Collection of CPPR documents to date covered 54 countries in all regions. A total of 212 CPPRs had been collected, including nine RPPRs. Out of the CPPRs collected, 56 percent were combined with CSP documents and 44 percent were stand-alone CPPRs or Country Portfolio Improvement Plan (CPIP) progress reports. There were 31 countries with 4 or more CPPRs collected.

To enable assessment of the CPPRs, the underlying documents supporting the CPPRs are needed. These include: The Portfolio Issues Notes and summaries of stakeholder consultations (if not part of the CPPRs); CSPs (if CPPRs are not combined with CSP documents including Mid-Term and Completion Reviews); Project Supervision Reports (PSRs) and Project Completion Reports (PCRs) for projects that comprise the CPPRs; and Project Cancellation documents. The CSPs provide the context. The PSRs and PCRs provide a more detailed description of the supervision issues. The project cancellation documents provide more information on the project components being cancelled and why. In addition, the evaluation will need access to portfolio and project data in the Bank's MIS for projects covered by the CPPRs under review. These include the Country Portfolio Flashlight Reports and Outliers and Exceptions Reports. At a minimum, the evaluation will need the following portfolio performance indicators in the Results Measurement Framework:

- Disbursement ratio of ongoing projects
- Time for procurement of goods and works
- Non-performing operations – operations at risk
- Non-performing operations – operations eligible for cancellation
- Projects facing implementation challenges and delays
- Timely coverage of country portfolio performance reviews.

Methodology. The evaluation will utilize a range of methods to address the evaluation questions and ensure triangulation and validity of the findings. The tools involved are the following:

- Desk Review of the Institutional Framework for CPPRs. The review will gather data on current AfDB institutional reforms and strategies to enable an

- assessment of the relevance of the current portfolio review policies and guidelines.
- Desk Reviews of CPPRs. The desk reviews will cover two countries from a short list of 10 countries which have a total of 51 CPPRs available. CSPs, relevant project documents, and data from MIS will be used as inputs to the reviews. The desk reviews will review, based on project documents, whether and how effectively the CPPRs addressed project implementation or supervision issues that could not be handled at the project level. In addition, the value added of the CPPRs in ensuring timely restructuring of projects or cancellation of poor performing project components will be assessed. The CIPs will be reviewed as to their relevance and results, including contribution to the design of future CSPs.
 - Case Studies. The evaluation will conduct case studies of CPPRs in two countries. The case studies will be combined with field visits. Desk reviews of the case studies will be conducted in preparation of the field visits. The field visits will enable interviews with relevant government and selected project counterparts to generate feedback on the relevance, efficacy, and efficiency of the CPPR process. Based on the specific contexts and portfolio issues (from the desk reviews) in the countries selected, a more targeted set of questions and persons to be interviewed in the field will be prepared. It is envisioned that relevant officials from the central ministry managing Bank projects and heads of PIUs will be interviewed.
 - Less Intensive Reviews of CPPRs in Six RMCs and One REC. In addition to the desk reviews of the two country and two case studies, the evaluation will perform a less intensive review of the CPPRs in the remaining six RMCs in the short list mentioned above. The review will be based on the CPPRs, CSPs, and project data from the MIS (e.g. Country Portfolio Flashlight and Outliers & Exceptions Reports). The project supervision reports (including related documents e.g. restructuring or cancellation) will not be reviewed.
 - Semi-structured Interviews. As part of the Inception Report process, there will be broad consultation of appropriate staff, managers, and Board members. The evaluation will conduct semi-structured interviews of CPPR task managers, country managers/directors and sector managers/directors involved with CPPRs in countries selected for case studies and desk reviews. For the case studies, government counterparts will be interviewed.
 - Benchmarking. The evaluation will benchmark the AfDB portfolio review and restructuring policies (public sector and private sector operations) against those of the World Bank (public sector), International Finance Corporation (private

sector), Asian Development Bank (public and private sectors), and Inter-American Development Bank (public and private sectors).

Table 1 provides the short list of 10 countries. The short listed countries were selected on the basis of availability of CPPRs (preferably covering a ten year period), regional distribution (two per region), income distribution, inclusion of FCV states, and inclusion of NSOs in the portfolio. The 10 countries (excluding Multinational) have 47 CPPRs which account for about 25% of the total available. The 10 countries include: all regions (North, Southern, East, West, and Central); three income classifications (lower income, lower middle-income, and upper middle-income); and four Fragile, Conflict and Violent (FCV) states. Table 1 also includes one regional economic community (REC) – Central Africa - which has 3 RPPRs.

Based on discussions with BDEV, of the 10 countries, Kenya and Morocco are selected for case studies involving field visits. Mali and South Africa are selected for desk reviews. The four countries together cover four regions, three income classifications, and one FCV.

The evaluation will perform a less intensive review of the remaining six countries – Cameroon, Chad, Cote d’Ivoire, Egypt, Ethiopia and Mozambique. In addition, the RPPRs for one REC (Central Africa) will be reviewed. The reviews of the six countries and one regional economic community will not include analysis of project supervision and cancellation documents or interviews of staff/managers involved in the preparation of the CPPRs. The reviews of the six countries will rely on the CPPRs and project data from the Bank’s MIS.

Table 1: Characteristics of Sample of Countries Covered by CPPR Reviews

Country	Region	A	B	C	D	E	F
Cameroon	Central	LM		3	3	21%	Yes
Chad	Central	L	FCV	3	3	9%	No
Cote d'Ivoire	West	LM	FCV	2	3	40%	Yes
Egypt	North	LM		1	4	27%	Yes
Ethiopia	East	L		2	3	7%	Yes
Mali	West	L	FCV	1	2	36%	Yes
Mozambique	Southern	L	FCV	4	2	10%	Yes
Multinational	Central			0	3	45%	No
South Africa	Southern	UM		1	3	69%	Yes
Kenya	East	LM		2	1	13%	Yes
Morocco	North	LM		2	2	15%	Yes
Total (RMC CPPRs)				21	26		

Legend:

A – Country Classification by Income (L – Low Income Country; LM – Lower Middle Income Country; UM – Upper Middle Income Country)

B – Fragile, Conflict and Violent State (FCV)

C – Number of Stand-Alone CPPRs

D – Number of Combined CSP/CPPRs

E – Share of Cancelled Loan Amounts to Total Approvals (200-2019)

F – Non-Sovereign Operations in Portfolio

Data Collection. With the selection of the countries for desk reviews, case studies, and less intensive reviews, documents and other relevant data from the management information system (e.g., portfolio flashlight reports and Outliers & Exception Reports) will be collected. As noted above, several CPPRs from the short of countries have been received. However, in the selected countries, there may be more CPPRs available. In addition, relevant project supervision and cancellation documents will be collected for the countries covered by the desk reviews and case studies. Also, a mission to HQ in Abidjan will be conducted to interview selected members of the staff, management and Board as further input to the Inception Report.

Limitations, Risks, and Mitigation Measures

The main limitation is the coverage, with four countries covered in the desk reviews and case studies. As noted above, the resources and time available do not allow for more expanded reviews. However, the approach calls for greater depth in the evaluation with

several sources of evidence. The main risks are the lack of documents and unavailability of Bank staff/managers or clients (for case studies) for interviews. Table 2 provides the list of risks and mitigating actions.

Table 2: Risks and Mitigating Actions

Risk	Mitigating Action
Unavailability of key Bank documents or delays in providing them	Early discussions with the BDEV Task Manager to identify missing pertinent documents and plan for locating them or documents that could serve as a proxy.
Unavailability of the AfDB managers and task managers	Continuous efforts by the team members supplemented by BDEV support and follow-up, where necessary.
Lack of access to the key informants at comparator organizations	Early approach, with BDEV support, to the informants facilitated by team members' contacts at comparator organizations.
Limited staff presence at country/regional offices during project field visits	Advance consultations with country offices to plan field visits around periods of staff availability.
Limitations with respect to generalizing the findings based on two country case studies, two desk reviews, six country CPPR reviews, and one REC RPPR review.	Careful selection of a representative sample, in discussion with BDEV of countries/regions and portfolio performance reviews. The 10 countries account for about 25% of CPPRs available, cover all regions, represent low/lower middle/upper middle income countries, and include four FCV countries.

VI. Deliverables and Timeline

The evaluation will be structured in three phases:

- A brief inception phase, featuring a preliminary review of documentation and initial stakeholder consultations, culminating in the preparation of a final Work Plan to be included in the final Inception Report;
- The main data collection phase, which will center on gathering and analyzing relevant documents, followed by the field missions. On this basis, the Centennial

- team will draft, receive feedback on, and finalize the Policy Review and Benchmarking Report and the Country Case Study Report; and
- A reporting and quality review phase in which Centennial will draft the Technical Report, present its emerging findings at a workshop in Abidjan in conjunction with additional consultations, and on this basis revise and submit the final Technical Report.

The following are the deliverables.

Deliverable 1 – Inception Report

The inception report presents a detailed methodological approach including a clear data collection plan and analytical tools, the identification of two case study countries and two desk review countries, and the selection of four comparator organizations. The Inception Report also provides a Theory of Change, an evaluation matrix identifying the Evaluation Questions, Sub-questions, and sources of information.

Deliverable 2 – Policy Review and Benchmarking Report

The policy review and benchmarking report will present:

- Assessment of the Bank’s overall institutional framework with respect to portfolio review and restructuring, including the governance and incentives in place for portfolio restructuring. The policy and guidelines will be assessed in the current institutional framework, especially the development and business delivery model (DBDM), the roles/responsibilities of Implementation Support Managers in the regions, and the organizational arrangements for non-sovereign operations.
- Comparison of the practice at the Bank with comparator organizations to identify if there are gaps and lessons that can be learned from the policies and practices of comparators to improve the Bank’s portfolio management ecosystem and practice. The team will define key criteria for that purpose, including the corporate policy framework, process governance, range of instruments (specialized and traditional portfolio management tools), procedures for CPPRs/RPPRs, their content, resources deployed and timelines.

Deliverable 3 – Country Case Study Report

The country case study report will assess in various contexts, the Bank’s effectiveness in using the portfolio review and subsequently portfolio improvement exercise as an active dialogue tool to ensure the delivery of results through the implementation of the Bank’s strategy and programs. The team will deliver a concise report synthesizing the main findings from the two country cases, together with a short (three to five pages) note on each case to be annexed to the country case report. The report will examine the nature of portfolio actions, especially restructuring, undertaken, the timeliness and appropriateness of these actions, and their impact until completion where possible.

Deliverable 4 – Technical Report

This report will be based on evidence gathered from the above components combined with additional data analysis. The Centennial team will provide all reports to BDEV in draft and finalize them based on the feedback provided. In the case of the Technical Report the feedback phase will include a Workshop on Emerging Findings and recommendations in Abidjan.

The project duration is five months, from September 2019 to January 2020. Table 3 below gives the timeline of deliverables. Figure 2 gives the timeline of evaluation Activities

Table 3: Evaluation Deliverables and Target Dates

Deliverables	Target Submission Dates
Draft Inception Report	October 4, 2019
Consultations and Data Collection Mission	November 4 – 8, 2019
Final Inception Report	November 15, 2019
Country Visits	November 11 – 22, 2019
Benchmarking Interviews	November 11 – 22, 2019
Policy Review and Benchmarking Report	December 6, 2019
Country Case Studies Report	December 20, 2019
Technical Report	January 31, 2020

Figure 2: Timeline of Evaluation Activities

	September			October			November			December			January		
Inception Report Phase															
Draft Inception Report															
Consultants at HQ															
Final Inception Report															
Desk Review Phase															
Document Collection															
Interviews															
Case Studies															
Document Collection															
Field Visits															
Benchmarking															
Interviews															
Analysis and Report Writing															
Policy Review and Benchmarking Report															
Case Studies and Desk Reviews Report															
Technical Report															

ANNEX I: Terms of Reference

AFRICAN DEVELOPMENT BANK



TERMS OF REFERENCE

Consultancy Services to Conduct an:

**EVALUATION OF AFRICAN DEVELOPMENT
BANK'S PORTFOLIO REVIEW AND
RESTRUCTURING POLICY**

1. Introduction

The independent Development Evaluation function (IDEV) of the African Development Bank (AfDB) is carrying out an evaluation of the Bank's portfolio review and restructuring policy and its subsequent guidelines as part of its 2019 work program. IDEV is an independent evaluation body, which reports directly to the Committee on Operations and Development Effectiveness (CODE), a sub-committee of the Bank's Board of Directors (the Board).

This is a corporate evaluation. It will distill findings and draw lessons from the implementation of the Bank's 1995 policy on portfolio review and restructuring, the 2011 guidelines on the portfolio review process and the two guidelines on project cancellation which were issued in 2011 for public sector operations and in 2013 for private sector operations, and other relevant documents pertaining to issues relating portfolio review and restructuring. The findings, lessons and recommendations are expected to inform the planned revision of the current policy and related guidelines by the Bank's Strategy and Operational Policies Department (SNSP). The evaluation will cover the period of 2011-2019 in order to capture the implementation of the new guidelines approved in 2011.

2. Background

In 1995, the Bank adopted a policy on portfolio review and restructuring as a follow up to the Knox report, which recommended the introduction of a country portfolio review as a useful complement to project supervision. The principal objectives of a Country Portfolio Performance Review (CPPR) as stated in the policy document are to: (i) improve the quality of the Bank Group's country portfolios; (ii) assist member countries in meeting their current obligations to the Bank Group; (iii) adapt projects and programs to changing economic circumstances; and (vi) provide guidance for future country programming. The restructuring component of the policy aims at reducing the Bank's exposure to countries

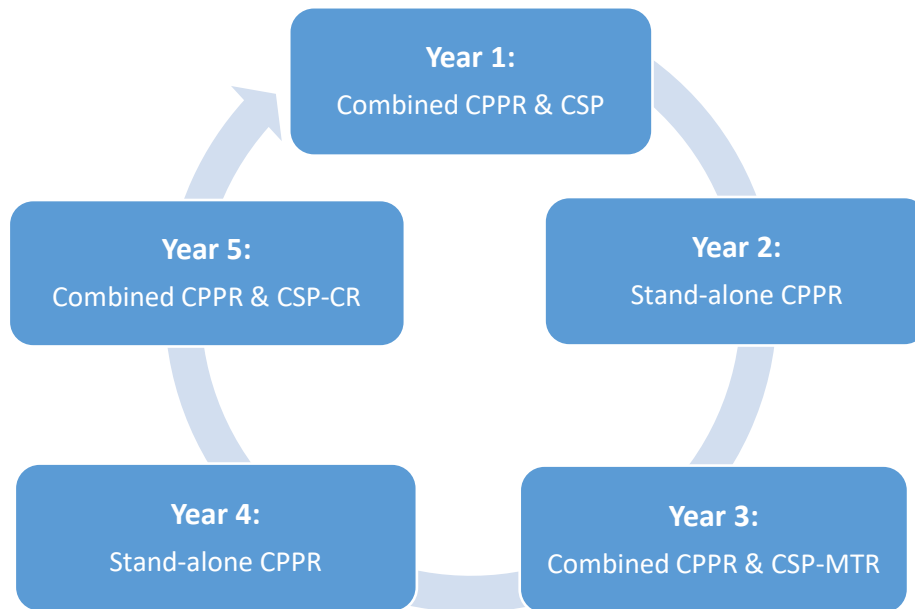
with impaired creditworthiness. Country portfolio performance is also a factor in the Bank Group's performance-based allocation frameworks for allocating financial resources both for the African Development Fund resources, where portfolio performance is a factor in the performance-based allocation formula, and for the African Development Bank window, where country portfolio quality is a factor in the determination of the borrowing country's absorptive capacity.

Since 1995, the policy has been revised several times. In 2005, IDEV assessed the policy, format and guidelines of a sample of CPPRs completed during 2000-2004, and identified several shortcomings. These shortcomings, further confirmed in a 2010 approach paper on CPPR in response to a memorandum of the Chairperson of CODE to Senior Management in 2009, were related to a lack of harmonization in the process as well as format, content and frequency of CPPRs. The new guidelines, built on these recommendations, were developed in 2011 and clarified the key principles, process, format and frequency of CPPR and RPPR (Regional Portfolio Performance Review). In order to align with other MDB practices, the 2011 guidelines suggested that the CPPR be submitted to the Board for information instead of approval.

The 2011 guidelines sought to improve the quality and effectiveness of the CPPR/RPPR as a tool for quality assurance of the Bank Group's country/regional portfolios as well as for ensuring the alignment of country/regional strategies, the Bank Group's country/regional programming, and the country/regional portfolio. A CPPR is prepared annually in countries where the Bank has Country Offices. In countries without Country Offices, it is prepared once in two years or more frequently depending on the quality of the portfolio. It is nevertheless linked to the CSP process.

During years when no CSP/RISP (Regional Integration Strategy Paper) or CSP/RISP related documents are prepared, CPPR/RPPR consists of an update of the country/regional portfolio improvement plan (CPIP) and CPPR/RPPR reports are transmitted to the Board for consideration, when combined with a CSP/RISP, CSP/RISP midterm review or CSP/RISP completion reports. However, in the years when the CPPR/RPPR consists of an update to the CPIP only, it is presented, along with a cover note, to CODE for information (Figure 1).

Figure 1: Alignment of CSP and CPPR



Source: Adapted from the 2011 Guidelines on portfolio review

In parallel, guidelines for cancellation of public sector and private sector operations have been drafted. According to the 2011 Cancellation Guidelines for Public Sector Operations, and in order to provide incentives to ADF countries to undertake portfolio restructuring, 70% of cancelled resources are retained by the country for commitment to ongoing or new activities consistent with the CSP. For the non-sovereign operations (NSO), the 2013 guidelines set out clearly the criteria for cancellation. The Bank’s capital adequacy framework imposes limits in term of risk exposure. Timely and effective cancellation of eligible PSO may release scarce non-sovereign risk capital, which will become available for what are deemed to be viable PSOs. The Director of Private Sector Department is responsible for identifying operations that are eligible for cancellation under the criteria listed in the guidelines.

Despite this institutional framework, the Bank continues to face challenges in term of portfolio management. In 2014, the Operations Committee (OpsCom) Secretariat prepared a report named “Improving portfolio performance at the African Development Bank.” The study highlighted four main recurrent issues faced by the Bank, including: i) persistent implementation delays; ii) ineffective supervision processes; iii) several inherent weaknesses in the design of operations; and iv) a lack of coordination of the dialogue on portfolio issues within the Bank and between the Bank and relevant stakeholders. In 2015, a new Presidential Directive (PD N° 02/2015) concerning the design, implementation and cancellation of the Bank Group’s Sovereign Operations was issued with the aim of enhancing institutional efficiency and transforming the Bank into a more nimble and efficient organization which speedily responds to RMCs’ needs.

Overall, considerable progress has been made during the last decade. During the period 2011-2019, 175 CPPRs have been delivered out of which 95 are combined with CSP or CSP-MTR or CSP-CR. In terms of portfolio quality, the proportion of projects at risk

decreased from 29.4% in 2011 to 3.1% in 2015 with and to 1% in 2018 according to the Bank's Delivery, Performance Management and Results Department (SNDR) data. At the same time, the number of cancellable operations is on the rise from 127 (or 17.5% of the active portfolio by number) in 2011 to 323 (or 23.5%) in 2018.

This evaluation is timely since the operational practices of the Bank have undergone fundamental changes particularly in the context of the Development and Business Delivery Model (DBDM).

In addition, it was clearly stated in the 2011 guidelines that after five years of implementation, IDEV would evaluate the implementation of these guidelines and the resulting outcomes to provide a basis for fine-tuning and updating the CPPR process. This evaluation is complementary to the recent IDEV evaluation completed in 2018 on quality of supervision and exit, which focused mostly on projects.

3. Evaluation purpose and objectives

The purpose of this evaluation is to inform the revision of the portfolio review and restructuring policy and its related guidelines. It will distill findings and draw lessons from the portfolio review and restructuring practices in the evolving institutional environment of the Bank as well as the experience of comparator organizations. The main objectives of the evaluation are the following:

- a) Assess the relevance and effectiveness of the current institutional framework for portfolio review and restructuring, both for sovereign and non-sovereign portfolios. This includes the 1995 policy on portfolio review and restructuring, the 2011 guidelines on portfolio review, the 2011 guidelines on loan cancellation for public sector operations and 2013 guidelines on loan cancellation for private sector operations.
- b) Review the approaches, processes, format and content of the CPPRs/RPPRs.
- c) Identify best practices in portfolio review and restructuring from other MDBs and relevant private sector organizations.
- d) Assess the effectiveness of CPPR/RPPR as a dialogue tool to ensure delivery of the Bank's program in the Regional Member Countries (RMCs).
- e) Suggest appropriate revisions to the Bank including area of reforms in the policy and institutional framework, as well as approaches, processes, practices, format and content of the CPPR/RPPR.

The findings, lessons and recommendations of this evaluation will inform the planned revision of the policy framework by the Bank's Strategy and Operational Policies Department (SNSP), and will contribute to effective delivery of the Bank's assistance under the new Development and Business Delivery Model (DBDM).

4. Evaluation scope and questions

The portfolio review and restructuring policy dates back to 1995 with further revisions in 1999 and 2004. However, most recently, the portfolio review exercises have been undertaken by the Bank using the 2011 guidelines. The evaluation will cover the period 2011-2019, to take into account the implementation of the latest guidelines and to derive

lessons and recommendations for improving Bank’s portfolio management system in RMCs from the most recent experience in applying the 2011 guidelines.

This corporate evaluation will apply three OECD/DAC³ evaluation criteria: relevance, effectiveness, and efficiency, to draw key findings and lessons. The evaluation will seek to answer the following key questions:

Table 1: Evaluation criteria and questions

Criteria	Evaluation questions
Relevance	<ul style="list-style-type: none"> a. To what extent are the Bank’s portfolio review and restructuring policy and related guidelines relevant to its current institutional context including the new DBDM? b. How well are the Bank’s portfolio review and restructuring policy and related guidelines suitable for the Bank’s approach in various (fragile, low and middle income) RMCs? c. To what extent are the governance of the portfolio review and restructuring policy, related guidelines and incentive system in line with the Bank’s objectives in term of portfolio management? d. How do the Bank’s portfolio review and restructuring policy, subsequent guidelines and practices compare with those of key public and private comparator institutions, and good practice standards?
Effectiveness	<ul style="list-style-type: none"> e. What is the level of awareness and ownership of the portfolio review and restructuring policy and subsequent guidelines? f. To what extent do the CPPR practices in the Bank comply with the provisions in the policy and subsequent guidelines in term of approach, process, format and content? g. To what extent do the Bank’s portfolio review and restructuring policy, subsequent guidelines and practices effectively support the implementation of its country/regional strategies? h. How well are the portfolio improvement plans implemented and to what extent do they contribute to improving portfolio quality? i. How effective is the coordination between the regional and sector departments of the Bank in addressing portfolio restructuring and implementation of portfolio improvement plans?
Efficiency	<ul style="list-style-type: none"> j. To what extent does the CPPR process provide an efficient means of managing the portfolio? k. Is the portfolio review and restructuring policy, as implemented, timely and cost-effective? l. How efficient is the Bank’s portfolio review and restructuring policy implementation, compared to the sister organizations?
Lessons	<ul style="list-style-type: none"> m. What lessons can be learned from the implementation of the Bank’s portfolio review policy and related guidelines? What factors enable and hinder effective implementation of this corporate policy? n. What are the key areas where the Bank should focus while revising its institutional

³ Organization for Economic Co-operation and Development's (OECD) / Development Assistance Committee (DAC)

	framework, approach, process, format and content of the portfolio review and restructuring processes to ensure effective program delivery under the DBDM?
--	---

The evaluation questions will be further elaborated by additional questions and specific sub-questions in the inception report, based on the scoping consultations.

5. Methodological approach

The evaluation will be theory-based and a theory of change for the Bank’s portfolio review and restructuring approach will be constructed. It involves desk review and consultations with relevant stakeholders both in the Bank and selected RMCs. Information required for the evaluation will be gathered through extensive document review, stakeholder consultations and focus group discussions. A database will be developed to describe the key features of the universe of the Bank’s portfolio review reports and the changes that are recorded in the quality of the portfolio. A mapping of the portfolio review and restructuring process will be conducted. The key data collection and analysis tools are described below and summarized in figure 2.

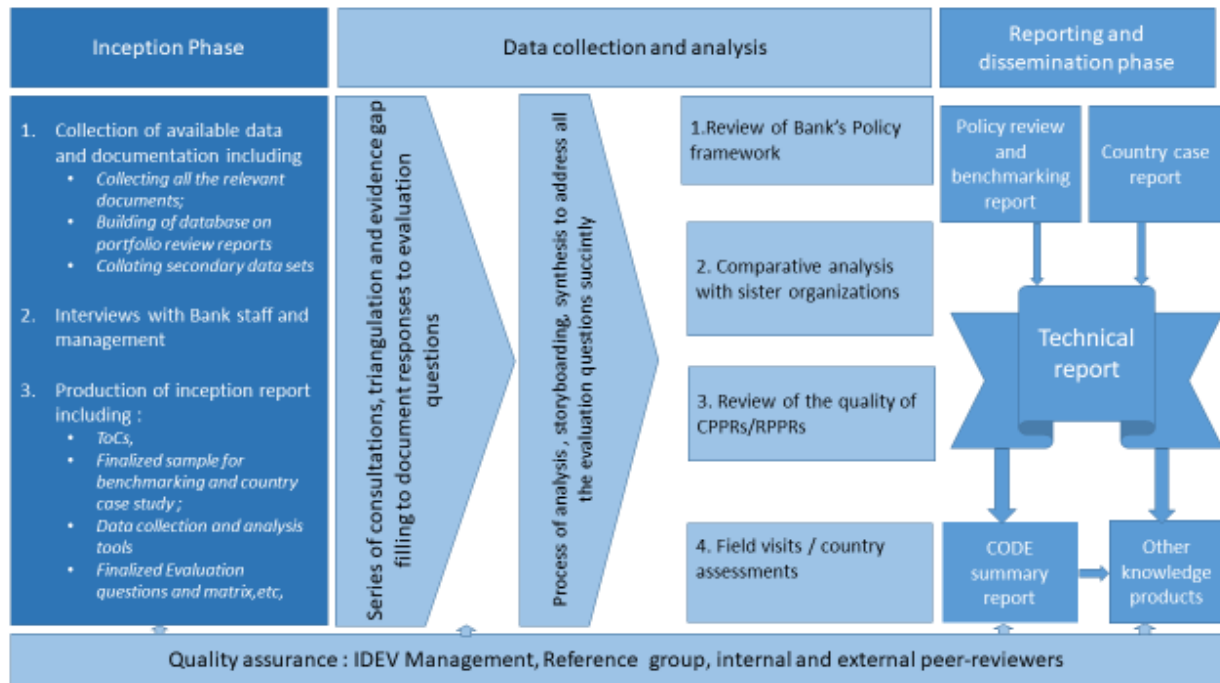
5.1. *Document review*

This evaluation will review a number of the Bank’s document including the Bank policies, strategies, projects and the institutional reforms undertaken in the area of portfolio review and restructuring, the previous study and documentation on best practices in portfolio management. The Bank’s policies will be benchmarked to those of a number of comparator organizations’ by drawing on comparator documentation on portfolio review and restructuring. Lastly, the consultant team will undertake a desk review of a sample of CPPRs/RPPRs to assess their quality and level of compliance with the provisions in the policy and related guidelines.

5.2. *Kew informant, stakeholder interviews and field visit*

At the inception stage, the evaluation team will consult with a few key informants while broader consultations will be held during the data collection phase. The main stakeholders in the Bank include Board members, Bank’s senior management in HQ and Regional hubs, country/regional program officers and selected task managers. The country officials and key stakeholders involved in portfolio management dialogue and some project implementation unit staff will be interviewed during the field visits. Five countries/regions will be selected based on the agreed criteria such as the country/region context, the challenges faced in portfolio management, the characteristic of the portfolio, and the portfolio/project restructuring experience in the country/region.

Figure 2: Evaluation approach



5.3. Process mapping and comparative analysis

The evaluation team will conduct a mapping of portfolio review and restructuring processes and categories of portfolio/project restructuring in the Bank during the period under review. This mapping, in addition to the review of the institutional framework, the governance and the incentives in place for portfolio/project restructuring will be used as a basis for comparison between AfDB and sister organizations. The probable sister organizations are three MDBs out of the following six (the World Bank, Asian Development Bank, Inter-American Development Bank, Islamic Development Bank, European Investment Bank, European Bank for Reconstruction and Development) and one MDB or institutional entity of the MDB providing services to private sector (to be identified).

5.4. CPPRs / RPPRs quality review

This component will consist mainly of desk reviews of a representative sample of about 50 CPPRs and 4 RPPRs delivered during the period of the evaluation. The review will then look at the extent to which the CPPRs/RPPRs complied with the various provisions in the policy and the guidelines in term of process, format and contents. The consultant will develop specific criteria to assess the quality of CPPRs/RPPRs.

6. Key deliverable, timeline and level of effort

6.1. Key deliverables

In addition to the inception report, two component reports will be prepared to feed into the technical report.

Inception report

The inception report will draw on consultations with key informants in the Bank and a review of available documentation to elaborate detailed methodological approach including a clear data collection plan and analysis tools, the identification of 4 case study countries, the selection of 4 comparator organizations (including at least one MDB or institutional entity of the MDB providing services to private sector), a clear work plan and team members' responsibilities.

Policy review and benchmarking report

The policy review and benchmarking report will consist of:

- Assessing the Bank's overall institutional framework with respect to portfolio review and restructuring including the 1995 policy on portfolio review and restructuring, the 2011 guidelines on portfolio review, the cancellation guidelines both for public and private sector operations and all the related guidelines (loan saving, revision of goods and services, etc.), including the governance and incentives in place for portfolio restructuring.
- Comparing the practice at the Bank with sister organizations to identify if there are gaps and what can be learned from the comparators to improve the Bank's portfolio management ecosystem and practice. The consultant should define key criteria for that purpose, including the corporate policy framework, process governance, procedures for CPPRs/RPPRs, their contents, resources and timeline.

Country case study report

The case study report will assess in various contexts, the Bank's effectiveness in using the portfolio review and subsequently portfolio improvement exercise as an active dialogue tool to ensure the delivery of Bank's strategy and programs. The team is expected to produce a concise report synthesizing the main findings from the five country cases and a short note (three to five pages) on each case to be annexed to the country case report. A purposeful sample of countries with fairly large portfolios will be selected. It is proposed to cover four countries, which should take in account the Bank's regional representation, the specific context of the countries/regions (including fragility, low and middle-income status) and various portfolio management challenges faced by the Bank.

Technical report

The technical report should compile all required evidences to answer the evaluation questions. This report will be based on evidence gathered from the above components combined with additional data analysis. IDEV refers to the OECD-DAC and the

Evaluation Cooperation Group guidance to assess the quality of the consultant deliverables.

IDEV will use the consultant’s technical report and other component reports for the preparation of **Summary Report** for the CODE. This report will summarize the key findings, lessons and actionable recommendations to help the Bank effectively and efficiently deliver its program in RMCs.

6.2. Timeline and level of effort

The final technical report should be delivered by **mid of January 2020**. The following table summarizes major milestones in this evaluation.

Table 2: Deliverables and timeline of the evaluation

Expected deliverable	Completion date
Preliminary HQ consultations (3 days)	12-15 Aug 2019
Inception report draft	30 Aug 2019
HQ main consultations (5 days)	23 – 27 Sept 2019
Benchmarking missions (10 days)	30 Oct – 11 Oct 2019
Field missions (20 days)	21 Oct – 08 Nov 2019
Policy review and benchmarking report	30 Oct. 2019
Country case study report	15 Nov. 2019
Technical report - DRAFT	29 Nov. 2019
Workshop emerging findings	12 Dec. 2019
Technical report - FINAL	17 Jan. 2020

ANNEX II: Evaluation Matrix – Policies and Guidelines

Evaluation Questions	Sub-questions	Sources of Information
		Portfolio review and restructuring guidelines; DBDM framework and action plan; project supervision and cancellation guidelines; RMF; CPPR reviews; CSP reports; interviews
Relevance		
1.1 To what extent are the portfolio review and restructuring policy and guidelines aligned with the current institutional context?	To what extent are the policies and guidelines consistent with: (i) the governance framework outlined in the DBDM; (ii) roles and responsibilities in DAM; and (iii) processes outlined in the associated Presidential Directive matrices?	
	To what extent are the roles, responsibilities, and accountabilities for preparing CPPR/RPPR/PIPs clearly defined, especially within the new DBDM/DAM framework?	
	Is there evidence of the CPPR serving as management tool for senior management?	
1.2 How suitable are the Bank's portfolio review and restructuring policy and related guidelines for the Bank's approach in different RMC contexts (fragile, low and middle income)?	To what extent is the restructuring policy appropriate to prevailing conditions in the RMCs?	
	To what extent is the restructuring policy relevant to specific sector conditions and instruments including investment lending, PBOs, non-lending?	
	To what extent do the guidelines distinguish between and take into account the different conditions prevailing in RMCs?	
	What are the differences, if any, in the frequency of preparing CPPR/RPPR/PIP based on country profile?	
1.3 To what extent are the governance framework and incentive system for the portfolio review and restructuring policy, related guidelines in line with the Bank's objectives in term of portfolio management?	To what extent do the guidelines assign clear responsibility and accountability for sovereign and NSO Portfolio review and restructuring for: (i) staff; (ii) country and sector managers; and (iii) implementation support managers	
Effectiveness		
2.1 To what extent were the objectives identified in the portfolio review and restructuring policy and	To what extent is there evidence of the CPPRs' contribution to improvement in quality of Bank's country and regional portfolios?	

guidelines achieved?	To what extent have the CPPRs assisted the RMCs in meeting their current obligations to the Bank?	
	To what extent is there evidence of CPPRs contributing to project restructuring, cancellation, or termination?	
	To what extent have the CPPRs contributed to priority strategic objectives identified in the RMCs/RECs?	
	To what extent have the CPPRs validated the linkage between the portfolio and CSPs/RISPs?	
	To what extent have the CPPRs provided guidance for future programming through the CSP/RISP process?	
2.2 To what extent do the Bank's portfolio review and restructuring policy, subsequent guidelines and practices effectively support the implementation of its country/regional strategies?	To what degree are operational staff and managers knowledgeable about the restructuring policy, subsequent guidelines and processes?	
	To what extent do staff and managers believe that the restructuring policy, subsequent guidelines and processes help in improving performance and outcomes?	
	To what extent are problem projects identified and restructured in a timely way and on a consistent basis?	
	What are the mechanisms for coordination between regional and sector departments on portfolio management, specifically in addressing performance issues?	
	How does the CPPR process improve coordination?	
2.3 What are the incentives in place to encourage staff to proactively address issues through the use of the restructuring policy and subsequent guidelines?	What incentives/disincentives are in place to provide a candid assessment and promote proactive actions to strengthen portfolio performance?	
2.4 What is the level of awareness and ownership of Bank staff and managers of the portfolio review and restructuring policy and subsequent guidelines?		
Efficiency		
3.1 To what extent do the policy and guidelines provide an efficient means of managing the portfolio?	What is the utility of the CPPRs to various levels of management and the Board?	

ANNEX III: Evaluation Matrix - CPPR

Evaluation Questions	Sub-questions	Sources of Information
Relevance		
1.1 To what extent is the CPPR relevant (value adding) to the following objectives:		CPPRs (including PINs and CPIPs); CSPs (including Mid-term Reviews and Completion Reports); Portfolio and Project Indicators in MIS (including Portfolio Flashlight by Country and Outliers and Exceptions Report) covering a five year period from the start of the CPPR process; Project Implementation Progress Reports and Aide Memoires of projects covered by the CPPR; Project Completion Reports (if available) of projects covered in the CPPR; Interviews of Task Manager of the CPPRs, Country Management, Task Managers of projects covered in the CPPR, Implementation Support Managers; and Senior Management.
improve the quality of the country portfolio	To what extent does the CPPR address critical systemic issues in portfolio performance that could not addressed at the level of project supervision?	
	To what extent are the issues addressed during CPPR/RPPR/PIP relevant to improved outcomes?	
assist member countries in meeting the current obligations to the Bank group	To what extent is the CPPR relevant as a tool for dialogue with RMCs?	
adapt projects and programmes to changing economic circumstances through restructuring, cancellations or terminations where necessary	To what extent does the CPPR address portfolio restructuring?	
ensure that the implementation of the Bank Group's country programmes is on track to delivering agreed-upon results linked to strategic objective priorities identified by the RMCs themselves	What is the value added of the CPPR in ensuring implementation of country programs?	
validate linkage between the portfolio and the CSPs		
provide guidance for future programming through the CSP process		
1.2 To what extent is the CPPR relevant (value adding) with respect to the following		
diagnostic tool for identifying problems beyond what are in project supervision reports	To what extent does the CPPR add value to or complement project supervision?	
monitoring and evaluation tool	What is the quality of the CPIP?	
	What is quality of monitoring of the CPIP?	
information tool for the CSP process on Government priorities and emerging issues	To what extent does the CPPR provide additional information and analysis to the CSP?	
management tool for management to take proactive decisions to address bottlenecks in the portfolio	Is there evidence of the CPPR serving as management tool for: (i) project management; and (ii) country and sector management?	
Effectiveness		
2.1 How well are the portfolio improvement plans implemented and to what extent do they contribute to improving portfolio quality?	To what extent are PIP and actions implemented as a result of the reviews?	CPPRs (including PINs and CPIPs); CSPs (including Mid-term Reviews and Completion Reports); Portfolio and Project Indicators in MIS (including Portfolio Flashlight by Country
	Based on the portfolio indicators, were there improvements in portfolio performance in the areas addressed in the CPIP?	

	<p>To what extent did weaknesses in project supervision hinder the effectiveness of the CPPR?</p> <p>To what extent are the existing restructuring processes conducive to early identification and timely restructuring of poorly performing projects?</p> <p>To what extent do the CPPR/RPPR/PIPs address crosscutting issues particularly gender, and climate change?</p> <p>Is there any evidence in the CPPR of project restructuring?</p>	<p>and Outliers and Exceptions Report) covering a five year period from the start of the CPPR process; Project Implementation Progress Reports and Aide Memoires of projects covered in the CPPR; Project Completion Reports (if available) of projects covered in the CPPR; Interviews of Task Manager of the CPPRs, Country Management, Task Managers of projects covered in the CPPR, Implementation Support Managers; and Senior Management.</p>
2.2 How effective is the coordination between the Bank's regional and sector departments and between field offices and headquarters in addressing portfolio restructuring and implementation of portfolio improvement plans?		
2.3 How effective is the CPPR as a dialogue tool to ensure delivery of results from the Bank's program?		
2.4 To what extent is the CPPR effective in adapting the portfolio to changing economic circumstance?	To what extent has restructuring resulted in improved portfolio performance, including in different sector and country contexts?	
2.5 To what extent do lessons emerging from CPPR/RPPRs (especially those combined with the CSP/RISP Completion report) and restructuring practices influence the preparation of new CSPs and RISPs? What modalities are in place to ensure these lessons are incorporated.		

Efficiency

3.1 To what extent do the CPPR practices in AfDB comply with the provisions in the policy and subsequent guidelines in terms of approach, process, format and content?	To what extent does the CPPR comply with the guidelines, including those on timing and frequency?	<p>CPPRs (including PINs and CPIPs); CSPs (including Mid-term Reviews and Completion Reports); Portfolio and Project Indicators in MIS (including Portfolio Flashlight by Country and Outliers and Exceptions Report) covering a five year period from the start of the CPPR process; Project Implementation Progress Reports and Aide Memoires of projects covered in the CPPR; Project Completion Reports (if available) of projects covered in the CPPR; Interviews of Task Manager of the CPPRs, Country Management, Task Managers of projects covered in the CPPR, Implementation Support Managers; and Senior Management.</p>
	To what extent does the choice of instrument (combined vs standalone CPPR) matter with respect to improving outcomes?	
	To what extent does the practice of combining CPPRs with MTR or CSP completion reports lead to efficiency gains?	
	To what extent are the recommendations arising from the CPPR/RPPR/PIP recorded and monitored?	
3.2 To what extent does the CPPR process provide an efficient means of managing the portfolio?	What are the additional costs of the CPPR process?	
	To what extent does the CPPR process build on information and analysis already available in supervision reports?	
	Does the CPPR process provide new information on stakeholder views?	
3.3 Is the portfolio review and restructuring policy, as implemented, timely and cost effective?	Did the CPPRs result in early identification and resolution of portfolio issues?	
	Are there components or processes in the CPPR that could be simplified or eliminated given current improvements in generating portfolio performance indicators?	

ANNEX IV: Evaluation Matrix – Benchmarking

Evaluation Questions	Sub-questions	Sources of Information
		AfDB Portfolio Review and Restructuring Guidelines; Comparator Institutions' Portfolio Review and Restructuring Guidelines; Interviews of selected AfDB Staff/Managers; Interviews of selected Staff/Managers of Comparator Institutions

Relevance

How do the Bank's portfolio review and restructuring policy, subsequent guidelines and practices compare with those of key comparator institutions and good practice standards?	What are the key points of departure in policy and guidelines between the AfDB and comparator institutions for both Sovereign and NSO?	
	What are the gaps in policies and processes, if any, between AfDB and comparator institutions?	

Efficiency

How efficient is the Bank's portfolio review and restructuring policy implementation, compared to the comparator organizations?	How does the elapsed time (decision to restructure a project to actual completion) at AfDB compare with peers?	
	Is AfDB's portfolio review practice in line with the practices of peer institutions in terms of (i) frequency, (ii) scope, and (iii) management oversight?	
What is the range of portfolio management tools (beyond CPPR/RPPR) used by comparator institutions?		

ANNEX V: Outline of Country Case Study

1. Introduction (including past experience with CPPRs)
2. Key portfolio performance problems
3. Implementation of the CPPR process (efficiency and cost effectiveness; candor and proactivity)
4. Realism and effectiveness of the CPIP
5. Impact of the process on portfolio quality
6. Management of the process (coordination and collaboration between regional and sector departments and between field office and headquarters; government's inputs)
7. Conclusions and recommendations

ANNEX VI: Topics and Questions for Semi-Structured Interviews

1) What in your view are the strengths – weaknesses related to the following aspects of CPPR and RPPR:

- a) Approach
- b) Process
- c) Format
- d) Content
- e) Rating (almost all are Satisfactory)

2) How effective is the CPPR process in resolving the following persistent performance issues:

- a) Start-up delays
- b) Procurement delays
- c) Slow disbursement

3) Extent to which the CPPR process is paying adequate attention to issues emerging from:

- a) Individual projects
- b) Sector issues
- c) Countrywide issues

4) Does the preparation of CPPRs always include a workshop with all stakeholders in charge of implementing ongoing operations>

5) Are borrowers playing an effective role in preparing the CPPR?

6) Please share with us your perception of the following:

- a) Duration of the CPPR preparation
- b) Cost of preparing a CPPR
- c) Effectiveness of the CPPR in linking the CSP and the portfolio

7) Please share with us examples where the CPPR recommendations resulted in improved performance

8) To what extent are the CPPRs contributing to:

- a) Generating lessons on portfolio performance and implementation capacity
- b) Identifying restructuring needs (project and portfolio)
- c) Ensuring delivery of results (outcomes)
- d) Validating linkages between CSP and the portfolio

- e) Providing input for future country programmes
- 9) Please share with us your views on the Strengths and Weaknesses of the Bank's approach to restructuring of:
 - a) Projects
 - b) Portfolio
- 10) Please share your perception on the following:
 - 11) Relevance of the current institutional framework for portfolio review and restructuring of:
 - a) Sovereign operations (SO)
 - b) Non Sovereign Operations (is the CPPR appropriate for NSO)
 - 12) Effectiveness of the current institutional framework for portfolio review and restructuring of:
 - a) Sovereign operations (SO)
 - b) Non Sovereign Operations (NSO)
 - 13) Please share your view on the effectiveness of CPPR/RPPR as a dialogue tool to ensure delivery of the Bank's program in the Regional Member Countries
 - 14) Please share your views on what you consider to be appropriate revisions to the Bank' practice in the following areas:
 - a) Reforms of the policy and institutional framework
 - b) Approaches, processes, practices, format, and content of the CPPR/RPPR.
 - 15) Please identify measures you think would help bring about changes in the following:
 - a) Increased objectivity and rigor in the portfolio rating (TM, country and regional manager)
 - b) A simpler/lighter CPPR report
 - c) Preparation of a Sector Portfolio Improvement Plan
 - d) Changing the CPPR frequency to a 2-year cycle
 - e) Introducing a rating system aligned/based on the Portfolio Flashlight of the Operations Delivery Dashboard
 - f) Making the CPPR more result driven and a source of solutions aligned with proactive implementation support
 - g) Ensuring IPRs generate a relevant and accurate picture (e.g. based compliance with covenants; procurement; FM; M&E); disbursement; budget/counterpart funding; co-financing)

16) What could be done to ensure task managers are realistic in their IPR ratings (e.g. shifting from a “4” point to a “6” point scale; have somebody besides the sector managers validate the ratings)

ANNEX VII: List of People Consulted

ANNEX VIII: Bibliography

- African Development Bank. 8 August 1994. Action Plan for Implementation of the Task Force Report on Project Quality (The Knox Report)
- African Development Bank. 16 May 1995. Bank Group Policy on Portfolio Review and Restructuring
- African Development Bank. 17 March 1994. Guidelines on Cancellation of African Development Bank Loans and African Development Fund Loans and Grants
- African Development Bank. 17 June 2010. Country Portfolio Performance Review Approach Paper: Proposed Guiding Principles
- African Development Bank. 12 May 2011. Country Portfolio Performance Review Guidelines
- African Development Bank. 22 April 2013. Guidelines for Country Portfolio Performance Revised Version
- African Development Bank. 1 August 2013. Guidelines on Cancellation of Approved Private Sector Operations – Revised
- African Development Bank. Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees
- African Development Bank. December 2013. The One Bank Results Measurement Framework 2013-2016
- African Development Bank. July 2014. Improving Portfolio Performance at the African Development Bank
- African Development Bank. 9 June 2016. An Update on the Decentralization Action Plan in line with the New Development and Business Delivery Model - Revised
- African Development Bank. September 2018. Policy on Non-sovereign Operations
- Asian Development Bank. 12 January 2017. Operations Manual Policies and Procedures OM Section L4
- Asian Development Bank. February 2017. Extended Annual Review Reports for Nonsovereign Operations
- Asian Development Bank. 2018/2017/2016/2015. Annual Portfolio Performance Reports

Asian Development Bank and World Bank. December 2009. Republic of Tajikistan Joint Country Performance Review

Centennial Group International. June 2019. Evaluation of the African Development Bank's Self-Evaluation Function

Independent Development Evaluation. October 2018. Independent Evaluation of the Quality of Supervision and Exit of the African Development Bank's Operations (2012-2017). African Development Bank

Independent Development Evaluation. Briefing Note: Independent Evaluation of the Implementation of the AfDB's Development and Business Development Model

Independent Evaluation Group. 2017. Results and Performance of the World Bank Group 2017. World Bank

International Fund for Agricultural Development. 12 September 2018. Report on IFAD's Development Effectiveness for 2018

International Fund for Agricultural Development. 14 December 2018. IFAD Policy on Project Restructuring

International Fund for Agricultural Development. 31 May 2019. Portfolio Stocktake: Asia and the Pacific Division 2019

Operations Evaluation Department. 8 June 2005. Review of 2000-2004 Country Portfolio Review Reports. African Development Bank

Operations Policy and Country Services. 18 July 2017. Streamlining Restructuring Policies and Procedures for Investment Project Financing and Program-for-Results Financing. World Bank

World Bank. March 2012. Operational Manual BP13.16 Country Portfolio Performance Reviews

World Bank. 13 June 2016. Conducting a Joint Review of the World Bank Portfolio in Cameroon.