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Independent Evaluation of the African Development Bank's Regional Integration Strategy Paper for Eastern Africa

Evaluation Report

An IDEV **Regional Integration Strategy Evaluation**

AFRICAN DEVELOPMENT BANK GROUP

February 2017

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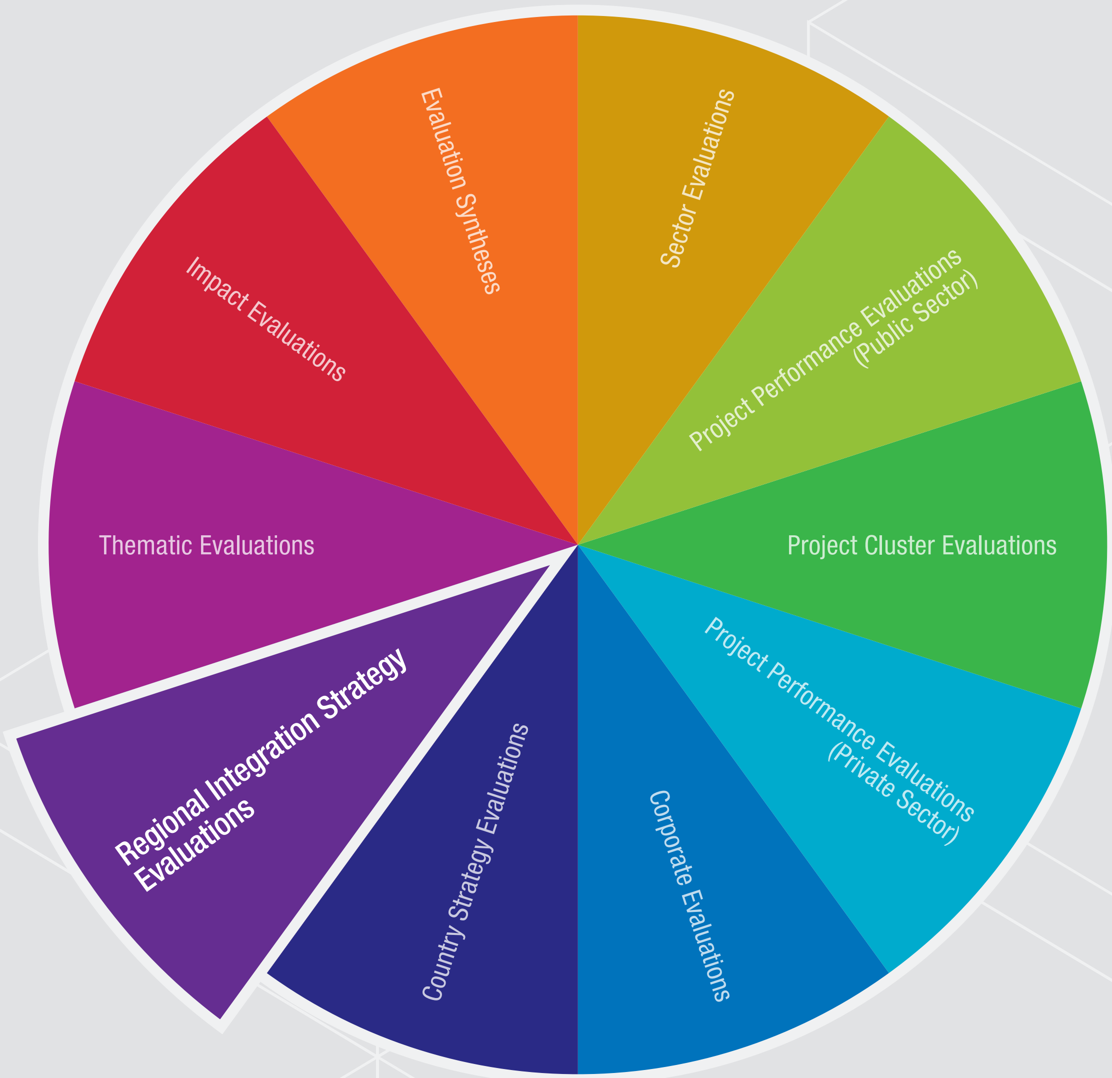

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Independent Evaluation of the African Development Bank's Regional Integration Strategy Paper for Eastern Africa - Evaluation Report
IDEV Regional Integration Strategy Evaluation, February 2017

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The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

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The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness of the institution in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

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Design & layout: CRÉON – www.creondesign.net
Original language: English – Translation: AfDB Language Services Department

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Abbreviations and Acronyms

AfDB	African Development Bank
ATI	African Trade Insurance
AVU	African Virtual University
COMESA	Common Market for Eastern and Southern Africa
CPT	Core Project Team
CSP	Country Strategy Paper
DRSLP	Drought Resilience and Sustainable Livelihoods Program
EADB	East African Development Bank
EAPP	East Africa Power Pool
EARC	Eastern Africa Regional Resource Center
ICGLR	International Conference on the Great Lakes Region
ICT	Information Communication Technology
IDEV	Independent Development Evaluation
IGAD	Intergovernmental Authority on Development
IPR	Implementation Progress and Results Report
MTS	Medium-Term Strategy
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa's Development
ONRI	Regional Integration & Trade Department
OSBP (s)	One Stop Border Post (s)
PBA	Performance-Based Allocation
PIDA	Program for Infrastructure Development in Africa
PPP	Public-Private Partnership
PRA	Project Results Assessment
PTA	Preferential Trade Area (Bank)
RECs	Regional Economic Communities
RIPoS	Regional Integration Policy and Strategy
RIS	Regional Integration Strategy
RISP	Regional Integration Strategy Paper
RMCs	Regional Member Countries
ROE	Regional Operations Envelope
ROs	Regional Operations
RPGs	Regional Public Goods
SADC	Southern African Development Community
SHAF	Shelter Afrique
TA	Technical Assistance
TYS	Ten-Year Strategy
UA	Unit of Account
USD	US Dollar

Glossary of Terms

Regional operation(s)	A project taking place in two or more countries with benefits superior to those realized on individual projects **(integration operations),** or a project taking place in a single country with regional impact – so that the benefits are shared by neighboring countries through positive cross border effects, in particular if they also include policy dimensions **(single country operations with cross-border benefits)***
Multi-country operation(s)	A project taking place simultaneously in several countries which can be in a specific region, or not, with limited regional impact or positive cross-border effects*
Single-country operation(s)	All the other projects that are not categorized as either regional operations or as multi-country operations.
Regional Public Goods (RPGs)	Goods or services whose benefits are shared by a group of countries in the same region in a non-rival and non-excludable way** Non-rival: One country's consumption does not subtract from the amount available to other countries. Non-excludable: No country in the region can be excluded from benefiting, except at a prohibitive cost.

* AfDB-ONRI (2014) Regional Operations Selection and Prioritization Framework – Revised Version, April 2014, pp.3
** AfDB (2014) Bank Group Regional Integration Policy and Strategy (RIPoS) 2014-2023, September 2014, pp.6-7

Executive Summary

Introduction

This report provides a summary of the findings of the Eastern Africa Regional Integration Strategy Paper (RISP). **This evaluation is timely as it will inform the preparation of the new Eastern Africa RISP.** As such, the objective of the evaluation is two-fold: 1) assess the extent to which development results have been achieved in the context of the RISP; and 2) suggest potential improvements that will feed into and help guide the preparation of the next Regional Integration Strategy (RIS).

The evaluation findings are based on multiple lines of evidence including: i) a literature and document review; ii) key informant interviews; iii) a portfolio review; and iv) in-depth, field-based project results assessments (PRAs).

This report is structured in a way to present what the Bank has achieved and how the Bank has managed its regional and multi-country operations[1] in Eastern Africa. The evaluation also proposes recommendations at both the strategic and operational levels in order to enhance the Bank's contribution to regional integration.

Background

The East RISP focuses on two pillars: Pillar 1: investments in infrastructure, and Pillar 2: capacity building for Regional Economic Communities (RECs) and member governments engaged in regional operations.

According to the Eastern Africa Resource Center (EARC), 16 of the 24 reviewed operations directly relate to Pillar 1 of the RISP and eight mainly to Pillar 2.[2] In terms of commitment amounts, the portfolio is dominated by transport (four projects), power (four), financial sector (five), and agriculture. Of the four agricultural projects, three are focused on successive phases of the Drought Resilience and Sustainable Livelihoods Program (DRSLP) in the Horn of Africa. The Bank's total commitment to these 24 operations amounted to 1.41 billion UA (See Table 1).

Overview of Findings and Recommendations

- **The Bank's operations have made progress on results achievement. However, the Bank has missed an opportunity to further the strategic objective of regional integration in a sustainable manner.** The next RISP requires a clear vision for the Bank cementing regional integration in Eastern Africa, supported by a clear theory of change.

- **Capacity issues, particularly in RECs, have hampered effectiveness and sustainability.** The critical importance of RECs as building blocks for continental integration could be underscored by strategically investing Bank resources in the institutional strengthening of RECs.

- The evaluation noted **major weaknesses in efficiency and results-based management,** including for example poor time efficiency, procurement delays, and a frequent disconnect between outputs and outcomes. Adequate monitoring and evaluation (M&E) systems that are appropriately resourced are required.

Among the questions the evaluation examined are the four standard criteria (see below). The ratings of the core four evaluation criteria indicate two main areas of weakness: efficiency and sustainability.

Relevance	Effectiveness
Moderately Satisfactory	Moderately Satisfactory
Efficiency	**Sustainability**
Moderately Unsatisfactory	Moderately Unsatisfactory

The Bank's Contribution to Regional Integration in Eastern Africa

The Eastern Africa RISP and the Bank's operations were found to be aligned with: i) the needs of the Regional Member Countries (RMCs), and ii) the Bank's strategic priorities. However, the RISP and the Bank's operations did not integrate the broader objective of regional integration.

The Eastern Africa RISP focuses on regional physical infrastructure, the policy/regulatory framework of regional infrastructure systems, and strengthened institutions including RECs. The RISP is aligned with the Bank's Ten-Year Strategy (TYS) and Medium-Term Strategy (MTS). All the operations funded under the strategy are high priority for participating RMCs (See Relevance). The evaluation found a satisfactory alignment between the RISP and the proposed lending program outlined by the Country Strategy Papers (CSPs) of member countries. 18 out of the 24 operations reviewed were consistent with the country CSPs in which the importance and necessity of regional integration were emphasized. (See Relevance).

On the other hand, **no Bank regional integration-related policies and strategies have a clear and distinct definition of either regional integration or regionalism.** The Bank has adopted regional economic integration as its ultimate goal without any analysis of the political economy aspects of regional integration (See Relevance). At the operational level, about 30 percent of the Bank operations reviewed serve as multi-country or single country operations[3] that are likely to exert a limited regional impact or positive cross-border effect (See Relevance).

The Bank has lacked a clear approach to engage the private sector. Although the importance of the private sector is frequently mentioned in the RISP, there is no cohesive plan for mobilizing private investment and engaging the private sector. The RISP identifies "improving the business climate" through reduced transport costs and "investment opportunities". However, there is little discussion of the incentive/disincentive structure or the strengths and weaknesses of the sector. How to engage in policy dialogue with the private sector and how to draw the private sector into regional operations is a missing element of the RISP. (See Relevance).

At the strategic level, both the RISP and Regional Integration Policy and Strategy (RIPoS) have fully acknowledged the necessity of soft infrastructure[4]. At the operational level, 15 out of the 24 operations were designed to incorporate "soft" components[5] in the project (See Effectiveness).

The achievement of the planned outputs and outcomes of the RISP varies across pillars. At output level, 80 percent are rated moderately satisfactory or higher for the regional infrastructure pillar operations compared to only 57 percent for the capacity building pillar operations. At outcome level, 60 percent are rated moderately satisfactory or higher for Pillar-1 compared to 43 percent for Pillar-2. Based on available information, institutional capacity building targets are less likely to be achieved, particularly with respect to support to the East African Community - Common Market for Eastern and Southern Africa - Southern African Development Community (EAC-COMESA-SADC) Tripartite Agreement and strengthening of RECs, all of which are the central outcome indicators stipulated under Pillar 2 of the Results Matrix.

Recommendation 1: Consider to underpin the next RISP with a clear vision that focuses on regional integration, and one that is supported by a theory of change and a results-based framework.

- The theory of change would be instrumental to identify the logical linkages on how the Bank operations lead to regional development, support regional public goods and then contribute to regional integration.
- The theory of change would guide the formulation of a balanced portfolio of the Bank operations that addresses priority regional integration objectives, the TYS priorities of inclusive and green growth. The High 5s should guide selectivity, with particular emphasis on **"soft infrastructure"**, including policy reforms and **mobilizing private sector participation and investment.**
- Future changes related to the eligibility framework for the Regional Operations Envelope (ROE) is expected to reflect the above-mentioned considerations.
- The results-based framework would track relevant outcomes related to regional integration.
- **A solid theory of change would need to be based on strong analytical knowledge work.** The analytical work could consider the following key areas: political economy analysis, regional analysis of sectors, power and transport systems, agricultural and manufacturing value chains, spatial development, industrialization along the development corridors, financial and private sector development, and markets around border posts.

Limited information does not allow a comprehensive assessment of achievement of soft infrastructure. Out of the three projects that were mature enough to undergo a PRA, only one had a soft component (Mombasa-Nairobi Corridor). This PRA confirmed that trade facilitation between Kenya and Ethiopia through the Moyale border had not yet been fully observed due to severe delays in operationalizing the One-Stop Border Post (OSBP). It was originally planned to be opened immediately after the completion of road construction work (See Effectiveness). Yet delays in the provision of soft infrastructure are likely to be a serious constraint on the overall achievement of RISP objectives.

A key factor inhibiting results achievement is the weak capacity of executing agencies and RECs. Capacity challenges remain pervasive and cut across the RECs, the RMCs, and other institutions responsible for implementing regional operations.[6] RECs and other multi-county steering committees are often charged with the responsibility to coordinate but lack the clear mandate and capacity to deliver effectively. Furthermore, they are reliant on donor funding, which raises questions about ownership of the RMCs and sustainability. The RMCs are responsible for implementation but their complementary capacity needs receive inadequate attention. The lack of immediate counterpart funding from RMCs is another external risk factor affecting project results[7] (See Effectiveness).

Factors facilitating results achievement are the Bank's institutional arrangements, including the expanded EARC and the revised Regional Operations Selection and Prioritization Framework.[8] These arrangements provide a strong basis for sound implementation.

Sustainability was generally a weak area with variations across sectors.

Sustainability is considered from both a financial and institutional perspective. Technical soundness, environmental and social sustainability are not assessed due to the low disbursement nature of the operations under review and the resource constraints of the evaluation.

Financial sustainability is judged to be moderately satisfactory or better in the financial, transport and Information Communication Technology (ICT) sector operations. The recurring operational costs are likely to be secured through road funds. Necessary measures for cost recovery have already been or are likely to be taken for the financial sector operations. The one ICT project is

Recommendation 2: Strengthen the institutional capacity of RECs by underscoring their importance as the key building blocks for continental integration

The following considerations can help guide the Bank in addressing this recommendation:

- Revisiting the role assigned to RECs and taking into account the RMCs' ownership and mandate of the RECs and other implementing institutions.
- Properly resourcing the RECs through technical assistance (TA).
- Systemic attention to capacity development during project design would also facilitate a timely launch and more effective implementation.

financially backed by a project company through a public-private partnership (PPP). However, the power, agriculture and institutional building operations are rated as moderately unsatisfactory or lower. For regional power interconnection, there is no guarantee that the funds will be allocated to the maintenance of the Bank financed transmission lines. The prevailing fragility is bound to affect the financial sustainability of the agriculture sector's operations. Furthermore, no clear provisions were made to cover ongoing operating costs in four out of five capacity building operations. An assessment of institutional sustainability gives almost the same picture: agriculture and institutional building operations are the weakest.

The Bank systematically identified the factors that might facilitate or constrain continuing performance after project completion (13/22[9] operations). Based on available information, it has however taken measures[10] to address these factors in only three (all financial sector) of the above 13 operations so far (See Sustainability).

The Bank's Management of Regional and Multi-Country Operations

The weak results management framework undermines the Bank's ability to manage effectively regional operations.

The Results Matrix of the RISP, despite improvements at mid-term review, remains weak. The Bank's system for managing for development results is not being implemented robustly enough to help guide implementation or serve as a basis for supervision. The Results Matrix in Annex 1 of the RISP lacks a detailed explanation of the causal linkages that would be included in a robust theory of change. The problem was that the "Expected Final Outcomes" stipulated in the matrix were not direct measures of the outcomes; instead they are measures of outputs. (See Managing for Development Results).

Similar weaknesses are evident in the logframes for the respective RISP projects, which often lack baselines. This reflects a confusion between outputs and outcomes and incorporate targets that are

Recommendation 3: Support RECs and/or RMCs to develop solid mechanisms to handle commercial, financial and institutional sustainability risks associated with asset management of regional public goods

In order to address this recommendation, the Bank can consider:

- Prioritizing the asset protection and maintenance of regional public goods in the Bank's regional operations project cycle.
- Systematically involve RECs and RMCs in the planning and implementation of projects with an emphasis on both resource mobilization and the absorption capacity of RECs/RMCs.
- Project planning and implementation should be supported by non-lending activities such as policy dialogue and capacity building.

Recommendation 4: Design and implement results-based M&E systems so they provide valuable management tools for assessing and managing for results

The Bank should consider:

- Solid results frameworks which would focus the contribution made by Bank operations compared with changes that result from GDP growth. This would also allow for overt logical linkages in the results chain with clear differentiation between outputs and outcomes.
- M&E systems need to be adequately resourced to marshal the skills and relevant data collection required to yield useful accountability and learning information. Costs or rates of return are expected to be monitored through the project implementation documents.

not related to the Bank's operations. Out of the 24 operations reviewed, one operation has no baselines. Three additional operations lack baseline for a number of outcomes. The outcome indicators were well beyond what was achievable through project activities (16 projects).[11] Only three projects had meaningful outcome indicators (See Managing for Development Results).

The portfolio review points to serious project delays and a lack of data on rates of return. The average delay of the 16 operations eligible for the analysis[12] was 13 months, with a standard deviation of 6.2 months. There is a weak positive correlation between the Bank's net commitments per project and delays at project start-up (R^2=0.28). Large-scale regional infrastructure projects in the transport and power sectors have encountered severe delays (15 to 23 months). There is no distinct difference between operations under Pillar 1 and Pillar 2 in terms of project start-up delays.

Substantial delays in handling procurement (Pillar 2 operation) stemmed from weak institutional capacity of RECs/RMC[13] with 71 percent of the Pillar 2 operations facing delays in the procurement process. The reasons include difficulties in finding appropriate consultants, unfamiliarity with the Bank procurement policy and procedures, a lack of procurement expertise in RMCs and the complexity of the project. In addition, analyses on costs or rates of return were absent in the majority of the project implementation documents, making it difficult to conclude if the operations were or would be efficient once implemented (See Efficiency). ■

Recommendation 5: Improve procurement process by supporting RECs and/or RMCs through Recommendation 2 and 3 above.

- (Recommendation 2-1) The Bank needs to revisit the role routinely assigned to RECs. It should take into account the RMCs' ownership and mandate of the RECs and other implementing institutions and aim to ensure the provision of the required recurrent financial support.
- (Recommendation 3-3) Non-lending activities, such as policy dialogue and capacity building, should support both the planning and implementation stage of the Bank 's regional operations project cycle.

Management Response

Management welcomes IDEV's Evaluation of the African Development Bank's Regional Integration Strategy Paper (RISP) for Eastern Africa, covering the period 2011 to 2015 (extended by 1 year to 2016). The Evaluation provides a timely assessment of the Bank's contribution to regional integration in Eastern Africa in terms of the relevance, effectiveness and sustainability of its interventions in the region. Management generally agrees with the findings of the evaluation and welcomes the recommendations of the IDEV Evaluation, which will be taken into account in the preparation of the Bank's new RISP 2017-21 for Eastern Africa and the Bank's RISP guidelines currently under preparation.

Bank Contribution to Regional Integration in Eastern Africa

Relevance

Management welcomes IDEV's finding that the Eastern Africa RISP 2011-15 provides a full analysis of the issues and challenges to regional economic integration, the lessons of the Bank's past experience with regional operations, and the lessons of other Development Partners. IDEV acknowledges that the RISP also recognises key constraints to advancing success in regional integration including the lack of capacity in both RMCs and RECs, which could be addressed through capacity building operations (Pillar 2) and capacity building components of Pillar 1 operations. Management supports the IDEV's finding that the RISP is aligned with the Bank's strategic priorities under the Medium-Term Strategy (MTS) and the Ten-Year Strategy (TYS) and that the alignment between the RISP and TYS/MTS was confirmed by an Independent Evaluation of the Quality at Entry and Regional Integration Strategies, undertaken by IDEV in 2014. At the country level, IDEV also found satisfactory alignment between the proposed lending program and the CSPs of member countries. Management appreciates IDEV's finding that at the operational level, most projects were evaluated as moderately satisfactory or better in terms of the relevance of the objectives to the development goals of the Bank's TYS/MTS, and that all the 24 operations reviewed are addressing at least one of the objectives of the RISP.

Management also concurs with IDEV that there is the need to create adequate incentives for governments to willingly participate in regional operations given their complexity, the often unequal distribution of costs and benefits and, in selected cases, incentives for RMCs which often run counter to the objectives of regional integration. Going forward, Management will continue to proactively engage RMCs and RECs in policy dialogue on the benefits of regional integration and provide capacity support to national governments to enhance their implementation capacities.

Management notes IDEV's observations that the Bank remains ambiguous on the ultimate goals of its assistance to regional integration and that no Bank regional integration-related policies and strategies have a clear and distinct definition of either regional integration or regionalism. In addition, its analyses of the political economy remain underdeveloped. Management believes that these observations concern the Bank's overall strategy on regional integration and not necessarily the Eastern Africa RISP. Management will, therefore, address these issues during the review of the Bank's RIPoS, which is set to be revised or replaced in 2017 in view of the Bank's "Integrate Africa" High-5. Notwithstanding, the Bank has not been oblivious to the other dimensions of regional integration including political issues. The new RISP Guidelines include analysis of the political context as well as fragility issues in the preparation of RISPs.

Management does not agree with IDEV's observation that *"…about 30% [i.e. 8 out of the 24 assessed operations] of operations were found to be multi-country or single country operations that are likely to have limited regional impacts, instead of directly advancing the goal of regional integration" and "…this also raises concern regarding the current selection process of regional operations".* Most of the 8 projects identified by IDEV as having a limited impact on regional integration do in fact contribute to regional integration by promoting power trade within the region and beyond, or enabling sub-regional financing institutions to fulfil their mandate of promoting a vibrant private sector through provision of viable financial services across the region. Concerning the Bank's Regional Operations (RO) prioritization process, the following aspects should be taken into account:

1. The RO prioritization framework clearly defines the Bank's understanding of regional infrastructure or public good.

2. The higher cost and complexity of regional integration interventions requires dedicated attention and funding; indeed, without the additional funding provided by this envelop, many African countries with smaller economies or in fragile situations would not have sufficient resources to participate in the establishment of the needed infrastructure supporting the movement of goods, services and people.

3. In prioritizing RO, the Bank assesses first the eligibility of the project (alignment to the RISP, continental, regional and country regional integration planning and priorities); second the quality of the beneficiary countries and their capability to undertake successfully a regional project and third the quality and readiness of the project in terms of integration and development impact. The contribution of the envelope is meant to be an incentive for countries to develop regional projects.

IDEV rightly stated that *"…the importance of the private sector is frequently mentioned in the RISP. However, the role of the private sector in Eastern Africa's development is still not developed or addressed explicitly in the RISP."* Management is cognizant of the need for a stronger role of the private sector in regional integration. As a matter of fact, the RIPoS states that "beyond the public sector, it will work with key private sector institutions and business associations to generate results". In this connection, it should be noted that Bank' support to regional integration through its private sector window has increased significantly in recent years, from UA 25.0 million in 2011 to UA 134.9 million in 2016. Going forward, as the Bank implements the New Business Development and Delivery Model (DBDM), Management will ensure that the new RISP 2017-21 for Eastern Africa (as well as the CSPs for the countries of the region) will attach greater priority on private sector development, including the mobilization of additional funding from private investors for developmental purposes.

Effectiveness

Management takes note of IDEV's finding that *"Good progress is evident, but the results in achieving the planned outputs and outcomes of the RISP's two pillars are mixed. The Regional Infrastructure Pillar of the RISP was found to have greater demonstrated effectiveness than the Capacity Building Pillar". IDEV rightly stated that "greater attention to policy reform and 'soft' infrastructure…would have further advanced the ambitious regional integration outcomes identified in the RISP".*

Results (Outputs/Outcomes) Achievements

Management also takes note of IDEV's finding that at the output level, 80% of the operations under pillar 1 (regional infrastructure) are rated moderately satisfactory or higher, compared to only 57% for the operations under pillar 2 (capacity building). At the outcome level, 60% of the operations under pillar 1 are rated moderately satisfactory or higher, compared to 43% for the operations under pillar 2. The achievement of the planned outcomes of the operations under pillar 1 is on track, but with variations across sectors.

Transport: Management welcomes IDEV's finding that the transport portfolio outputs are likely to be achieved, although delays have occurred in terms of construction of roads and operation of One-Stop Border Posts (OSBP). Management also welcomes IDEV's finding that the outcomes of regional transport corridor projects are likely to be achieved, notably reductions in vehicle operating costs and travel times for movement of goods. Specifically, IDEV noted the reduction of transit time between Addis Ababa and Nairobi from 30 hours (2010) to 23 hours (2016) as a result of the improved Nairobi-Addis Ababa road.

ICT: Management is encouraged by IDEV's finding that the ICT project, i.e. the Seychelles Submarine Cable Project, met all expected outputs and became operational ahead of its target date and was implemented under budget. The project contributed to a significant reduction in the cost of broadband internet access, an increase in the percentage of connected households, an increase in business connectivity and improved competitiveness. However, IDEV also noted that the planned regional outcome for the sector, which is that all countries in the region are interconnected and connected to an undersea optic fibre system, has not yet occurred. Management will review this indicator in line with the financial resources allocated by the RISP to the sector. This notwithstanding, Management will explore options to further enhance ICT regional connectivity within the context of the new RISP 2017-21.

Power: Management welcomes IDEV's finding that the operations in the power sector are likely to achieve their expected outputs with regard to the number of staff trained. At the outcome level, it is expected that the interconnector transmission projects to contribute to the acceleration of regional power exchange through optimal electricity supply from low-cost to higher-cost countries. According to IDEV, the transmission lines may facilitate the objective of regional integration in the long-term because they will be operated as common carriers for the participating countries.

The evaluation found that *"…the hydro projects… were approved before physical implementation was ready to start in terms of readiness for tendering. In addition, in the case of Ruzizi III, the project was approved well before a final agreement was reached between the three countries involved and the private sector sponsors with several potential deal breakers still pending". In addition "…by 2015, the installed capacity for hydro was…well short of target…[and] the interconnector transmission projects are likely to fall short of their outcomes as well".* While noting these shortcomings, Management is of the view that when assessing the quality at entry of the Multinational PPP projects, one has to consider the delicate balance of the various interests of involved stakeholders. It is also important to note that the Bank's Board approval was one of the pre-conditions for the conclusion of the negotiations between the sponsors and the respective governments on the project agreement. By being flexible and adaptive when dealing with private sector participants, the Bank was able to save the project negotiations process from collapse. This notwithstanding, Management has already taken several measures to improve the readiness for implementation of new projects (streamlining of conditions prior to effectiveness, appointment of PIT members before Board approval, increased use of advance procurement action, etc.) as recommended by the Presidential Directive 02/2015.

Management does not, however, agree with IDEV's finding that *"…operations in the power sector fall short of their potential for regional integration [because] the borrowers treated them as bilateral operations without taking adequate account of the implications for further integration of the power grid although the preparatory studies were coordinated and supervised by the regional power pools (EAPP and SAPP) for projects in their respective regions". This seems to contradict IDEV's finding that "In the long-term, the transmission lines may facilitate the objective of regional integration".* The interconnectors transmission projects (ongoing and planned) are designed to create the power infrastructure that will integrate isolated national grids into a well interconnected regional grid system thus expanding the regional power trade and strengthening regional integration.

Agriculture: Management welcomes IDEV's finding that the outcomes of the agriculture operations will be achieved despite delays in implementation. Management agrees that delays have been a problem for the Drought Resilience and Sustainable Livelihoods (DRSLP) program which is affecting achievement of outputs.

IDEV also found that *"…all the operations have a common issue with regard to disconnections between outputs and outcomes in the log-frames".* While the delays are due to some of the risks identified during the projects' appraisal, Management wishes to clarify that the program has been affected by events beyond the control of the Bank. For instance, the program's implementation in Kenya was delayed by the need to align its implementation arrangements with the devolution, which became effective as part of the implementation of the new constitution right after the program's approval. In Sudan, the initial disbursement had been stalled due to the US sanctions on the country. Alternative means of transferring funds to Sudan have been explored and the Bank of Khartoum which handles the UN transactions and transfers to Sudan has accepted to handle the Bank's transfers to the country.

Management has also taken several actions to accelerate the implementation of the program, including high-level supervision missions (which are now being intensified) and high-level dialogue with government officials to fast track implementation. Full complement of staff to implement the projects are now in place at national level and training of staff to reach full capacity is ongoing. The Bank is also actively engaging IGAD to finalize the recruitment of the Technical Assistants provided for in the program to strengthen the institution's implementation and coordination capacity. Management will revisit the output and outcome indicators of the programme during its mid-term review (MTR).

Financial Sector: Management welcomes IDEV's finding that 75% of the financial sector operations received a rating of moderately satisfactory or higher in terms of output achievements. IDEV also flagged specific constraints, including: "(i) log-frames that confuse inputs, outputs and outcomes including outcomes that cannot be attributed to the project; (ii) implementation issues with TA components that have not been adequately addressed; and (iii) problems with legal and regulatory harmonization such as in Burundi".

Management concurs with IDEV on the constraints identified and the need to improve the relevance of output/outcomes indicators. Management has already taken steps to revise the results matrix of the East African Payment System (EAPS) project during the recently concluded MTR to use more realistic outputs and outcomes indicators. The MTR team also recognized and addressed the need for effective national and regional bankers associations and greater private sector involvement in general.

Social sector: Management welcomes IDEV's finding that the Bank's projects in the social sector, i.e. the East African Centres of Excellence and the African Virtual University Phase II, are likely to achieve their outcome targets, based on progress to date. IDEV also praised the clear, quantitative logical framework for the two projects.

Multi-Sector: At output level, IDEV found that *"All three multi-sector operations under review received moderately unsatisfactory or lower ratings.*

The evaluation also indicated that although the political environment at the highest level indicated support by adopting phase I of the Tripartite Free Trade Area (TFTA), there were issues in Phase I where agreement could not be reached. Even more difficult issues remain to be addressed in Phases II and III, including tariff harmonization, non-tariff measures (NTMs), private sector participation (PSP) regulations, and border efficiency. The increase in intra Tripartite trade flows is not likely to be achieved and was poorly-selected because it depends on many factors other than project activities.

Furthermore, IDEV found that *"The outcomes of the other two TA operations are also unlikely to be achieved, due mainly to the deterioration of the political and security situations (especially in the Great Lakes countries) and the issues of harmonization of the policies and legislation (of the ICGLR member countries in particular), which have severely inhibited implementation".*

Concerning delays in the expected outcomes of the Tripartite Free Trade Area, Management is of the view that such delays are inherent in most negotiations on market integration, including in the EU, between EU and third countries/blocs, and at the multilateral level in the WTO. Therefore, delays by member states to reach consensus in the negotiations should not be used to infer failure of the project effectiveness. On the contrary, Tripartite RECs have so far concluded the first phase of negotiations on goods trade, which in itself is a vital milestone. This notwithstanding, the Bank will continue to support the Tripartite negotiation process to ensure that the expected outcomes of the TFTA are fully realized.

Factors inhibiting or facilitating Results Achievement

IDEV identified several factors inhibiting or facilitating results achievement: (i) Greater attention to policy reform and 'soft' infrastructure would have further advanced the ambitious regional integration outcomes identified in the RISP; (ii) The achievement of outputs and outcomes is affected by procurement delays; (iii) Capacity challenges are pervasive and cut across the RECs, the RMCs, and other institutions responsible for promoting regional integration and implementing regional operations; (iv) RECs and other multi-county steering committees are often charged with the responsibility to coordinate but lack a clear mandate and capacity to effectively discharge this responsibility; (v) RECs are reliant on donor funding and this raises questions about ownership of the RMCs and sustainability; (vi) RMCs are responsible for implementation, but their complementary capacity needs get inadequate attention; and (vii) Country financial and budget resources are frequently cited as the key external factor affecting project results.

Management agrees with IDEV on the abovementioned factors inhibiting results achievement. Notably, the new RISP 2017-21 will give greater attention to 'soft' governance issues of regional integration and trade. It will also continue to provide capacity building support, not only to RECs but also to national agencies in charge of regional integration. Management will also step-up training to staff of executing agencies on the Bank's procurement and financial management rules and procedures. Management will also enhance dialogue with RMCs on the importance of making necessary provisions for counterpart funding for regional operations in national budgets to ensure smooth implementation of regional operations and the achievement of their expected outputs and outcomes.

Management welcomes IDEV's finding that the Bank's institutional arrangements, including the expanded Eastern Africa Regional Resource Centre (EARC), are clearly a great advantage to and benefitted project preparation.

Sustainability

Management takes note of IDEV's finding that the Bank's performance in terms of project sustainability is uneven: *"Sustainability is weak with variations across sectors. Projects in the financial and transport sectors fared better on sustainability compared with agriculture sector and institutional building operations, where it is weak".* Management also notes IDEV's finding that *"At the project level, 50% of the operations assessed received a rating of moderately unsatisfactory or lower on sustainability overall.*

Financial Sustainability: Management agrees that the coverage of recurring operational costs is important for asset protection, maintenance and financial sustainability which has been observed to be mixed across sectors. This is most critical to infrastructure projects, such as roads and transmission lines, and also important for institution building projects as these need to continue to operate after the Bank or other donors have withdrawn. Management welcomes IDEV's finding that the regional transport corridor projects seem to have adequately provisioned for recurring operational expenses, and for the two financial sector operations necessary measures to secure financial resources have already been or are likely to be taken to assure financial sustainability, while the ICT project is financially backed by a project company through PPP.

Management also takes note of IDEV's finding that there is lack of provision for financial sustainability in the power, agriculture, and capacity building operations: Management is of the view that the financial sustainability of the transmission lines is guaranteed by the Power utilities of concerned countries. In this regard, the Bank is also engaging in supporting reforms that will ensure the sustainability and long term viability of the energy sector, and will scale-up its support in this area in the context of the New Deal for Energy in Africa. Management will ensure adequate discussion for financial sustainability in PAR and take more advantage of PPP model in regional infrastructure projects, in the context of the new RISP 2017-21.

Institutional Sustainability: The evaluation found *"…mixed results in that the Bank's effort to reinforcing organizational capacity continues but does not or will not necessarily make it happen.* Management takes note of IDEV's finding and will continue to put emphasis on capacity support as a component of every project. Management will also ensure that Executing Agencies have in place counterpart staff to understudy technical assistants provided during project implementation and the preparation of relevant training manuals to facilitate transfer of technical know-how and institutional sustainability when the Bank's funding ends.

Management welcomes IDEV's finding that the ICT project is a good example where the Bank was instrumental in establishing the PPP model, which would not have come about without the Bank supported operation. The project company is managed entirely with local staff and engages in contracts with expert international firms when necessary. IDEV also noted that the same situation is likely to happen in the on-going power sector project where a private IPP is in charge of the operation. The transport sector operations provided technical assistance to improve road maintenance programming and management.

Management takes note of IDEV's finding concerning the lack of adequate provision for institutional sustainability for the institutional building (social and multi-sector) operations, which are struggling with a weak capacity of RECs. IDEV noted a case where the capacity issue of RECs including COMESA was recognized at the outset and the Bank had identified the risk factors, but the operation has not contributed significantly to reinforcing that capacity.

The Bank has responded to the capacity challenges of the RECs including COMESA through provision of capacity building components in projects design. However, the impact of these supports have sometimes been limited by procurement challenges which the Bank has sometimes responded to through training or recruitment of additional procurement experts when necessary. Going forward, the Bank will scale up the capacity building support to the RECs (through provision of more trainings and increased supervision from the Regional Hubs) and will ensure that the technical assistants recruited are dedicated to the implementation of intended operations. The Bank is also planning to implement capacity building initiatives to better support RECs operating in fragile situations such as IGAD.

Management will also explore the possibility of private sector participation in some of the activities by putting together compelling business cases (for instance in May 2015 Rwanda Immigration approached the Bank to support implementation of the East Africa Single Visa initiative. The private sector involved in the tourism sector stepped in based on the anticipated benefits to directly accrue to them under the initiative. Similar value propositions can be advanced in other integrating initiatives such as movement of business persons, improving customs and other border procedures, etc. A fundamental challenge faced by RECs (and virtually all other African institutions, as recognized in the AU's Agenda 2063) is the inadequate resources to run own programmes- annual subventions from typically fiscally constrained Member States are low, resulting in most programmes being funded by donors. This is not a sustainable approach. In the context of the new RISP, the Bank will provide knowledge products and advisory services to RECs and RMCs on options to sustainably finance their integration agenda.

The Bank's Management of Regional and Multi-Country Operations

Efficiency

Management takes note of IDEV's observation that *'the portfolio points to serious delays with problems in the procurement process of the capacity building operations due to weak capacity of RECs/RMCs and that analysis of costs or rates of return were absent in the majority of the IPRs and supervision reports making it difficult to conclude if the operations are/were on track or would be efficient once implemented".* Management wishes to flag that work is already underway to address the issue of procurement delays through targeted training where required. The Bank has also adopted in October 2015 a new Procurement Policy that provides more flexibility to its clients. Management is of the view that assessing the rate of return at an early stage of project implementation has a limited benefit.

Efficiency Achievements

According to IDEV, with regard to time efficiency at project start, large-scale regional infrastructure projects in the transport and power sectors have encountered severe delays, while there is no distinct difference between operations under Pillar 1 and Pillar 2. The effectiveness dates on most of the projects reviewed occurred in about one year, which appears to be the norm for the portfolio and other related operations. With regard to cost efficiency, IDEV found that only 5 out of the 20 operations under review can be rated in terms of likelihood of completion within the original cost estimates, as the other operations either have no cost data (5) or are still at early procurement stage (15).

Factors Inhibiting Efficiency Achievement

Management concurs with IDEV's finding that cost efficiency is a relatively determinate and measurable criterion to assure that the Bank's resources are deployed with fiduciary care and prudence and that this is only possible if the outputs, the cost to generate them, the timelines, and returns (to the extent that they are measurable) are clearly specified at the outset and properly monitored. In this regard, Management takes note of IDEV's finding that *"actual implementation costs together with updated cost estimation are often lacking in implementation progress reports (IPRs,) which does not help provide the data source for assessing cost over-run risk".*

To improve the procurement process, Management has been stepping-up procurement training of staff in the executing agencies and procurement specialists in the EARC and Country Offices have been assisting RMCs to resolve their procurement problems. To further minimize implementation delays, Management will step up capacity support in the context of the new RISP not only for RECs, but also for their specialized institutions such as Power Pools and Corridor Development Institutions as well as at the RMC level. Capacity building will also be an integral part of complex infrastructure and other sector projects.

Management, however, does not agree with IDEV that *"…analyses on costs or rates of return were absent in the majority of the project documents…"* and that *"…dates and schedules are lacking in many of the PARs."* Management confirms that analyses of costs and rates of return are systematically provided in all appraisal reports, with the exception of those projects for which such analyses are deemed inappropriate. Management also notes that IDEV's evaluation rightly recognized that the implementation status did not make it possible to assess whether most of the projects will be completed within the original costs. To address the implementation readiness issues, Management has been implementing risk-based supervisions, procurement and financial management clinics, provision of technical assistance or consultants to assist with the execution of regional operations. In addition, Management is deploying other efforts in the context of the DBDM and Updated Decentralization Action Plan to further improve project readiness and quality at entry, timely preparation and submission of procurement plans, and closing monitoring and addressing of procurement delays.

Coherence

Management is encouraged by IDEV's finding that the Bank's dialogue with RMCs and RECs did deal with regional integration issues in almost all cases, that Bank's engagement in policy dialogue is visible in both the Pillar 1 and Pillar 2 operations. Management also agrees with IDEV that the most critical condition to reduce transport prices along the Eastern Africa transport corridors is to involve both policy makers and key private sector actors such as logistics companies, expecting them to eliminate market failures and to allow for price adjustments.

IDEV found that *"Transport corridor projects reflect a missing element in the RISP strategy namely, how to engage in policy dialogue with the private sector and how to draw the private sector into the Bank regional operations. However, while the concerned RMCs have declared these corridor projects a high priority, there is no evidence of any discussion of the projects with the private sector in those countries".* Management concurs with IDEV's finding that policy dialogue with the private sector needs to be strengthened with a view towards drawing in private investors into regional projects, thereby mobilizing additional development finance needed to address the region's huge infrastructure needs. Management will take action on this issue in the new RISP 2017-2021 as a priority area for dialogue.

Donor Coordination

Management welcomes IDEV's finding that in all projects assessed, there is evidence of donor coordination, with the Bank assuming a leadership role in many cases, not only to mobilize funding but also to coordinate support for regional integration. IDEV highlighted specific cases whereby the Bank deliberately rejected the option of bilateral dialogue with RMCs and opted instead for a multilateral approach with the other donors to draw upon their input, support, and participation (e.g. Africa Trade Insurance). In such cases, the Bank assumed a lead role in coordination with the project's main donor in both the power and transport sector operations (e.g. Kenya-Tanzania Interconnection, Arusha-Voi Road, and North-South Corridor). The Bank will continue to take the lead in this coordination area in future operations.

Management also concurs with IDEV's finding that *"The Bank's performance was somewhat weaker in terms of working formally within the Paris Declaration framework and fostering greater coordination between RECs and RMCs and between the RECs and Bank, partly due to lack of clarity as to who is ultimately in charge".* This weakness notwithstanding, Management wishes to stress that the Bank has started moving in the right direction by playing an active role in coordinating between RMCs and RECs and giving RECs a coordinating role with respect to the operations reviewed by IDEV namely, Drought Resilience and Sustainable Livelihoods (DRSLP) project and Lakes Edward and Albert Integrated Fisheries and Water project. Going forward, Management will continue to foster coordination of regional operations to enhance synergy and performance. Management will also seek to play a greater role in coordinating its regional assistance with other donors supporting the regional integration agenda.

Managing for Development Results

Management welcomes IDEV's finding that the RISP Mid-Term Review completed in early 2014 dealt with the shortcoming in the RISP Results log-frame, improving upon the framework by listing the Mid-Term Outcomes and more broadly reporting "Status of Outcomes". IDEV confirms that updated numbers on the Mid-Term Indicators were included where they are available. IDEV also agreed that some of them are indeed outcome indicators. IDEV also found good practice examples in three operations namely, Africa Virtual University, EAC Payment System and Eastern Africa Centre of Excellence, which have outcome indicators that could be attributed to project activities.

Management takes note of IDEV's findings that *"the Results Matrix of the RISP, despite improvements at mid-term review, remains weak".* In terms of managing for the development results of the RISP as a whole, IDEV notes that *"the Results Based Matrix (RBM) in the RISP 2011 defined a set of measurable outcomes and outputs with a set of indicators for the entire strategy but that the 'Expected Final Outcomes' stipulated in the Results Matrix are not direct measures of the outcomes but are instead a set of outputs".* Furthermore, IDEV finds that *"the Bank's system for managing for development results is not being implemented robustly enough to help guide in project implementation and/or serve as a basis for supervision. Outcomes (and their associated indicators) are frequently well beyond what the project could affect, baselines and target indicators for completion are oftentimes missing; and for the operations reviewed, though the Bank has been supportive through supervision, resource levels fall short of the requirements for complex, multi-country regional operations".*

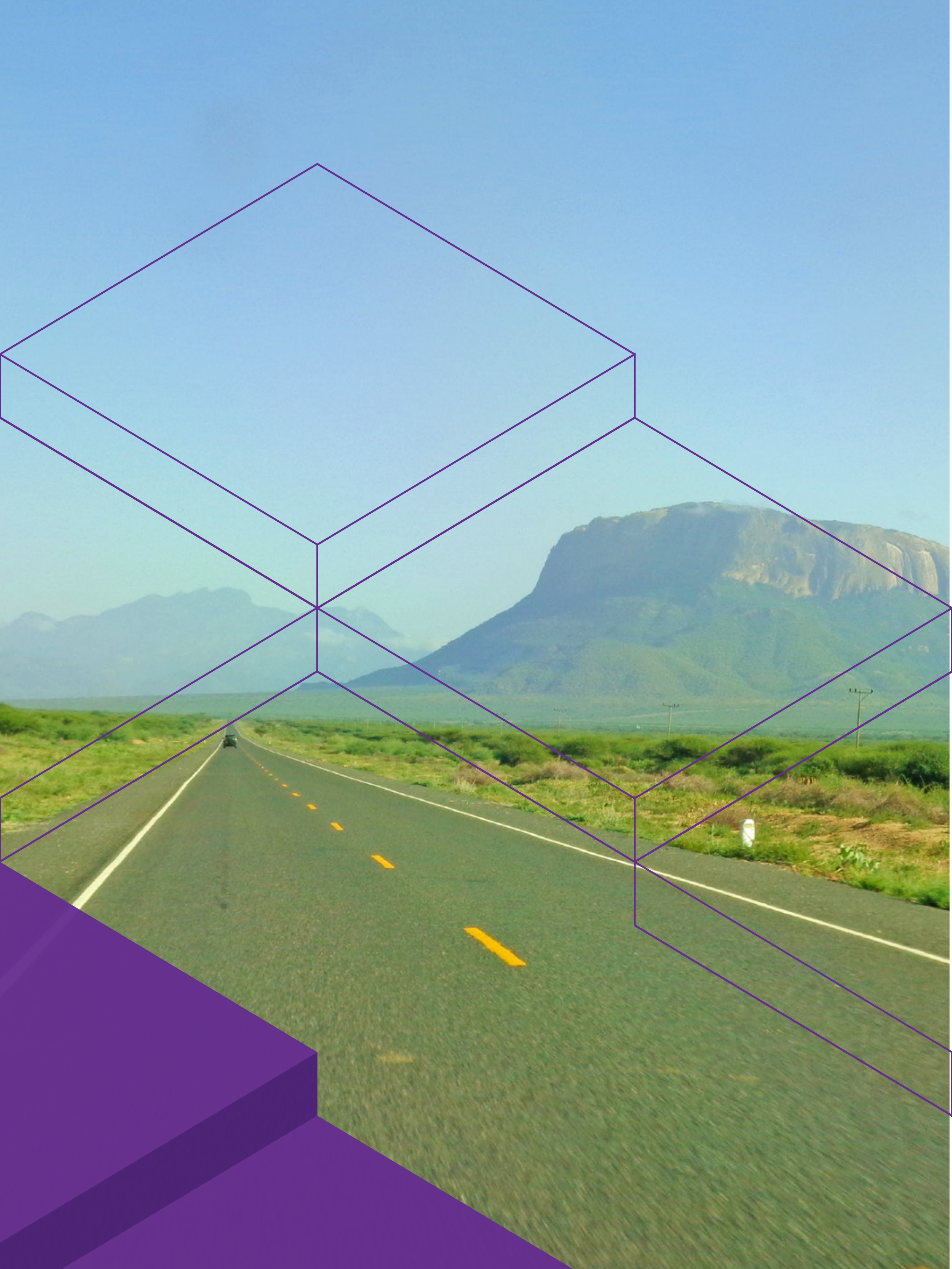
Management concurs with IDEV's observations, which will be taken into consideration in the new RISP guidelines currently under preparation, introducing new alignment and performance matrices. ■

MANAGEMENT ACTION RECORD

Recommendation	Management's Response
Recommendation 1: *Consider to underpin the next RISP with a clear vision that focuses on regional integration and that is supported by a theory of change and a results-based framework*	
1.1) The Theory of change would be instrumental to identify the logical linkages on how the Bank operations lead to regional development, support regional public goods and then contribute to regional integration. *1.2) The Theory of change would guide the formulation of a balanced portfolio of operations that addresses priority regional integration objectives, the Ten-Year Strategy (TYS) priorities of inclusive and green growth. The High 5s should guide selectivity, with particular emphasis on "soft infrastructure", including policy reforms and on mobilizing private sector participation and investment.* *1.3) Future changes related to the eligibility framework for the Regional Operations Envelope is expected to reflect the above-mentioned considerations.* *1.4) The Results-based framework would track relevant outcomes related to regional integration.* *1.5) A solid Theory of Change would need to be based on strong analytical knowledge work to better understand development issues and challenges related to regional integration, and draw more effectively on relevant analysis carried out by other institutions. The analytical would consider the following key areas: political economy analysis, regional analysis of sectors, power and transport systems, agricultural and manufacturing value chains, spatial development, industrialization along the regional development corridors, financial and private sector development, and markets around border posts.*	**Agreed**. Management agrees that the Eastern Africa RISP – just like all RISPs and CSPs – needs to strengthen the theory of change and the related results management framework. This sis also underscored in the new Results Measurement Framework 2016-2025 that will be approved by early year. Management will address this by: **Actions:** - Developing new RISP guidelines that include new Results Tools. Envisaged to be approved by CODE by Q2 2017. **(Regional Integration/Quality Assurance Units, Q2 2017).** - Pending the approval of the new RISP guidelines and Results Tools, ensure that all indicators in the new Eastern Africa RISP 2017-21 are SMART with clear benchmarks and targets by Q1 2017 **(Regional Hub East, Q1 2017)**

<table>
<tr><th>Recommendation</th><th>Management's Response</th></tr>
<tr><td colspan="2">Recommendation 2: Strengthen the institutional capacity of RECs by underscoring their importance as the key building blocks for continental integration.</td></tr>
<tr><td>The following considerations can help guide the Bank in addressing this recommendation:
2.1) Revisiting the role assigned to RECs, and taking into account the RMCs' ownership and mandate of the RECs and other implementing institutions.
2.2) Properly resourcing the RECs through TA.
2.3) Systemic attention to capacity development during project design would also facilitate timely launch and more effective implementation.</td><td>Agreed Management recognizes that adequate implementation arrangements and capacity assessment are key to successful project implementation. In this regard, Management has issued in November 2015 a Presidential Directive which promotes efficient project design and implementation.
Actions:
▌ Within the framework of the implementation of new RISP, Management will critically revisit the role and capacity of the RECs, particularly in the areas supported by the RISP and provide the required capacity building support through Technical Assistance operations to be included (Regional Hub East/Regional Integration Unit, Q1 2017).
▌ Moreover, as recommended in the RIPoS, targeted implementation capacity support will be considered as may be required during project design stage (EARC/Regional Integration Unit, Ongoing).</td></tr>
<tr><td colspan="2">Recommendation 3: Support RECs and/or RMCs to develop solid mechanisms to handle commercial, financial and technical sustainability risks associated with asset management of regional public goods.</td></tr>
<tr><td>In order to address this recommendation, the Bank can consider:
3.1) Prioritizing the asset protection and maintenance of regional public goods in the Bank regional operations project cycle.
3.2) Systematically involving RECs and RMCs, in the planning and implementation of projects with an emphasis on both resource mobilization and absorption capacity of RECs/RMCs.
3.3) Project planning and implementation to be supported by non-lending activities such as policy dialogue and capacity building</td><td>AGREED. Management recognizes the importance of asset protection and maintenance of regional public goods and usually make provision for sustainability in its operations.
Actions:
Going forward, Management will ensure that:
▌ Adequate provision is made throughout the project cycle to ensure sustainability of regional investments (Regional Hub East, Ongoing).
▌ During the appraisal of new operations, a more rigorous assessment will be conducted on implementation arrangements and capacity of RECs and RMCs level, and provision made for additional capacity as required, in line with the DBDM (Regional Hub East, Ongoing).
▌ Management will deepen its analytic work on the systemic issues identified including sustainability and M&E systems in order to inform policy dialogue with RECs and RMCs (ECON)
▌ Policy Dialogue will be scaled-up with the RECs and RMCs in the context of the DBDM and capacity building activities will be programmed in the new RISP to support Lending operations (Regional Hub East, Ongoing).</td></tr>
<tr><td colspan="2">Recommendation 4: Design and implement results-based M&E systems so they provide valuable management tools for assessing and managing for results.</td></tr>
<tr><td>Following are considerations for the Bank:
4.1) Solid results frameworks would focus on the contribution made by Bank operations vs. changes that result from GDP growth. They would also allow for clear logical linkages in the results chain with clear differentiation between outputs and outcomes.
4.2) M&E systems need to be adequately resourced to marshal the skills and relevant data collection required to yield useful accountability and learning information. Costs or rates of return are expected to be monitored through the project implementation documents.</td><td>Agreed. IN PART: Management has already initiated a revision of the M&E systems and tools. Comprehensive financial analysis including estimation of rates of returns are usually conducted during appraisal and at completion. However, it might not be worthwhile to monitor rate of return for Bank's public sector operations during implementation. ESTA has since 2002 been implementing a statistical capacity building (SCB) program in RMCs, involving a series of activities aimed at strengthening national statistical systems to meet data needs for national development policy management in the countries. This has overtime contributed to strengthening M&E systems in RMCs.
Actions:
▌ The new RISP/CSP guidelines will include a solid result framework which will be aligned with the Bank's new Result Tools under finalization and will address this recommendation (Regional Hub East/Regional Integration Unit, Q2 2017).
▌ Management will ensure that adequate provision is made in the RISP and operations M&E systems. Management will also ensure projects' costs continue to be monitored in projects' implementation progress reports (IPRs). (Regional Hub East, Ongoing).</td></tr>
</table>

Recommendation	Management's Response
Recommendation 5: *Improve procurement process by supporting RECs and/or RMCs through Recommendation 2 and 3 above.*	
5.1) (Recommendation 2-1) The Bank needs to revisit the role routinely assigned to RECs, and take into account the RMCs' ownership and mandate of the RECs and other implementing institutions, as well as aim to ensure provision of the required recurrent financial support. *5.2) (Recommendation 3-3) Non-lending activities such as policy dialogue and capacity building should support both the planning and implementation stage of the above cycle.*	**Agreed** The new Procurement Policy approved in October 2015 provides for more flexibility and aims to improve the efficiency of procurement processes. As part of the implementation of the policy: **Actions:** ▪ The Bank is conducting a number of assessments of the RECs/RMCs procurement framework to inform policy dialogue **(Procurement Unit, Ongoing).** ▪ Procurement specific capacity building activities will be planned to support the RECs/ RMCs as necessary **(Regional Hub East/Procurement Unit, Ongoing)**



Introduction

Rationale, Purpose and Scope of the Evaluation

This evaluation aims to inform the preparation of the new Eastern Africa regional integration strategy. As such, the objective of the evaluation is twofold: 1) assess the extent to which development results have been achieved in the context of the RISP; and 2) suggest lessons and potential improvements that will feed into and help guide the preparation of the next Regional Integration Strategy. The evaluation covers the Eastern Africa RISP 2011-2015 (recently extended to 2016). It examines all of the Bank's 24 operations approved during the evaluation period and agreed with the staff of the EARC to come under the RISP.

Context - Eastern Africa Regional Integration: Opportunities and Challenges

The Eastern Africa Region, as defined by the AfDB, comprises 13 countries ranging from Sudan and Eritrea in the north to Tanzania in the south, including two island nations (Comoros and Seychelles). Five countries (Ethiopia, Kenya, Sudan, Tanzania, and Uganda) account for over 90 percent of GDP. Real GDP growth averaged approximately 6.8 percent per year from 2000 to 2009; the economies have successfully weathered the "Great Recession" of 2008 and growth averaged 5.5 percent per year from 2010 to 2014. Much of this recent growth has been fueled by investment in, and production of natural resources – oil, gas and minerals – and the growth of agriculture and services, but without a significant expansion of the industrial sector. Global conditions, including the marked slowing of China's economic growth and continued low growth rates in Europe and the United States, are presently unfavorable for the primary products which are Africa's principal exports.

The region is endowed with abundant natural resources, minerals, and the potential for hydropower. **Regional integration offers the opportunity to expand intra-regional trade, diversify economies, and develop internal "value chains" for trade between African countries to increase the internal value-added of Africa's exports.** Intra-African trade has been growing at a modest rate in recent years but is still less than 20 percent of total international trade.[14] In fact, African nations and pan-African institutions such as the New partnership for Africa's Development (NEPAD) have been taking actions to promote regional integration. RECs have been established throughout Africa in an effort to reduce barriers, both physical and policy-related, to strengthen economic integration and trade. The COMESA-EAC-SADC Tripartite Agreement presents an opportunity to connect better the three subregions.

RMCs in the region are members of eight RECs, with all countries except Somalia belonging to multiple RECs.[15] Of the RECs, the EAC has progressed the furthest toward integration. Since it was reconstituted in 2000 it has established a customs union and introduced a common market and external tariff. The Bank has taken the lead in supporting regional integration and internal trade expansion in Africa, and other Development Partners are also active in supporting such initiatives.[16]

The Eastern Africa Region faces a number of challenges for sustained economic growth and poverty alleviation, even in relation to the rest of Africa. While overall economic growth has been respectable, the overall poverty rate has remained above 50 percent, and above 60 percent in some individual countries while most countries have fallen short of the Millennium Development Goals.[17] The region accounts for 26 percent of the continent's population but only 16 percent of GDP. Twelve of the 13 countries are classified as low income, eligible for support from the African Development Fund.

Issues of peace, security and state fragility constitute a major challenge. Seven of the 13 countries are classified as fragile states, which has made them eligible for assistance from the Bank's Transitional Support Facility. The overall level of insecurity has generated a humanitarian crisis that the Eastern Africa Region cannot handle without major outside assistance. Spillover effects from conflicts in neighboring regions have also exacerbated the issue of security.

Five of the countries in the region are landlocked and depend on neighbors to maintain trade linkages with the rest of the world. Trade between the countries is constrained to levels well below the region's potential. For example, power trade between Eastern African countries is less than one percent of consumption,[18] despite the coexistence of countries with strong endowments in primary energy sources, such as Ethiopia and Tanzania, and poorly-endowed countries, such as Rwanda.[19]

Other issues that must be addressed by the Bank and other Development Partners in Eastern Africa **are the issues of weak institutions, poor governance and corruption**. Most of the countries in the Region rank low in both Transparency International ratings and the Ibrahim index on governance.[20] Another challenge to sustained economic development and regional integration is the poor business climate. The countries in Eastern Africa generally rank low in the World Bank's Doing Business Indicators while Foreign Direct Investment is the lowest of all African regions.[21] As a result, the private business sector is mostly small and fragmented with only a few large firms that could take the lead in promoting and financing large regional integration projects. This has contributed to very limited private sector participation in regional integration projects in the region.

There are additional constraints to more dynamic growth based on intra-African trade expansion and, specifically, to the accompanying investments in regional integration type projects:

- **Despite the support given to regional operations** by the Bank and by other Development Partners in more recent decades, **substantial infrastructure gaps have persisted in roads, railways, ports, and power;** telecommunications, particularly mobile telephony, has seen the most progress. Many of these infrastructure gaps are being addressed through projects now in the planning stage or under implementation, such as road transport linking Ethiopia and South Sudan to Kenyan ports; rail linkages from Kenyan and Tanzanian ports to Uganda, Rwanda, and Burundi; the Ethiopia-Djibouti rail link; and electric power interconnections involving Ethiopia, Kenya, Tanzania, Rwanda, and Burundi, with implications for extensions to other countries within and outside Eastern Africa. The limitations and inefficiencies of Eastern African ports are a binding constraint particularly for landlocked countries, yet they have not been adequately addressed. Continued expansion and maintenance of physical infrastructure will demand major investments by African governments, the private sector and donors in coming years.

- **Weak capacity in RMCs and institutions responsible for implementation and maintenance of regional operations,** which are usually more complex than single-country operations.

- **Preference of borrowers for single-country operations over multi-country or regional operations.** In addition to their greater complexity, and the difficulty of moving a project ahead at the same pace in all participating countries, the costs and benefits to the participants of regional operations will almost certainly differ, particularly in road corridor and power interconnection projects, and thus the incentives for participating will vary.[22]

- **Problems with respect to the multiplicity of RECs with overlapping jurisdictions** and with all countries except Somalia belonging to two or more RECs, weak institutional and human capacity in the RECs, often poor member support, and the RECs' lack of enforcement power on rules and regulations adopted by the member states.[23] ■

AfDB's Response to Regional Integration

History

There is a clear rationale for supporting regional integration in Africa. Africa today is the least integrated developing region. Comprising 54 countries with wide variations in population density, and economic activity concentrated in small-scale agriculture and micro, small and medium-sized enterprises. Africa is also the least competitive developing region. This limits its ability to benefit from economies of scale and the resulting increases in productivity. In addition, Africa suffers from problems of geography – the region is home to many landlocked countries and small, remote island states. Given these constraints, **regional integration has been part of Africa's strategy for economic transformation since the 1960s** and concrete agreements have subsequently been adopted, including the Lagos Plan of Action (1980), the Abuja Treaty (1991)[24], the Constitutive Act of the African Union (2000), NEPAD (2001) and the AU Minimum Integration Program (MIP, 2009)[25].

The underlying principle common to all of these agreements/programs is to position Regional Economic Communities (RECs) as building blocks for continental integration through a gradual convergence among RECs, instead of jumping into political unity of each state.[26] This process is implicitly guided by the African integration agenda where regional economic integration, primarily led by the liberalization of trade via preferential trade agreements among a subset of countries, is central and critical to achieving regional integration rather than leapfrogging to political integration. In other words, the emergence of the African integration agenda reflects the historical reality that the political commitment to regional integration at pan-African levels has frequently not been translated into the willingness of RMC governments to act beyond national investments in cross-border infrastructure. In part this is related to differences in capacity and available resources yet it has also raised questions concerning the level of ownership by the RMCs of the politically-driven integration agenda.

The Bank has recognized the need for regional integration in Africa since its inception and has provided support for regional operations. The first comprehensive regional integration policy was formulated in 2000, which resulted in an acceleration of lending for such regional operations in the 2000–2009 decade[27]. In 2006, the Bank established a new Department, the Regional Integration & Trade Division (ONRI), responsible for regional integration. The decentralization of Bank staff to field offices in over 70 percent of African countries has facilitated the Bank's work in regional integration. In 2009, the Bank issued a RIS for the continent for the period 2009–2012, which was consistent with the overarching 2008–2012 Medium Term Strategy. This declared regional integration a core mandate of the Bank. The Eastern Africa RISP for 2011–2015, later extended to 2016, and RISPs for other regions, were introduced to operationalize the guidelines in the RIS.

The Bank subsequently approved the Regional Integration Policy and Strategy 2014-2023 (RIPoS) in November 2014. The underlying rationale of this new policy is to help operationalize the TYS 2013–2022 and to provide guidance for formulating the RISPs. The RIPoS is based on two mutually reinforcing pillars (supporting regional infrastructure development and enhancing industrialization and trade), as well as a third cross-cutting pillar (strengthening regional and country mechanisms and institutional capacities). Importantly, the RIPoS introduces flexibility in the Bank's approach, and includes progressive integration (RMCs following different timeframes for meeting integration objectives) and subsidiarity (distribution of responsibilities between national and regional layers according to comparative advantage) among its guiding principles.

In addition, **the Bank has increased the incentives for member countries to participate in Regional Operations by offering additional resources** to African Development Fund (ADF) countries for these operations through supplemental allocations from the special envelope for regional operations (Regional Operations Envelope, [ROE]), and for transitional support in fragile state contexts.

The Bank's Eastern Africa Regional Integration Strategy and Portfolio

The RISP supports the Bank's strategic objective of creating a well-connected, economically prosperous, and peaceful region through support to the public and private sectors. It is designed to address the infrastructure and capacity constraints to regional integration facing the region. The strategy focuses on investments in infrastructure – Pillar 1, and capacity building for RECs and member governments engaged in regional operations – Pillar 2.

The strategy under Pillar 1 focuses on both the physical infrastructure needs in transport (road, rail, ports), power, ICT and water, **and on selected "soft" infrastructure** that will facilitate trade and transport, including one-stop border posts (OSBPs), removal of Non-Tariff Barriers (NTBs), and the training of customs agents. **In addition to the individual projects for capacity building under Pillar 2, the strategy also proposes to provide capacity building elements in infrastructure projects.** The strategy proposes the development of a larger market (compared with fragmentation into 13 small economies) that enables economies of scale and enhances competitiveness. A key element of the strategy is support for the Tripartite Free Trade Agreement aimed at creating a common market in Eastern and Southern Africa. This support is channeled primarily through capacity building support to RECs, which are seen as essential building blocks to the regional integration strategy. Furthermore, the strategy includes support for investments in regional public goods (RPGs). Finally, in recent years there has been an effort to link new regional integration initiatives to the overarching goals of the TYS - inclusive growth and transition to green growth.

Of the 24 operations reviewed in this evaluation, 16 directly relate to Pillar 1 of the RISP and eight mainly to Pillar 2. With respect to Pillar 1,11 out of the 16 operations have a capacity-building component, thereby contributing to Pillar 2 as well. The sector breakdown of the operations is shown in Table 1 together with the Bank funds committed to these operations. The resources provided from the ROE and disbursement through to February 2016 are shown in Chart 3, Annex III. In terms of commitment amounts. It can be seen that the portfolio is dominated by transport (four operations), power (four), financial sector (five), and agriculture. Out of the four agricultural operations, three are focused on successive phases of the Drought Resilience and Sustainable Livelihoods Program (DRSLP) in the Horn of Africa.

The projects approved under the RISP period 2011-2015 were broadly in line with what was planned in the original RISP: the number of projects increased only slightly, and there were few changes in response to evolving priorities. As compared to the 20 projects envisioned under the original RISP (13 under Pillar I and seven under Pillar II), 24 projects including agriculture and financial sector ones were approved by the end of 2015. The approved loans amounted to UA 1,412 million (Table1), or around 75 percent higher than planned. The Bank also delivered five economic and sector work outputs[28], in line with the five proposed in the original RISP, but one fewer than the six proposed at mid-term Review. Additional information on the projects is presented **in Annex III.** ■

Table 1: Eastern Africa Regional and Multi-Country Operations 2011–2015

Sector	Number of Projects	Total Project Cost, Mil.UA	Total Commitment, Mil.UA (percent of total)	Commitment from Regional Operations Envelope, Mil.UA	Disbursements as of Feb.2016, Mil.UA	Percentage Disbursed
Pillar 1						
Transport	4	746.6	481.3 (34.1%)	286.5	195.1	41 %
Energy	4	1788.8	526.4 (37.3 %)	280.1	29.6	6%
ICT	1	26.0	6.0 (0.4%)	0.0	6.0	100%
Agriculture	3	192.7	179.6 (12.7%)	122.5	11.1	6%
Finance	4	157.2	99.1 (7.0%)	52.4	72.0	80%
Pillar 2						
Multi-Sector	3	12.1	12.1 (0.9%)	0.0	3.7	30%
Social	3	91.4	81.3 (5.8%)	39.8	8.2	10%
Agriculture	1	16.8	10.8 (0.8%)	0.0	0.0	0%
Finance	1	20.0	15.0 (1.0%)	15.0	3.7	25%
Total	**24**	**3051.6**	**1411.6 (100%)**	**796.3**	**329.4**	**26%**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Methodological Approach

Key Evaluation Questions

The evaluation was carried out in accordance with the OECD DAC Principles for Evaluation of Development Assistance and used the recommended evaluation criteria as defined in the Glossary of Key Terms in Evaluation and Results Based Management: relevance, efficiency, effectiveness and sustainability.

The evaluation addresses two sets of evaluation issues: 1) the extent to which the Bank has contributed to regional integration (through the assessment of relevance, effectiveness and sustainability); and 2) how well the Bank has managed its regional and multi-country operations in Eastern Africa (through an assessment of efficiency, donor coordination, coherence and managing for development results).

Methodology

The evaluation employs multiple lines of enquiry including: document review, literature review, portfolio review, key informant interviews, and project results assessments (which involved site visits of completed projects). The evaluation findings are based on triangulation across the five lines of evidence as well as an evaluation of the quality at entry of the RISP carried out in 2014. Please refer to Annex I for further details on the methodology.

Limitations

Both practical and conceptual challenges should be kept in mind when considering the conclusions and recommendations in this evaluation. Nearly the entire portfolio under review was "ongoing" at the time of the evaluation, so a number of the evaluation questions around "achievement" of objectives and outcomes could not be fully addressed. These were instead assessed in terms of the likelihood of achieving outcomes and subsequent sustainability, as well as alignment with the priorities and goals of the RISP, based on the progress reported, including delays, identified risks, and any contextual changes.

The evaluation team found several gaps that hampered the team's ability to assess the likelihood of progress. The documentation was still short of what the team needed although the team collected more than 250 internal documents/papers. Some Implementation progress and results report (IPRs) and project supervision reports (PSRs), for example, were missing. Furthermore, baselines were missing in the majority of cases (See Managing for Development Results). The team attempted to fill some of these documentation and information gaps by contacting task managers, but this initiative was unsuccessful in a number of instances. ■


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Evaluation Findings

Introduction

The findings of the evaluation are organized along two dimensions: The Bank's contribution to regional integration in Eastern Africa and the Bank's management of regional operations. The first covers the evaluation criteria of relevance, effectiveness and sustainability. The second is focused on efficiency, coherence, donor coordination, and managing for development results.

The Bank's Contribution to Regional Integration in Eastern Africa

Relevance

Finding: The Eastern Africa RISP is aligned with the Bank strategic objectives under TYS and the projects funded under the strategy are of priority to participating RMCs. However, about 30 percent of the projects in the portfolio were found to be multi-country or single country operations29 that do not directly advance the goal of regional integration, while all of them were supportive of the RISP's other objectives and those of the Bank. Given these facts, the evaluation team found the RISP's relevance to be ***moderately satisfactory.***

The RISP provides a full analysis of the issues and challenges to regional economic integration, the lessons of the Bank's past experience with regional operations, and the lessons of other Development Partners[30]. The RISP also recognizes key constraints to advancing success in regional integration. These include the lack of capacity in both RMCs and RECs,[31] which can be addressed through capacity building operations (Pillar 2) or capacity building components in Pillar 1 operations. The fact that regional integration priorities are quite dynamic and subject to change adds to the challenge. A further related factor is the need to create adequate incentives for governments to participate willingly in regional operations given their complexity, the often unequal distribution of costs and benefits and, in selected cases, incentives for RMCs which often run counter to the objectives of regional integration.[32] Another aspect emphasized in the RISP is the need to draw in the private sector, both international and regional, to participate in regional operations, many of which have high costs but can be designed to incorporate private participation.

The RISP is aligned with the Bank strategic priorities under the Medium-Term Strategy (MTS) and the TYS. The RISP supports two objectives: i) contributing directly to regional integration with an operational focus on infrastructure, private sector development and higher education (MTS), and ii) making growth inclusive by broadening access to economic opportunities for more people, countries and regions (TYS). The alignment between RISP and TYS/MTS was also confirmed by *an Independent Evaluation of the Quality at Entry of Country and Regional Integration Strategies,* undertaken by the Independent Development Evaluation (IDEV) in 2014.

At country level, this evaluation found satisfactory alignment between the RISP and the proposed lending program as well as the CSPs of member countries. 18 out of the 24 operations reviewed were included in and consistent with the country CSPs, and regional integration aspects of these operations were emphasized in the CSPs.[33] Examples of effective RISP-CSP linkages included the road corridor projects where the needs for transport links are prioritized in the CSPs of both countries.[34]

At the operational level, most projects were evaluated as moderately satisfactory or better in terms of the relevance of the objectives to the development goals of the Bank's TYS/MTS (Table 2). 79 percent of the operations were found to be aligned with the poverty alleviation objective, directly in some cases[35] and indirectly in others. Operations contributing to economic growth should help reduce poverty but the linkages may be indirect, medium to longer term, and non-quantifiable, as in the case of the financial sector or capacity building operations. All the 24 operations under review are addressing at least one of the objectives of the RISP, as Table 3 and Box 1 highlight. The portfolio of operations is selective in maintaining consistency with the infrastructure and capacity building focus of the RISP.

However while regional integration has continued to be one of the critical missions for the Bank since its establishment, the Bank still remains ambiguous on the ultimate goals of its assistance to this mission. The issues are three-fold: i) definition of regional integration, ii) operations linkage to regional integration per se and iii) involvement of private sector actors.

First, **no Bank regional integration-related policies and strategies have a clear and distinct definition of either regional integration[37] or regionalism.** Without any analysis (of political economy aspects of regional integration, for example) the Bank has adopted regional economic integration as its ultimate goal (See Box 2 below). In addition, political economy of regionalism has been relatively neglected in the Bank policy/strategy documents, compared to the continued and narrow emphasis on the discussion of the necessity of both hard and soft infrastructure provision and of trade facilitation among RMCs with higher levels of capacity building. The Bank's ultimate vision, backed by political economy analyses specific to the regional integration, has been found to be underdeveloped.

Secondly, **about 30 percent[38] of the operations under review in this evaluation were found to be multi-country or single country operations that are likely to have limited regional impacts,**

Table 2: Alignment of the Portfolio with the MTS/TYS Objectives

Development Goals	No. of MS+ ratings	No. of S+ ratings
Poverty Alleviation	19/24	7/24
Inclusive Growth	16/24	12/24
Transition to Green Growth	16/22[36]	12/24

Box 1: RISP Transport Operations and Regional Integration

The Project to Develop Roads and Facilitate Transport on the North-South Corridor – Phase III (hereafter referred to as the "North-South Corridor" project) is a good example of a project relevant for regional integration, as well as other elements in the Bank's overall strategy. Indeed, the project defines specific transportation facilitation measures to reduce transport costs, proposes to provide 30 percent of construction jobs under the project to women, and includes support to health centers, rural markets, and agro-processing. Another transport project, the Arusha-Holili/Taveta-Voi road project, also meets a number of regional criteria: emphasis on soft infrastructure, OSBPs, support for training customs agents, and technical assistance on trade facilitation for the EAC.

Table 3: Operations Linkage to RISP Objectives

RISP Objectives	No. of Operations addressing RISP Objectives
Closing the infrastructure gap	17/24
Supporting trade facilitation	15/24
Enhancing the power interconnection system	7/24
Addressing fragility issues	12/24
Addressing capacity building	19/24

instead of directly advancing the goal of regional integration. This fact also raises some concern regarding the current selection process of regional operations – the Bank Regional Operations Selection and Prioritization Framework where the incentive mechanism for supplemental allocations from the ROE[39] is defined and operationalized.

The evaluation found operations in the power sector falling short of their potential for regional integration, even though these operations have the potential to contribute to regional integration through the expansion of multi-country electricity networks in the future. RMC borrowers essentially treated them as bilateral operations without taking adequate account of the implications for further integration of the power grid,[40] although the preparatory studies were coordinated and supervised by the regional institutions (East Africa Power Pool and Southern Africa Power Pool) for projects in their respective regions. Implementation, which is directly supervised by each country for the segment of the regional transmission lines located in their territory, is coordinated at the regional level by ad hoc coordination groups comprising of the countries involved in the construction process.[41] Three agriculture sector projects are multi-country operations that have limited impact on regional integration. The sub-projects under the two lines of credit projects do not include operations which could be construed as supporting regional integration.[42] (See **Annex-III Chart 4** for more details.)

Finally, **while there is a strong need for private sector involvement in regional integration efforts, the Bank has lacked a cohesive approach in engaging the private sector.** There is considerable empirical evidence to indicate that private business and civil society actors are excluded from many intergovernmental regional organizations in Africa. Both research and donor evaluations show that this exclusion largely explains why the results of state-led "old" regionalism in Africa have been so modest. A more diversified and balanced strategy is therefore needed to acknowledge the role of the private sector and civil society in solving Africa's development challenges (Brolin and Söderbaum, 2016).

The RISP recognizes the above, and the importance of the private sector is frequently mentioned in the RISP. However, the role of the private sector in Eastern Africa's development is still not developed or addressed explicitly in the RISP. It is discussed both as a means and as an end. For example, the RISP does identify "improving the business climate" through reduced transport costs and "investment opportunities" in hydroelectric projects. Nevertheless, there is little discussion of the incentive/disincentive structure or strengths and weaknesses of the sector.[43] The private sector was included in the consultative process to develop the strategy,[44] but a further analysis of whether the private sector was able to play this critical role and the likelihood that it would become the "ultimate vehicle" might have uncovered issues that needed to be addressed during the RISP timeframe.

Box 2: Regionalism, Regional Integration and Regional Development

Regionalism refers to the body of ideas, values and objectives that contribute to the maintenance or modification of an international region. It is usually associated with varieties of state-led regional cooperation mechanisms and regional organizations (such as RECs, river basin organizations, transport corridor authorities, and even regional development banks such as the AfDB). While "old regionalism" mainly centred around state actors within the framework of inter-state regional organizations, today's regionalism is more heterogeneous, resulting in a growing number of non-state or hybrid regional arrangements, networks and governance mechanisms (coexisting with earlier organizations) (Söderbaum and Shaw, 2003). Regional cooperation and regional integration are closely related to regionalism.

Regional cooperation is often understood as a rather open-ended process, whereby individual governments or other actors within a given geographical area act together for mutual benefit in certain fields of activity, such as infrastructure, water, energy, in spite of conflicting interests in other fields.

Regional integration implies "forming parts into a whole" and is therefore a deeper and more demanding process than regional cooperation. This general concept can be broken down into **economic integration** (formation of a transnational economy), **political integration** (formation of a transnational political system) and **social integration** (formation of a transnational society). The objective of the Bank's RIPoS is *"to foster regional and ultimately continental **economic integration** through increased effectiveness of Bank Group support to RMCs, the private sector and subregional and regional organizations."* Financing of regional and multi-country operations is a key means for fulfilling the Bank's mandate to foster regional integration. The Bank's regional and multi-country operations in support of regional integration in Eastern Africa are primarily focused on regional physical infrastructure, the regulatory framework of regional infrastructure systems, and strengthened regional institutions (including RECs).

Regionalization refers to processes of increasing economic, political, social or cultural interactions and interdependence among geographically contiguous societies and states. Regionalization draws attention to varieties of non-state actors, such as firms, interest groups and non-governmental organizations (NGOs). There is considerable empirical evidence to indicate that private business and civil society actors are excluded from many intergovernmental regional organizations in Africa. Both research and donor evaluations show that this exclusion helps to explains why the results of states-led regionalism in Africa have been so modest. A more diversified and balanced strategy accommodates the role of the private sector and civil society in solving Africa's development challenges (Brolin and Söderbaum, 2016).

Regional development refers to "development" of a specified international "region". In spite of being widely used, there is little consensus regarding conceptualization and measurement. Due to these problems, regional development tends to be viewed as the aggregate sum of development of the constituent countries within a given region. Regional development is often conflated with regional cooperation and regional integration. Although successful regional cooperation and regional integration often contribute to regional development, the latter does not necessarily require the establishment of supranational bodies, regional organizations or economic integration agreements. Regional integration may sometimes be exploited by powerful regional actors, so higher levels of regional integration may not necessarily contribute to regional development and poverty reduction. It is worth emphasizing that the Bank's regional and multi-country operations often have effects on both regional integration and regional development.

Effectiveness

*Finding: Good progress is evident, but the results in achieving the planned outputs and outcomes of the RISP's two pillars are mixed. The Regional Infrastructure Pillar of the RISP was found to have greater demonstrated effectiveness **(moderately satisfactory)** than the Capacity Building Pillar **(moderately unsatisfactory).** Greater attention to policy reform and "soft" infrastructure, particularly at the design stage, would have further advanced the ambitious regional integration outcomes identified in the RISP. Overall, effectiveness is rated **moderately satisfactory.***

Effectiveness is measured in terms of both producing planned outputs and outcomes, for the operations approved under the RISP period from 2011 to 2015, and across RISP strategic objectives while considering other contextual factors that may facilitate/inhibit the results achievement. For the low disbursement operations, the evaluation focused on risks and other relevant factors that affect likelihood of achievement of output and outcomes.

Overall Assessment

For the Bank's development goals set both in the original RISP and the RISP one-year extension report, the evaluation highlights that achievements are likely to be observed more in the regional infrastructure pillar than the capacity building pillar.[45] At output level, 80 percent are rated moderately satisfactory or higher for the regional infrastructure pillar operations compared to only 57 percent for the capacity building pillar operations. At outcome level, 60 percent are rated moderately satisfactory or higher for Pillar 1 compared to 43 percent for Pillar 2.[46]

The Bank is contributing to outputs and outcomes in ICT, energy and transport, thus directly contributing to regional infrastructure provision as a means to improve access to ICT, electricity and to transport services. Based on the information available, institutional capacity building targets are less likely to be achieved, particularly with respect to support to the EAC-COMESA-SADC Tripartite Agreement and strengthening of RECs, all of which are the central outcome indicators stipulated under Pillar 2 of the Results Matrix. Table 4 illustrates the achievements by the RISP Pillars. The results are also summarized in **Table A2-2** (Infrastructure Pillar) and **Table A2-3** (Capacity Building Pillar) of **Annex II**.

Output Achievements

Output achievement is promising, but mixed across the pillars. 80 percent (12) of the operations are rated moderately satisfactory or higher for the Pillar 1 operations while 57 percent (4) are for the Pillar 2 operations. Outputs of the **transport** portfolio are likely to be achieved, though often with severe delays in construction of roads[48] and operation of One-Stop Border Post (OSBP) in particular.[49] The Bank focused on **power** transmission (Ethiopia-Kenya, Kenya-Tanzania) linked to two hydro generation projects (Rusumo and Ruzizi III). All the four operations are likely to meet the output targets with regard to the number of staff trained.[50] The one **ICT** project included in the sample, the Seychelles Submarine Cable Project, became operational ahead of its target date and came in under budget, meeting all expected outputs.[51] In the **agriculture** sector operations under Pillar 1, delays have been a problem for the DRSLP Phase I, which are well behind schedule and are considered unlikely to achieve their outputs. Delays are also observed in the subsequent two phases but it is likely that they will ultimately deliver their outputs.[52] Three out of four **finance** sector operations under Pillar 1 assessed received a rating of moderately satisfactory or higher.[53]

Within the operations under Pillar 2, two **social** sector operations[54] are rated moderately satisfactory while all the three **multi-sector** operations under review were rated moderately unsatisfactory or lower. CES Free Trade Area has not been achieved even though it was supposed to be functional by 2015. Under support to Tripartite Capacity, work has been completed on common rules of origin and industrial capacity but not on improving industrial databases. Updating the Program for Infrastructure Development in Africa (PIDA) projects data is still in process.[55] For the one **agriculture** project under Pillar 2 - Lakes Edward & Albert Integrated Fisheries and Water Project - it is difficult to see how project activities will translate into the expected outputs. The outputs of the one **finance** sector operation - EAC Payment Project - are likely to be achieved.[56]

Table 4: RISP Outputs and Outcomes - Summary of Achievements

Pillar	RISP Development Goals (both by original RISP and 1-Year Extension Report 2015)	Outputs		Outcomes	
		Expected Final Outputs (by RISP 1-Year Extension Report 2015)	IDEV Rating	Expected Final Outcomes (by RISP 1-Year Extension Report 2015)	IDEV Rating
Pillar I: Promotion of Regional Infrastructure Development	Transport - Improved access to regional transport services and trade facilitation	320 km of road completed (Mombasa-Addis Ababa Corridor)	3	Addis Ababa-Nairobi reduced from 30 hours (2010) to 20 hours (2015)	4
		14.1 km of dual carriageway road complete in Tanzania and 50 in Kenya by 2016			
		One-Stop Border Post constructions			
	Energy - Support to the energy sector development	30 staff each from EEPCO and KETRACO staff will be trained (Ethiopia-Kenya Electricity Highway Project)	4	Increased per installed generation capacity to 18,000 MW	3
		10 KETRACO staff trained (Interconnection of Electric Grids of Nile Equatorial Lakes Countries-Kenya)		All mainland countries in the region (except Somalia) interconnected and linked to the Eastern Africa Power Pool	
	ICT - Improve access to ICT	No outputs to be reported in the 2015 Extension Report.	6 *	All countries in the region are interconnected (interstate fibre connectivity cable) and connected to undersea fiber-optic system	5
	Water - Development of shared water resources, in particular those linked to agricultural productivity	No water sector projects have been approved during 2011-2015 .	n/a	No water sector projects have been approved during 2011-2015.	n/a
	Agriculture** - Three agriculture sector operations under Pillar I were approved during 2011-2015.	No outputs to be reported in the 2015 Extension Report.	4 ***	No outcomes to be reported in the 2015 Extension Report.	4 ***
	Finance** - Four financial sector operations under Pillar I were approved during 2011-2015.	No outputs to be reported in the 2015 Extension Report.	5 ***	No outcomes to be reported in the 2015 Extension Report.	3 ***

Pillar	RISP Development Goals (both by original RISP and 1-Year Extension Report 2015)	Outputs		Outcomes	
		Expected Final Outputs (by RISP 1-Year Extension Report 2015)	IDEV Rating	Expected Final Outcomes (by RISP 1-Year Extension Report 2015)	IDEV Rating
Pillar II: Institutional Capacity Building and Knowledge Sharing	Support to the EAC-COMESA-SADC Tripartite Agreement	The CES Free Trade Area established and functioning by 2015	3	Tripartite Strategic Framework prepared to ensure the eventual merger of the three RECs	3
	Strengthening Institutions (RECs, Continental Organizations and National Implementing Unit)	Adequate human and financial resources for implementation of regional projects and programs	3	Improved implementation of projects and programs	2
		Regional Portfolio Performance Improvement Plan implemented.			
	Support to transport and trade facilitation, customs modernization and reform, and Aid for Trade	Trade related procedures harmonized across countries in the region.	3	Reduced transit time on goods and services across borders within the region	3
	Improved access to specialized graduate medical education, and promote access to higher skills and applied technology	Three centers of excellence in biomedical higher education with established infrastructure equipment	4	At least ten new postgraduate curricula developed and sustained in biomedical education by 2015	4
	SMEs and Private Sector fostered through support to EADB	EADB's credit quality improved and as a result increased subscription by Class "B" shareholders.	3	No outcomes to be reported in the 2015 Extension Report.	n/a
	Agriculture** - one agriculture sector operation under Pillar II was approved during 2011-2015.	No outputs to be reported in the 2015 Extension Report.	4***	No outcomes to be reported in the 2015 Extension Report.	3***
	Finance** - One financial sector operation under Pillar II was approved during 2011-2015.	No outputs to be reported in the 2015 Extension Report.	4***	No outcomes to be reported in the 2015 Extension Report.	4***

Source: Based on Portfolio Reviews of the 24 operations and Project Results Assessments of ICT (1), transport (1) and agriculture (1) sector operations.

1: Highly Unsatisfactory, 2: Unsatisfactory, 3: Moderately Unsatisfactory, 4: Moderately Satisfactory, 5: Satisfactory, 6: Highly Satisfactory.

* Based on the rating by the PRA – Seychelles Submarine Cable Project

** Nine operations under the above two sectors are also included in the evaluation. (See Section 2-2 and Annex-I for details.)

*** Based on the ratings by Portfolio Reviews.

Outcome Achievements

At the level of outcome, 60 percent of the operations are rated moderately satisfactory or higher for the Pillar-1 operations while 43 percent are similarly rated for Pillar-2. Capacity building was a key element of the RISP strategy, in both Pillar 1 and Pillar 2 operations. A number of project sub-components have the potential to contribute to Pillar 2 objectives (see Table 5) because of their efforts to strengthen the RECs (COMESA, EAC, SADC, ICGLR[57]). No less than 18 out of the 24 operations have a capacity building component, and nine of them are focused on capacity building for fragile states and the RECs that are involved with support to fragile states. However, these efforts to assist fragile states have proven difficult because of the weaknesses of the RECs[58] (see below).

The achievement of the planned outcomes of the Pillar 1 operations is on track but with variations across sectors. ICT and transport sector operations performed well and the sector level outcomes are likely to be achieved. Power sector operations are facing some issues – simultaneous provision of both generated electricity and transmission system in a timely manner[59] – which only leads to the planned outcomes.

- For the regional **transport** corridor projects, reductions in vehicle operating costs and reductions in travel times for movement of goods are likely to be achieved (with delays), based on evidence in the IPRs and the PRA. The transit time between Addis Ababa and Nairobi was reduced from 30 hours (2010) to 23 hours (2016)[60] as a result of the improved Nairobi-Addis Ababa road, which has nearly met the target stipulated in the RISP Results Matrix. The other two corridor projects are also likely to be effective in improving cross border trade (if soft infrastructure is provided on time), a key development goal of the RISP. On the other hand, lower oil prices, an unanticipated development, adversely affected the competitiveness of rail transport and reduced the effectiveness of the railway project.

- Within the **power sector,** the installed capacity for hydro was planned to "substantially increase" but in 2015 fell well short of the target.[61] The interconnector transmission projects are likely to fall short on their outcome targets as well. Both transmission projects were found to be affected by the total generated electricity to be exchanged at the completion of transmission line construction. The achievement of results will depend upon the capacity of concerned countries (for example, Ethiopia and Kenya) to develop their generation as per their ambitious plans.

- The interconnector transmission projects are expected to contribute to the acceleration of regional power exchange through optimal electricity supply from low-cost to higher-cost countries. In the long term, the transmission lines may facilitate the objective of regional integration because they will be operated as common carriers for the participating countries. However, the evaluation still identified issues with regard to commercial contracts of these projects.[62] In addition, the transmission projects do not explicitly include the requirement that the transmission lines will be operated as common carriers with non-discriminating third party access.

- The one **ICT** sector operation contributed to a significant reduction in the cost of broadband internet access; an increase in the percentage of connected households; an increase in business connectivity and therefore the competitiveness of Seychelles businesses (see **Box 5**). At the same time, the planned regional outcome for the sector, which is that all countries in the region are interconnected and connected to an undersea optic fibre system, has not yet occurred.

- For the three **financial sector** operations, two lines of credit operations are rated moderately unsatisfactory while the trade insurance operation is rated moderately satisfactory. With regard to two lines of credit, constraints that question their successful contribution to poverty reduction

Box 3: RISP Hydropower Projects

The hydro projects, Rusumo and Ruzizi III, were approved before physical implementation was ready to start in terms of readiness for tendering. In addition, in the case of Ruzizi III, the project was approved well before a final agreement was reached between the three countries involved and the private project sponsors, with several potential deal breakers still pending. Nevertheless, Ruzizi III is likely to attain the outcome target.(source: Portfolio Reviews)

Box 4: Some Issues on Regional Power Pool Projects

The evaluation found operations in the power sector falling short of their potential for regional integration. The borrowers treated them as bilateral operations without taking adequate account of the implications for further integration of the power grid, although the preparatory studies were coordinated and supervised by the regional power pools (EAPP and Southern Africa Power Pool) for projects in their respective regions. Implementation, which is directly supervised by each country for the segment of the regional transmission lines located in their territory, is coordinated at the regional level by ad hoc coordination groups comprising the countries involved in the construction process. (source: Portfolio Reviews)

outcomes include: (i) logframes that confuse inputs, outputs and outcomes including outcomes that cannot be attributed to the project [63 64]; (ii) implementation issues with TA components that have not been adequately addressed; and (iii) problems with legal and regulatory harmonization such as in Burundi. The trade insurance project is likely to achieve the outcome growth of premium volume and bring it to the critical mass that is needed for it to be self-supporting over the longer term (See Sustainability).

- For all the three **agriculture** operations, there are reasonable expectations that the outcomes will be achieved despite delays in implementation. However, disaggregating the benefits from those generated by the other donor's program[65] will be a challenge. In addition, all the operations have a common issue with regard to disconnections between outputs and outcomes in the logframes.

The Capacity Building Pillar of the RISP is not performing well with 57 percent (four projects) of the operations rated moderately unsatisfactory or lower for outcome achievement. Social sector operations are on a good track while multi-sector operations are facing difficulties in their implementation because of external risks such as security issues in RMCs and the weak capacity of the RECs.

- Within the social sector operations[66], both education sector operations are likely to achieve their outcome targets, based on progress to date. The biomedical higher education operation will link the medical services of all four EAC countries, provide treatment for patients from all EAC countries at each center, and upgrade medical training while increasing training capacity in country. Its slow start was understandable given the complexities of all project components[67], but the outcomes are likely to be achieved given a clear, quantitative logical framework for each sub-project. This also applies to the virtual university operation.

- Within the **multi-sector** portfolio, capacity building support to the Tripartite process has not been sufficiently effective with respect to what it was designed to do (see **Box 6**). Although the political environment at the highest level indicated support

Box 5: Outcomes of Seychelles Submarine Project – Findings from Project Results Assessment (PRA)

The Seychelles Submarine Cable Project contributed to a reduction in the cost of broadband internet access from USD 50 in 2010 to USD 16.6 in 2013; an increase in the percentage of connected households from 18 percent in 2010 to 35 percent in 2015 (if this rate continues, the 60 percent penetration target by 2022 should be achieved); and an increase in business connectivity and therefore the competitiveness of Seychelles businesses.

Based on payments made to date, it appears likely that the logframe's target of increased government revenues of USD 21.6 million would be achieved by 2024. The project is also expected to improve the balance of payment through foreign exchange savings estimated in the PAR at USD 14 million during the loan repayment life and at USD 35 million a year after. (source: PRA) by adopting phase I of the Tripartite Free Trade Area (TFTA), there were issues in Phase I where agreement could not be reached. Even more difficult issues remain to be addressed in Phases II and III – including tariff harmonization, non tariff measures, private sector participation (PSP) regulations, border efficiency – before the FTA is a reality. The outcome indicator, increase in intra Tripartite trade flows is not likely to be achieved and was poorly selected because it depends on many factors other than project activities.

- The outcomes of the other two TA operations are also unlikely to be achieved, because of the deterioration of the political and security situations (especially in the Great Lakes countries) and the issues of harmonizing policies and legislation (of the ICGLR member countries in particular), which have severely inhibited implementation.

- The one **agriculture sector** operation (Lakes Edward & Albert) is considered unlikely to achieve its outcomes. It is unclear about how the expected reduction in the depletion of fishery resources can be achieved by relying mainly on improving fisheries resources management. Similar to the other agriculture operations, there is a critical issue with regard to disconnections between outputs and outcomes in the logframes.

- The **finance sector** operation (EAC Payment System) has already achieved one of the outcome indicators: growth in interbank fund transfers exceeded the original in target for 2016 of 420 billion US dollars, which is a possible endorsement for achievements. The other outcome indicators "adequate and harmonized legislation and policies supporting payment and settlement systems" appear to have encountered some difficulties in the case of Burundi.

Several unplanned effects have occurred. In the special case of lines of credit from regional financial intermediaries, the projects approved and reviewed for safeguards are often not the same as the ones eventually funded, and this constitutes a potential risk exposure that should be addressed. The Preferential Trade Area (PTA) Bank line of credit is a good example where the sub-projects diverge substantially from those presented in the original PAR, creating implications for the social and environmental analyses presented for approval in the PAR. On the positive side, in the transport corridor project, security improved along the Isiolo to Moyale road, because of improved police response times and reduced clan conflicts.

Factors Inhibiting or Facilitating Results Achievement

It is important not to underestimate the importance of "soft" infrastructure especially within the context of infrastructure development[68]. Greater attention to policy reform and soft infrastructure, particularly at the design stage, would have further advanced the ambitious regional integration outcomes identified in the RISP. At the

Box 6: Capacity Building Support to the Tripartite Process

At one level the outcome of this project has been successful in that it has contributed to the adoption by all the member states of the Tripartite Free Trade Area of the phase I agreement on free trade in goods in mid-2015. However, there are many barriers to trade remaining underneath this political agreement. The work of identifying them, quantifying their cost, persuading member states of the long-run benefits of removing these barriers, are still to be completed.(source: Portfolio Reviews)

The Bank could have provided more support to COMESA to prepare TORs for consultants. Consequently, engagement of consultancies was delayed, aborted, or not completed. While some of the necessary analytical work has been accomplished, it is short of what was envisioned for this phase.

Box 7: Capacity Building in Regional Institutions – Findings from this Evaluation

Capacity of the regional institutions, often charged with coordination, was found to be a key constraint, confirming the priority accorded to capacity building in the Eastern Africa RISP.

Capacity building with the relatively new regional institutions in Africa is more of a challenge than capacity building with traditional national sector institutions.

Several factors explaining these conditions emerged from the evaluation:

Regional institutions are still working out their responsibilities and accountabilities compared with their counterpart institutions in RMCs and with other regional level institutions. In many cases, they are still building their staff and have many areas of skills gaps, and are lacking in terms of policies, systems, and procedures. Uncertainty in the sustainability of finance is also a hindrance to capacity building (This issue was mentioned by EAPP sector stakeholders in Uganda, Tanzania, Rwanda, and Kenya). These weaknesses are enumerated in several places. For example, see the portfolio reviews for the DRSLP, Capacity Building to the ICGLR, and Capacity Building Support to the Tripartite Free Trade Area projects.

Regional institutions have responsibility for coordination, but national institutions have responsibility for implementation. The accountability for results is more direct in the case of national institutions. It is often more difficult to build capacity in the "softer" areas.

Capacity building in this case requires a prior deep analysis that identifies roles and responsibilities, skills gaps, and required policies systems and procedures. There is little evidence of such analysis in the project documents. Furthermore, whereas logframes are drawn up in collaboration with the REC follow-up monitoring appears universally weak. (source: Portfolio Reviews)

strategic level, both the Eastern Africa RISP and RIPoS have fully acknowledged the necessity of soft infrastructure.[69] At the operational level, 15 out of the 24 operations are addressing the objectives of trade facilitation (See Table 3). Limited information does not allow a comprehensive assessment of achievement of soft infrastructure. Out of the three projects that were mature enough to undergo a Project Results Assessment (PRA), only one had a soft component (Mombasa-Nairobi Corridor). This PRA confirmed that trade facilitation between Kenya and Ethiopia through the Moyale border have not yet been fully observed because of a severe delay in operationalizing the OSBP despite it originally being planned to be opened immediately after the completion of road construction work. In addition, the achievement of output and outcomes are currently affected by procurement delays and the weak implementation capacity of executing agencies (See Efficiency). Delays in provision of soft infrastructure are likely to be serious constraints on the overall achievement of RISP objectives.

Capacity challenges are pervasive and cut across the RECs, the RMCs, and other institutions responsible for promoting regional integration and implementing regional operations. RECs and other multi-county steering committees are often charged with the responsibility to coordinate but lack the clear mandate and capacity to fulfill effectively; furthermore, they are reliant on donor funding, which raises questions about the ownership of the RMCs and sustainability. The RMCs are responsible for implementation, but their complementary capacity needs receive inadequate attention. Two general observations regarding Pillar II, which encompasses social and multi-sector operations, are worth noting:

- First, capacity building at the regional level seems to be more prone to political issues, especially with regard to harmonization of policies that pose difficulties and tend to affect outcomes. Two multi-sector operations are typical examples which demonstrate this occurrence (see outcome assessment part for details).

Capacity challenges bearing on RECs have also constrained the achievement of objectives for operations that involve REC coordination. The social and multi-sector operations also faced the need for considerable additional design work, the implementing agencies' inability to handle the projects' complexity[70] and, at times, lack of budget resources[71]. Country financial and budget resources are frequently cited as the key external factor affecting project results.[72]

- Second, capacity building challenges are compounded because of a failure to consider and take these fully into account at the design and appraisal stage. One reason for this shortfall is that RMCs are reluctant to borrow for capacity building and hence need to fund it through grants.[73]

The Bank's institutional arrangements, including the expanded Eastern Africa Regional Resource Centre, are clearly a great advantage to and benefitted project preparation.[74] They provide a strong basis for sound implementation. Another example of the benefits of decentralization is the higher education project,[75] where the Bank Nairobi office greatly facilitated project preparation, appraisal and supervision in all four countries in which the project was implemented. A similar sentiment was expressed by the DRSLP task managers. Yet another example can be observed in the transport sector, where projects are typically multi-country, and where there are significant benefits to engaging the Bank's field offices to help supervise and improve the likelihood that the project remains on track to achieve outcomes. However, key informant interviews point to a number of rigidities and the lack of clear lines of responsibility.

Sustainability

*Finding: Sustainability is weak with variations across sectors. Projects in the financial and transport sectors fared better on sustainability compared to the agriculture sector and institution building operations, where it is weakest. Overall, sustainability is rated as **moderately unsatisfactory.***

Sustainability is considered from both a financial and institutional perspective. Technical soundness, environmental and social sustainability are not assessed because of the low disbursement of the operations under review and the resource constraints of the evaluation. For the low disbursement operations, the evaluation focused on risks and other relevant factors that affect sustainability.

At the project level, 50 percent of the 22 operations assessed[76] received a rating of moderately unsatisfactory or lower for overall sustainability. Financial sustainability is judged to be at least moderately satisfactory in most of the financial, transport and ICT operations. However, except for two operations[77], the power, agriculture and institutional building operations are rated as moderately unsatisfactory or lower. Assessment of institutional sustainability gives almost the same picture: agriculture and institutional building operations are the weakest while three out of four operations in the power sector are rated moderately satisfactory or higher, in contrast to the ratings given for financial sustainability in this sector.

With regard to financial sustainability, the prospects are mixed across sectors. The coverage of recurring operational costs is important for asset protection and maintenance. This is most critical to infrastructure projects, such as roads and transmission lines, and is also important for institution building projects as these need to continue to operate after the Bank or other donors have withdrawn. In this regard, the **regional transport corridor projects** seem to have been adequately provisioned for recurring operational expenses. Kenya and Tanzania have both established road funds to secure a stable flow of funds for road maintenance. The reforms and good performance of executing agencies have resulted in a reduction in the last decade with respect to the proportion of unmaintainable road networks.[78] Both road funds have sufficient resources to adequately ensure proper maintenance of the Arusha-Voi road, which is already in good to fair condition. The operation and maintenance of the Kenya-Ethiopia corridor is also enhanced by the fact that performance-based road maintenance contracts will also be employed by both countries.[79] For the two **financial sector** operations, necessary measures to secure financial resources have already been, or are likely to be taken to assure financial sustainability.[80] The **ICT** project is financially backed by a project company through a PPP.

In three out of four cases in the **power sector,** however, the revenue stream was not adequately secured in the project design. There is no provision to ensure that sufficient financial resources will be made available for the maintenance and operation of the transmission line and protecting it against lack of resources for operations and maintenance.[81] This poses an overall risk to the portfolio because these power projects account for one third of the Bank's funding for regional operations. For **agriculture sector** operations, the prevailing fragility of several of the countries participating in both the drought resilience and fisheries projects is bound to affect financial sustainability, which is an external risk factor.[82] Development partners including the Bank supported a significant proportion of a REC's budget, however, it can be argued that the contributions by member states are insufficient to assure a strong foundation for financial sustainability.[83] In four of five capacity building **(social and multi-sector)** operations, no clear provisions were made to cover ongoing operating costs.[84]

With regards prospects for institutional sustainability, the Bank's effort to reinforcing organizational capacity continues but does not or will not necessarily make it happen. In eight of the 15 operations reviewed against this criterion, there are provisions made to build or strengthen organizational capacity for recurring operational activities, while in seven there are clearly no such provisions or these are too weak.

The **ICT** project is a good example where the Bank was instrumental in establishing the PPP model, which would not have come about without the Bank supported operation. The project company is managed entirely with local staff and engages in contracts with expert international firms when necessary. The same situation is likely to happen in the on-going **power sector** project[85] where a private IPP is in charge of the operation. One transmission project includes a substantial capacity building and training component for power utility companies. This is required to master the DC high voltage technology which is new in both countries.[86] The **transport sector** operations provided technical assistance to improve road maintenance programming and management.[87]

However, institution building **(social and multi-sector)** operations are struggling with the weak capacity of RECs. There is a case that the capacity issue of RECs including COMESA was recognized at the outset and the Bank has identified the risk factors, yet the operation has not contributed significantly to reinforcing that capacity.[88] The project has made some progress in building capacity with respect to the ICGLR, but serious weaknesses are still evident and there is a decided lack of specific action plans to respond quickly to constraints, including coordination issues among the member states.

To proactively deal with these difficulties, the Bank systematically identified the factors that might facilitate or constrain continuing performance after project completion (13/22 operations). However, it has taken effective measures to address these factors in only three (financial sector) of the above 13 operations so far.[89] For the rest of the operations reviewed, no evidence could be found of any effective measures to address the contributing factors. This fact means that the Bank has been aware of the commercial, financial, and technical sustainability risks but has not yet developed proactive mechanisms to manage them.

The Bank's Management of Regional and Multi-Country Operations

Efficiency

*Finding: The reviewed portfolio points to serious delays with problems in the procurement process of the capacity building operations. These stemmed from the weak capacity of RECs/RMCs. Analyses on costs or rates of return were absent in the majority of the IPRs and supervision reports [90] making it difficult to conclude if the operations are/were on track or would be efficient once implemented. Overall, efficiency is rated as **moderately unsatisfactory.***

Efficiency Achievements

With regard to time efficiency as it relates to project starts, large-scale regional infrastructure projects in the transport and power sectors have encountered severe delays (15 to 23 months, see See Figure 1). **There is no distinct difference between operations under Pillar 1** (shown in orange) **and Pillar 2** (in blue). The average delay of the 16 operations eligible for the analysis[91] was 13 months, with a standard deviation of 6.2 months. There is a weak, positive correlation between the amount of the Bank net commitments per project and delays (R^2=0.28).

Among regional infrastructure projects, the exceptions are ICT and transport PPP operations where delays are minimized. Only four out of the 24 operations have achieved 100 percent disbursement so far, all of which are private sector operations (see Figure 1). The evaluation also found that the *effectiveness* dates on most of the projects reviewed occurred in about one year (see **Chart 2, Annex III**), which appears to be the norm for the portfolio and other related operations.

With regard to cost efficiency, only five out of the 20 operations under review can be rated with regard to the likelihood of completion within the original cost estimates as the others have no cost data (five) or are at early procurement stage (15). **Three out of them appeared likely to be completed within estimated cost.** These included one financial sector operation (ATI)[93] and an education sector operation (Africa Virtual University).[94] For the power sector operation (Ethiopia-Kenya), only minor delays after the project start-up were experienced and there is no indication to date of a risk of cost overrun.

Factors Inhibiting Efficiency Achievement

Cost efficiency is a relatively determinate and measurable criterion with which to assure that the Bank's resources are deployed with fiduciary care and prudence, but this is only possible if the outputs, the cost to generate these, the timelines, and returns (to the extent that they are measurable) are clearly specified at the outset and properly monitored. However, **actual implementation costs together with updated cost estimation are often lacking in the IPRs, which does not help provide the data source for assessing cost over-run risks.** When this occurred, analyses on costs or rates of return were absent in the majority of the project implementation documents.

Substantial delays in handling procurement, stemmed from the weak institutional capacity of

Figure 1: Delays in Project Start-Up (N=16)

Source: Prepared from data shown in Annex-III

RECs/RMCs, are the critical factor for delays in the operations under Pillar 2.[95] A total of 71 percent or five operations of the Pillar 2 operations[96] are facing delays in procurement process. The reasons include difficulties in finding appropriate consultants[97], unfamiliarity with the Bank procurement policy and procedures, lack of procurement expertise in RMCs, and the complexity of the project. With regard to the operations under Pillar 1, all the transport sector operations have encountered delays in the procurement of contractors, which are the root cause for the delay in the overall project implementation.[98] There could have been better sequencing in terms of addressing capacity issues before attempting to begin large-scale regional infrastructure projects in particular.

Coherence

Finding: The Bank's dialogue with RMCs and RECs did deal with regional integration issues in almost all cases.

Bank's engagement in policy dialogue is visible in both the Pillar 1 and Pillar 2 operations. The three transport corridor projects are examples of good practice where the Bank and RMC's governments had a broad dialogue on the regional integration dimensions of the projects. The RMCs (Ethiopia, Kenya and Tanzania) regard the Mombasa-Addis Ababa[99]/ Arusha-Voi /North-South[100] corridors as a critical transport link for promoting intra-regional trade among East African economies. The countries have established a joint commission and have signed a bilateral agreement on joint border controls, procedures, facilities, and management (Mombasa-Nairobi-Addis Ababa). These RMCs also engaged in a dialogue about capacity building for road safety, an OSBP, and technical assistance on trade facilitation for the EAC. Both the member countries and the REC are thus involved in the operation. The extensive dialogue on regional integration was also found in the social sector operation (African Medical Centres of Excellence) where strong linkages will be created between medical centers in each of the participating countries, with the full consent of the members and the EAC, thereby eliminating the need for each country to develop all of these capabilities on their own.[101] There was clearly a need for extensive regional dialogue both with member states and with RECs in the Pillar 2 operations and this did take place. Examples include: Drought Resilience, Tripartite Free Trade Area (COMESA), EAC Payment and Settlement System (on the East African Community Development Fund (EAC)), and ICGLR (based on the multi-member protocol for restoring peace and stability to the Great Lakes Region).

At the same time, transport corridor projects reflect a missing element in the RISP strategy – how to engage in policy dialogue with the private sector and how to draw the private sector into the Bank regional operations? The IDEV Transport Sector Evaluation (2014) highlighted that market failures such as cartelization in the freight forwarding market were working against efforts to reduce high transport prices in Africa. In this regard, the most critical condition to reduce transport prices along the Eastern Africa transport corridors is to involve both policy makers and key private sector actors, such as logistics companies, expecting them to eliminate market failures and to allow for price adjustments. However, while the concerned RMCs have declared these corridor projects a high priority, there is no evidence of any discussion of the projects with the private sector in those countries (See Relevance). The PIDA Capacity Building project is likely to provide such a platform for policy dialogue on price reduction mechanism, but the outcome achievement cannot be assessed because the project is at an early stage.

Donor Coordination

Finding: There is evidence of donor coordination in the 24 operations reviewed, with the Bank assuming a leadership role in many cases, and RECs in *the rest. However, performance was somewhat weaker in terms of working formally within the Paris Declaration framework and fostering greater coordination between RECs and RMCs and between RECs and the Bank. This is partly due to lack of clarity as to who is ultimately in charge.*

In all but three of the operations reviewed, there was clear evidence that the Bank actively coordinated with donors, not only to mobilize funding, but also to coordinate support for regional integration. The extreme case is that the Bank deliberately rejected the option of bilateral dialogue with RMCs and opted instead for a multilateral approach with discussion with other donors to draw upon their input, support, and participation (Africa Trade Insurance).[102] The Bank also assumed a lead role in coordination with the project's main donor in both the power and transport sector operations (Kenya-Tanzania Interconnection,[103] Arusha-Voi Road[104], North-South Corridor[105]) which means that regular donor coordination meeting were less frequent in Kenya.[106] Despite these favorable findings, the 24 operations reviewed revealed limited evidence of coordination with donors, specifically under the Paris Declaration in the form of Joint Sector Reviews (JSRs) in some of the member countries as has generally been documented for other donor operations in the RMCs.

With regard to the coordination between the Bank and RMCs/RECs, the results are mixed. In two of the operations reviewed, the Bank played an active role in coordination between RMCs and RECs; giving RECs were also given their own coordinating role (DRSLP,[107] Lakes Edward & Albert[108]). In seven of the operations, no substantive role for the RECs was envisaged,[109] although it can be argued that it was not seen to be appropriate to have a REC take the lead (North-South Corridor[110]) or that the Bank still plays a specific and active role in facilitating coordination between all relevant donors. In the few instances where the REC was invited to take the leadership role, results have not been delivered as efficiently or effectively as they were by the Bank (for example the East Africa Centers of Excellence).

In the remaining operations, there was no evidence of REC's involvement (EAC Payment[111]) or it was deliberately reduced (TA and Capacity Support to the ICGLR[112]). Taking the portfolio as a whole, the Bank might have enhanced its coordination of the regional integration process if it had made a better determination of REC relevance (or lack thereof) for each project.

Managing for Development Results

Finding: The Bank's system for managing for development results is not being implemented robustly enough to help guide implementation or serve as a basis for supervision. Outcomes (and their associated indicators) are well beyond what the project could affect; relevant baselines and target indicators for completion are frequently missing. Too often, project outputs and outcomes do not address the broader regional integration issues and therefore opportunities for synergies are missed. For the operations reviewed, the Bank has been supportive through its supervision but with resource levels that fall short of the requirements for complex, multi-country regional operations.

The Results Matrix of the RISP, despite improvements at mid-term review, remains weak. In terms of managing for the development results of the RISP as a whole, the results matrix in the RISP 2011[113] defined a set of measurable outcomes and outputs with a set of indicators for the entire strategy. However, the Results Matrix lacks a detailed explanation of the causal linkages that would be included in a robust theory of change. The problem was that the "Expected Final Outcomes" stipulated in the Results Matrix were not direct measures of the outcomes but were instead a set of outputs. The Mid-Term Review dealt with this shortcoming by improving upon the framework by listing the Mid-Term Outcomes and more broadly reporting "Status of Outcome". They did include updated numbers on the Mid-Term Indicators where they had them. Arguably, some of them are indeed outcome indicators, but there is a mix (for example shared water resources is considered "on track" because a number of activities have been undertaken).

Similar weaknesses are evident in the logframes for the respective RISP operations, which often lack baselines, reflect confusion between outputs and outcomes, and incorporate targets that are not related to Bank operations. Out of the 24 operations in the RISP portfolio, there are three operations with no baselines (one project) or lack of baselines (three projects). The outcomes identified and their associated indicators were well beyond what was achievable through project activities (16 projects).[114] Only three operations had meaningful outcome and impact indicators[115] (See **Table A2-1, Annex II**).

Selecting indicators reflecting national or regional outcomes has the attraction of easily coming up with a baseline and sidestepping the need for surveys. The drawback, however, is that such indicators have very limited relevance to project activities since external factors beyond the project activities have a greater impact on the final outcome. Such indicators therefore do not serve as a good basis for judgments on project outcomes (see Box 8). The lack of linkage between the outputs and outcomes mentioned above weakens the ability of the supervision teams to manage for development results as well.

Key informant interviews showed that Bank staff are aware that results management frameworks and M&E are weak. Taken together, this raises questions about the sufficiency of training and whether staff involved in project design have attended the training. This could explain the issues of missing baselines and overly broad "outcomes." Too often logical frameworks are prepared as a "check-the-box" exercise after the project was designed. In addition, the cause-and-effect relationships identified were most often internal to the project logic, that is, they rarely addressed the project's planned contribution to regional integration.

A good practice example is found in the three operations where relevant baselines and outcome indicators are provided (Africa Virtual University,[116] EAC Payment,[117] Eastern Africa Centers of Excellence[118]). A more troubling finding is that only these three operations had outcome indicators that could be attributed to project activities. ■

Box 8: Issues on Outcome Indicators

In the Kenya-Tanzania Interconnection project, the baselines (GDP growth in percent; increased annual per-capita electricity consumption in kWh; and decrease of Kenya's and Tanzania's average electricity tariff for domestic & industrial customers) go well beyond project activities. In the other power projects, the outcomes as defined in the logframe are at the national level and affected only indirectly by the project. For example, outcome indicators such as installed capacity (MW) at national level do not directly relate to a regional power transmission project (Rusumo Falls Hydropower Project).

A similar pattern is found in the Lakes Edward and Albert Integrated Fisheries & Water project, where the indicators are National Poverty Rate and Food Security Status.

In the Ethiopia – African Trade Insurance – RMC membership program, the indicators are the shares of inter-country trade to total trade among African Countries and the proportion of regional SMEs population's access to trade finance services. Although these projects had no difficulties in coming up with baselines derived from national statistics, the selected indicators have virtually no relevance to project activities.

It would not be possible now or at completion to assess success (or failure) for any of these three projects based on these indicators. Meeting these more "global" indicators will ultimately depend on many additional factors well beyond the project.

Conclusions & Recommendations

Conclusions

The evaluation findings show that the Eastern Africa RISP is relevant to the needs of the RMCs and the Bank's strategic objectives, with a full analysis of the issues and challenges to regional integration in Eastern Africa. However, **about 30 percent of the Bank operations under review do not necessarily provide a platform for promoting regional integration but serve as multi-country or single country operations with limited regional impact or positive cross-border effects.** This is in part related to the fact that the Bank's ultimate vision toward regional integration in Eastern Africa is still underdeveloped. It also raises concerns regarding the Bank incentive mechanism for regional operations, through supplemental allocations from the ROE.

The evaluation also highlights that **capacity challenges are pervasive and cut across the RECs, the RMCs, and other institutions responsible for promoting regional integration and implementing regional operations.** Good progress is evident so far, but the results in achieving the planned outputs and outcomes of the RISP's two pillars are mixed. The Capacity Building Pillar of the RISP was found to have been less effective than the Regional Infrastructure Pillar, proving that the Bank's competitive advantage has hinged on regional infrastructure provision.

The evaluation noted **major weakness including sustainability, project delays, poor results-based management and logframes with disconnect between outputs and outcomes, lack of reliable data and poor performance indicators. Most of these weaknesses were linked to capacity gaps.**

Recommendations

Recommendation 1: Consider to underpin the next RISP with a clear vision that focuses on regional integration and that is supported by a theory of change and a results-based framework.

- The theory of change would be instrumental to identify the logical linkages on how the Bank operations lead to regional development, support regional public goods and then contribute to regional integration.
- The theory of change would guide the formulation of a balanced portfolio of operations that addresses priority regional integration objectives, the TYS priorities of inclusive and green growth. The High 5s should guide selectivity, with particular emphasis on soft infrastructure, including policy reforms and mobilizing private sector participation and investment.
- Future changes related to the eligibility framework for the Regional Operations Envelope is expected to reflect the above-mentioned considerations.
- The results-based framework would track relevant outcomes related to regional integration.
- A solid theory of change would need to be based on strong analytical knowledge work. This would enable a better understanding of development issues and challenges related to regional integration, and draw more effectively on relevant analysis carried out by other institutions. The analytical would consider the following key areas: political economy analysis, regional analysis of sectors, power and transport systems, agricultural

and manufacturing value chains, spatial development, industrialization along the regional development corridors, financial and private sector development, and markets around border posts.

Recommendation 2: Strengthen the institutional capacity of RECs by underscoring their importance as the key building blocks for continental integration.

The following considerations can help guide the Bank in addressing this recommendation:

- Revisiting the role assigned to RECs, and taking into account the RMCs' ownership and mandate of the RECs and other implementing institutions.
- Properly resourcing the RECs through TA.
- Systemic attention to capacity development during project design would also facilitate timely launch and more effective implementation.

Recommendation 3: Support RECs and/or RMCs to develop solid mechanisms to handle commercial, financial and technical sustainability risks associated with asset management of regional public goods.

In order to address this recommendation, the Bank can consider:

- Prioritizing the asset protection and maintenance of regional public goods in the Bank regional operations project cycle.
- Systematically involving RECs and RMCs in the planning and implementation of projects with an emphasis on both resource mobilization and absorption capacity of RECs/RMCs.
- Project planning and implementation to be supported by non-lending activities, such as policy dialogue and capacity building.

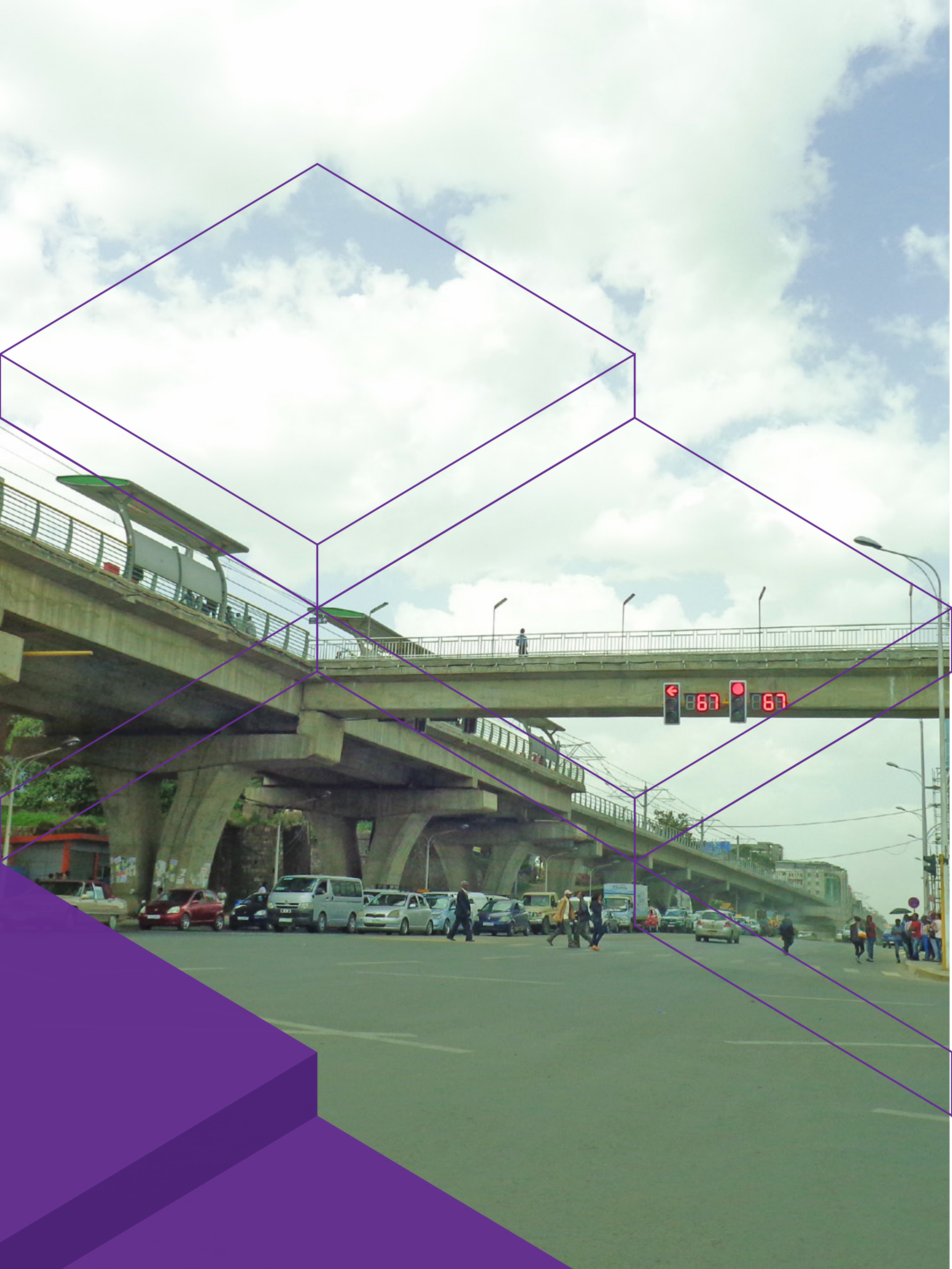
Recommendation 4: Design and implement results-based M&E systems so they provide valuable management tools for assessing and managing for results.

The following are considerations for the Bank:

- Solid results frameworks would focus the contribution made by Bank operations compared with changes that result from GDP growth. They would also allow for clear logical linkages in the results chain with clear differentiation between outputs and outcomes.
- M&E systems need to be adequately resourced to marshal the skills and relevant data collection required to yield useful accountability and learning information. Costs or rates of return are expected to be monitored through the project implementation documents.

Recommendation 5: Improve procurement process by supporting RECs and/or RMCs through Recommendations 2 and 3 above.

- (Recommendation 2-1) The Bank needs to revisit the role routinely assigned to RECs and take into account the RMCs' ownership and mandate of the RECs, and other implementing institutions, as well as aim to ensure provision of the required recurrent financial support.
- (Recommendation 3-3) Non-lending activities, such as policy dialogue and capacity building, should support both the planning and implementation stage of the above cycle. ■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Annexes

Annex I – Evaluation Methodology

This annex includes:

1. The Evaluation Design,
2. Limitations and challenges, and
3. The Evaluation Design Matrix.

The evaluation was conducted as planned and described in the final Inception Report with several exceptions:

- The set of projects to be included in the evaluation transitioned during the evaluation as determined in consultation with the EARC. The 2011-2015 RISP proposed a program of 20 regional operations, to be approved and implemented over the five-year period, later extended through 2016. Most of these projects were approved and are either completed or still under implementation. The RISP also proposed additional projects which could be added at a later date, and the RISP Mid-Term Review also proposed additional operations.
- At the same time, however, the Bank has been implementing a total program of 50-60 regional and multi-country operations, which included operations already underway prior to the RISP and other operations approved during the RISP period, but outside the proposed list in the RISP. **This evaluation covers 24 operations agreed with EARC as being part of the RISP.** The evaluation team has, accordingly, evaluated these projects, including whether they are relevant for the Bank's regional integration strategy, regardless of their explicit linkage to the RISP.
- It was expected that projects with less than 20 percent disbursement would be "lightly" reviewed. But the team members were able to find sufficient data to assess the criteria in the majority of the cases. Therefore, the light reviews were not used.

The evaluation consistently used a six-point rating scale: Highly Satisfactory (HS) – 6, Satisfactory (S) – 5, Moderately Satisfactory (MS) – 4, Moderately Unsatisfactory (MU) – 3, Unsatisfactory (U) – 2, and Highly Unsatisfactory (HU) – 1. The portfolio analysis was typically carried out in terms of the percentage of projects meeting the "bar" of being rated Moderately Satisfactory or better (MS+), as well as the higher bar of Satisfactory or better (S+).

1. Evaluation Design

In evaluating the Eastern Africa RISP, the team specifically addressed the strategy as articulated in the RISP in the context of the existing situation and needs in the region, the portfolio of 24 ROs approved under the RISP, and the field work for two projects using the PRA template. Findings from the PRA informed the preparation of the overall RISP evaluation.

There is an amended Results Based Framework in Annex 11 of the Combined Mid-Term Review and Regional Portfolio Performance Review (January 2014). For the Portfolio Review and the Fieldwork (Project Results) Assessments, the team evaluated projects against the Results Matrix or Results Based Framework that was applicable at the time the project was approved (that is projects approved after November 2014 will be evaluated against the RIPoS RBF). Meanwhile, the overall evaluation evaluated the RISP strategy against the priority issues in Eastern Africa at the beginning of the study period and evaluated the portfolio against the evolved thinking to understand how relevant the portfolio currently remains.

The evaluation findings are based on triangulation across the five lines of evidence:

- *Literature review;*
- *Document review;*
- *Key informant interviews in Nairobi and Abidjan to triangulate views (or obtain broader expert opinions) on the current relevance of the RISP strategy;*
- *Portfolio reviews (including a desk-based assessment using the PRA template for Drought Resilience and Sustainable Livelihoods Program);*
- *Fieldwork assessments using the PRA template for two projects identified by IDEV in consultation with EARC.*

Literature Review

The evaluation team reviewed the key recent analyses in the literature – particularly to answer the questions of relevance and design of the Eastern Africa RISP, most notably the comprehensiveness and quality of regional context analysis set out in the RISP. Such literature includes i) studies and research papers by the Bank and other key institutions in the region (such as UNECA, AUC, EAC and WB), ii) the Bank's relevant policies and strategies, iii) the Bank CSPs and CSP review reports for 13 RMCs, and iv) IDEV evaluations reports.

In particular, the evaluation team triangulated findings and conclusions from the self-evaluations carried out by the Bank in the context of the Mid-Term Review and 1-Year Extension.

Document Review

More than 250 internal documents/papers, including Bank project appraisal reports, project concept note, feasibility study reports, project supervisions reports, BTORs and the implementation progress and IPRs were reviewed and used as the primary sources of information for the Portfolio Review and Project Results Assessment (PRAs) mentioned below.

Portfolio Review

The team undertook a desk-based assessment of the portfolio of 24 operations to answer all the EQs mentioned in the Evaluation Design Matrix **(Annex I-3),** using a common guidance questionnaire. The review was based on the full range of documents mentioned above. The evaluation team reviewed the self-ratings in the IPRs and modify them, as appropriate. This approach offered the secondary benefit of an assessment of the quality of the ratings.

The team included experts in the different sectors represented in the portfolio, each with considerable experience of portfolio/quality/results reviews. The experts reviewed operations corresponding to their area of expertise and based on the available documentation, seeking clarifications, where necessary, from the Bank teams/staff responsible for the ROs. The experts used a common guidance questionnaire and rated each question and criterion. Ratings are based on the six-point scale, reflecting the team's best judgment, drawing on their findings under each criterion. The supporting evidence/explanatory notes are included for each sub-question and criterion to substantiate the ratings.

Findings from the portfolio review highlight the extent to which the ROs are making progress toward meeting RISP and RIS objectives; they also enabled the capturing and dissemination of experience from the design and implementation of operations. This supported the formulation of recommendations directed to: (i) improvements in the selection, design and implementation of future interventions to achieve RISP goals; and (ii) sustainability of operations.

Key informant interviews:

In order to address the deeper issues identified at the inception phase, key informant interviews were conducted during both the scoping mission in early May 2016 and the field missions for Project Results Assessments in May/June 2016. More than 90 stakeholders including the government officials, private sector people, donors and the Bank staff were interviewed to triangulate findings from the Portfolio Reviews and to delve more deeply into issues, especially around relevance (robustness of the strategy), effectiveness (outcome achievement), coherence, donor coordination and sustainability.

Fieldwork (Project Results Assessments)

The team examined in greater detail the contributions being made toward regional integration and related emerging benefits to the participating countries by conducting two field-based case studies as part of the evaluation.

Two projects were selected in consultation with IDEV and EARC in the course of the scoping mission – the fully disbursed Seychelles Submarine Cable Project and the Mombasa/Nairobi/Addis Corridor Phase III Project. The latter project was chosen in view of its importance within the portfolio and the possibility to draw lessons also from its first two phases.

Table A1: RISP Outputs and Outcomes - Summary of Achievements

Sector	Project	Field Visits	Status
ICT	Seychelles Submarine Cable	Seychelles & Tanzania	Fully disbursed
Transport	Mombasa/Nairobi/Addis Corridor Phase III	Kenya & Ethiopia	50 percent disbursed

To guide the fieldwork assessments, the evaluation utilized the Project Results Assessment Template (available on request), the PRA guidance notes, and the rating benchmarking by IDEV. As with the Evaluation Design Matrix, the team adapted the PRA template to reflect the context of a RISP and the fact that one of the operations has fully disbursed only recently, and the other is yet to be completed -making it too early to assess fully the achievement of objectives.

2. Limitations and Challenges

Both practical and conceptual challenges should be kept in mind when considering the conclusions and recommendations in this evaluation. Since nearly the entire portfolio under review was "ongoing" at the time of the evaluation, a number of the evaluation questions centered around "achievement of objectives and outcomes" could not be addressed fully and were instead addressed in terms of the likelihood of achieving outcomes and subsequent sustainability, as well as alignment with the priorities and goals in the RISP. The likelihood of achieving outcomes was assessed using the progress reported, including delays, identified risks and any contextual changes.

Two factors have made assessment of effectiveness particularly challenging. First, it is early in the life of the portfolio of projects. Second, the RISP results matrix and the project logframes have serious issues with confusion of outputs and outcomes, unspecified or unclear indicators (particularly weak for outcomes), and identified outcomes that cannot be readily assessed or are well beyond what the project could reasonably affect (for example, "seamless connectivity", "enhanced energy generation", and "pathway to peace"). Further discussion of these issues can be found in Section Management for Development Results of this chapter.

Noting that it was the responsibility of the partner institutions to monitor results and report on progress, the evaluation found repeated gaps. This seriously hampered the evaluation team's ability to assess even the likelihood of achievements.

Most of the regional operations have been done in cooperation with other donors, often with the Bank providing a smaller proportion of the funding. Timing and scope of this evaluation limited the extent to which the team could consider Bank activities and achievements in the context of the full donor efforts, although efforts were made to do so. Consequently, this has limited the team's understanding of the findings of the Bank's accomplishment.

The documentation was well short of what the team needed. In particular, many IPRs were missing that would have served as key documents for the team's understanding. In the existing IPRs, where baselines should have been recorded, many were missing, for example, in the financial sector. Those baselines that were included were often unrelated to the actual effects of the project.

Furthermore, the evaluation found other gaps with respect to what was included in the reports they examined. For example, there was evidence of activities that were not described in the PARs that left the evaluation team concerned about what else was omitted. The team attempted to fill some of these documentation gaps by contacting task managers, but in most cases this was unsuccessful.

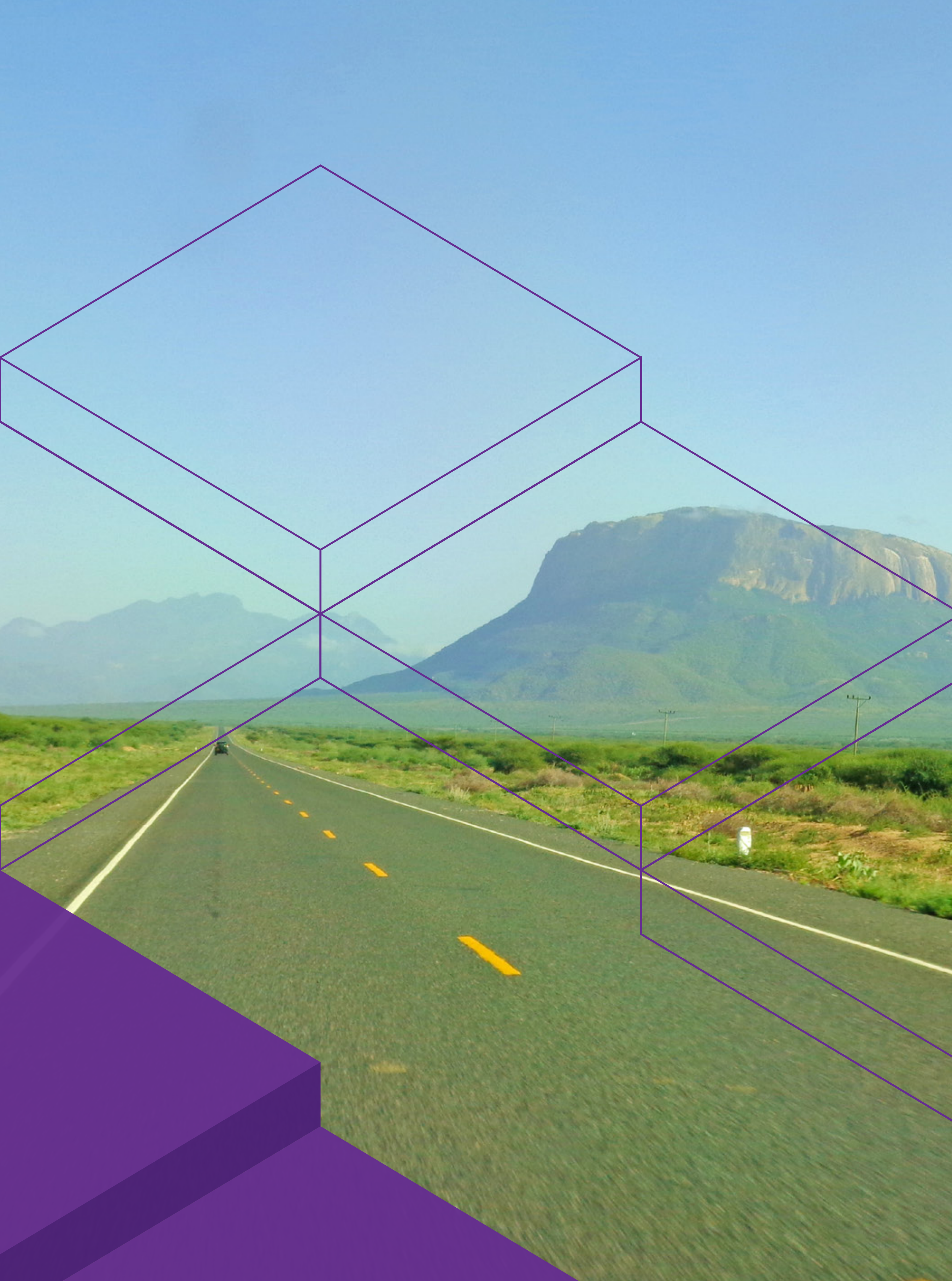
3. Evaluation Design Matrix

<table>
<tr><th>Criterion</th><th>Evaluation Questions (EQs)</th><th>Judgment Criteria</th><th>Data Collection</th></tr>
<tr><td>1. Relevance</td><td>EQ-1: To what extent is the Eastern Africa RISP relevant to the changing context of the region and its needs?
EQ-2: How well does the RISP address the strategic objectives of the Bank's Midterm Strategy, and the Ten-year Strategy and of the Regional Integration Strategy?
Poverty reduction; Inclusion; and transition to Green Growth?</td><td>EQ-1: Comprehensiveness and quality of regional context analysis of: alignment with RECs' regional integration strategy and RMCs' sector policy/ strategies; realism of the assessment of RMCs' commitment to change, reform ownership, and institutional capacity building
EQ-2: Robustness of the strategy; and appropriateness of the proposed lending (and non-lending) program to implement the assistance strategies under each RISP pillar.</td><td>Key informant interviews – experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank and at other regional development institutions. Also drawing on the interviews for Portfolio Reviews and Fieldwork.
Review and analysis of Literature, internal Bank documents (including RiPOS etc.) and Regional Integration Strategies such as the RECs.
Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments data.
Synthesizing the detailed information in the Portfolio Reviews and fieldwork on progress and constraints in achieving the pillar priorities.
Synthesizing the detailed information in the Portfolio Reviews and fieldwork on progress and constraints in achieving the pillar priorities.</td></tr>
<tr><td>2. Effec-tiveness</td><td>EQ-3: To what extent were the Bank's expected outcomes (both immediate and intermediate ones) achieved or can be expected to be achieved through its Regional Integration interventions in Eastern Africa?
EQ-4: What are the key factors contributing to/ hindering effectiveness of Regional Integration interventions in Eastern Africa?</td><td>EQ-3: Contributions (actual and expected) by the Bank's Regional Integration interventions to specific measurable benefits; extent to which the Banks Regional Integration interventions contribute to expected outcomes; extent to which unintended consequences (positive or negative) different from the operation were recorded after completion of the Bank's operation.
EQ-4: Contributions by the Bank's new institutional mechanisms to the outcomes of Regional Integration interventions; extent to which the policy and political environment of RMCs/RECs affected or is likely to affect the outcomes of Bank interventions; extent to which other external factors contributed to or can be likely to contribute to the achievement and non-achievement of results.</td><td>Progress was assessed using planned targets from Project Appraisal Reports and reported progress in the IPRs. In some cases, the team also used Project Completion Reports, relevant Country Strategy Papers), country portfolio performance reviews, applicable sector strategies, RMCs' development strategies, and other relevant sector and country documents.
Key informant interviews – experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank and at other regional development institutions. Also drawing on the interviews for Portfolio Reviews and Fieldwork.
Other documents, such as the Mid-Term RISP Review and 1-Year Extension of the RISP, as well as partners' evaluations.
Fieldwork (Project Results) Assessments-specifically:
Using the base of Portfolio review data, the field teams conducted interviews with the Eastern Africa Regional Resource Center and other field offices, executive directors and/or their advisers, RMC and REC officials, project implementation staff, and representatives of other donors including other MDBs.
Fieldwork teams collected and analyzed departmental records (supervision reports, BTORs, etc.) as available, policy/sector documents of other institutions working in regional integration including RECs and other donors.</td></tr>
</table>

Criterion	Evaluation Questions (EQs)	Judgment Criteria	Data Collection
3. Design and Delivery	QE-5: Quality of the RISP?	RISP's consistency with the *Regional Integration Strategy and the* Bank's CSPs for RMCs in the region; selectivity of the Bank's assistance strategy. *Do the 24 approved operations fully reflect priority objectives identified in the RISP in an appropriate balance?*	▌ Key informant interviews – experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank and at other regional development institutions. Also drawing on the interviews for Portfolio Reviews and Fieldwork. ▌ Review and analysis of Literature, internal Bank documents (including RiPOS etc.) and Regional Integration Strategies such as the RECs. ▌ Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments data. ▌ Synthesizing the detailed information in the Portfolio Reviews and fieldwork on progress and constraints in achieving the pillar priorities (and drawing on all of the sources of data for Portfolio Reviews and PRAs that is interviews with Bank and partner staff as well as documents collected in the field).
4. Efficiency	EQ-6: To what extent are the Bank's operations implemented in a timely manner?	Has the Bank's Regional Integration portfolio in the region faced delays and cost overruns experienced by the portfolio; timeliness of the procurement process; severity of unreliable cost estimates and IRRs.	▌ Key informant interviews – experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank and at other regional development institutions. ▌ Review and analysis of Literature, internal Bank documents (including Mid Term reviews, country portfolio performance reviews, and other analyses of progress and constraints). ▌ Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments data. Portfolio Review – specifically ▌ Planned deadlines and milestones compared to actual dates using the IPRs as supported by other data in Project Appraisal Reports, Project Completion Reports. ▌ Planned costs compared to actual costs ▌ Phone conversation with Bank staff that manage the projects. Fieldwork (Project Results) Assessments – specifically: ▌ Using the base of Portfolio review data, conduct field visits including interviews with the Eastern Africa Regional Resource Center and other field offices, executive directors and/or their advisers, RMC and REC officials, project implementation staff, and representatives of other donors including other MDBs. ▌ Fieldwork teams will collect and analyze departmental records (supervision reports, BTORs, etc.) as available.

Criterion	Evaluation Questions (EQs)	Judgment Criteria	Data Collection
5. Coherence	EQ-7: To what extent has the Bank engaged in policy dialogue with national and international actors?	Extent to which the Bank's institutional capacity was considered while engaging in Regional Integration-related policy dialogue with key stakeholders.	▌ Key informant interviews – Other regional development banks and institutions as well as other donors working in Eastern Africa; experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank. ▌ Review and analysis of Literature, internal Bank documents (including RiPOS, Mid Term Reviews, Country Portfolio Performance Reviews, and so forth ; financing and progress documents of other donors, national governments and regional institutions, such as the RECs. ▌ Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments interviews and data, particularly with other national and international partners that share in the financing of the projects.
6. Donor Coordination	EQ-8: To what extent are the Bank's interventions harmonized with those of other donors (avoiding duplication, simplifying procedures etc.)?	Bank's role in enhancing donors' coordination on regional integration and in facilitating coordination between RECs, RMCs and donors.	▌ Key informant interviews –Other regional development banks and institutions as well as other donors working in Eastern Africa; experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank. ▌ Review and analysis of Literature, internal Bank documents (including RiPOS, Mid Term Reviews, Country Portfolio Performance Reviews, etc.) and financing and progress documents of other donors, national governments and regional institutions, such as the RECs. ▌ Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments interviews and data, particularly with other national and international partners that share in the financing of the projects.
7. Managing for Development Results	EQ-9: To what extent has the Bank successfully implemented a performance management strategy that focuses on performance and the achievement of outputs, outcomes and impacts?	Contributions by Bank supervision to achieving the expected outputs; Contributions from Bank monitoring to achieving the expected outcomes. *Are the results of the strategy being monitored and managed as a whole? Or only under individual projects?*	▌ Key informant interviews –Other regional development banks and institutions as well as other donors working in Eastern Africa; experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the. Bank. ▌ Review and analysis of Literature, internal Bank documents (including RiPOS, Mid Term Reviews, Country Portfolio Performance Reviews, etc.) and financing and progress documents of other donors, national governments and regional institutions, such as the RECs. ▌ Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments interviews and data most specifically careful analysis of IPRs and other reporting of data.

Criterion	Evaluation Questions (EQs)	Judgment Criteria	Data Collection
8. Sustain-ability	EQ-10: To what extent have the achieved *or expected* results continued or are they likely to continue once the Bank's interventions are completed?	Effective identification of factors facilitating/ constraining the performance of the Banks Regional Integration interventions; contributions to securing RMCs' financial resources for O&M costs of regional integration infrastructure; contributions to establishing or reinforcing autonomous agencies in charge of programming and managing Regional Infrastructure maintenance.	▌Key informant interviews – experts in Washington, including World Bank and other experts, and Nairobi, including: The Regional Operations Portfolio Manager, Regional Economist, Task Managers in the Bank and at other regional development institutions. Also drawing on the interviews for Portfolio Reviews and Fieldwork. ▌Review and analysis of Literature, internal Bank documents (including Mid Term Reviews of the RISP and other regions in Africa) and regional reviews and analyses that address progress and problems. ▌Synthesis of the whole portfolio using the Portfolio Review and Fieldwork (Project Results) Assessments data. ▌Portfolio Reviews synthesizing particularly the reported evidence on risks and constraints. ▌Fieldwork (Project Results) Assessments reporting on risks and constraints for the individual projects as demonstrated in project reporting (IPRs, PCRs, Country Portfolio Performance Reviews, Mid Term Review of RISP and other evaluations and reviews collected during fieldwork) as well as in interviews with all stakeholders.



Annex II – Effectiveness Table

Table A2: Demonstrating the lack of Project Baselines and Indicators

Project	Baseline	Outcome/ Impact Indicators	Comments
Seychelles Submarine Cable	yes	no	Just 1 of 5 expected impacts has indicator
Rift Valley Railways Concession	yes	no	No impact targets
Mombasa-Nairobi-Addis Ababa Corridor - Phase III	yes but not all	no	1 indicator is not project specific; only 2 of 3 baseline indicators
North-South Corridor Road Development and Transport Facilitation - Phase III	yes	no	Outcome-3 indicators well beyond what project activities could affect
Ethiopia-Kenya Electricity Highway	yes	no	Impact and some outcome indicators beyond what project activities could affect
East African Community - Payment and Settlement Systems Integration	yes	yes	Good example of relevant indicators with baselines
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase I	yes but not all	no	3 of 4 indicators have baseline (baseline survery will be conducted after PAR); indicators beyond project activities
Arusha-Holili/Taveta-Voi Road	yes but not all	no	Just 1 of 2 indicators has baseline; indicators beyond project activities
PTA Bank Line of Credit and Equity	yes	no	Indicators beyond what project activities could affect or not relevant
Regional Rusumo Hydropower - Burundi	yes	no	6 of 6 indicators have baseline; indicators beyond project activities
Shelter Afrique Line of Credit	yes	no	Impact indicator beyond what project activities could affect
East African Development Bank (EADB)Line of Credit	yes	no	Indicators beyond what project activities could affect
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase II	yes	no	Indicators beyond what project activities could affect
Kenya-Tanzania Interconnection	yes	no	Indicators beyond what project activities could affect
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase III	yes	no	Indicators beyond what project activities could affect
Lakes Edward & Albert Integrated Fisheries and Water	no	no	No baseline data for outcome indicators(baseline survery will be conducted after PAR), Indictors beyond what project activities could affect
African Trade Insurance - RMC Membership Program	yes	no	Indicators beyond what project activities could affect
Ruzizi III Hydropower	yes	no	6 of 6 indicators have baseline; three of them beyond project activities
Africa Virtual University - Phase II	yes	yes	Good example of relevant indicators with baselines
Technical Assistance and Capacity Support to ICGLR	yes	no	Logframe needs to be updated based on the changes in project components
Capacity Building Support to Tripartite FTA	yes	no	Indicators beyond what project activities could affect
PIDA Capacity Building	yes	no	Indicators beyond what project activities could affect
Eastern Africa Centres of Excellence	yes	yes	Good example of relevant indicators with baselines
Policy Research Capacity Development	n/a	n/a	No data available

Table A3: IDEV Evaluation: Eastern Africa RISP Pillar 1, End 2015

Pillar	RISP			
	Subpillar	Expected Final Outcome (in RISP)	Expected Final Outputs/Indicators (in RISP)	
Pillar I: Promotion of Regional Infrastructure Development	Support for regional transport and trade facilitation infrastructure	Seamless connectivity within the regional transport system achieved and trade logistics enhanced	Improved movement of goods and services, leading to increased intra-regional exports from 8% of total regional exports in 2009 to 15% in 2015	
	Support for energy development	Green Energy generation enhanced through the exploitation of hydro and new and renewable resources	Attainment of reliable power supply with improved availability from 89% to 100% by 2015; and average reserve ratio exceeding the 15-20% acceptable benchmark (reserve margin already reached 34% in 2009).	
		All mainland countries in the region (except Somalia) interconnected and linked to the Eastern Africa Power Pool		

	1-Year Extension Report			IDEV Evaluation of Progress at Extension			
	Subpillar / Development Goal (at extension)	Expected Final Outcome (in Extension Report)	Expected Final Outputs/Indicators (in Extension Report)	Rating (out-puts)	Comments (outputs)	Rating (out-comes)	Comments (outcomes)
	Improved access to regional transport services and trade facilitation through implementation of regional operations	Addis Ababa-Nairobi reduced from 30 hours (2010) to 20 hours (2015) (Mombasa-Nairobi-Addis Ababa Road Corridor Project)	320 km of road completed (Mombasa-Nairobi-Addis Ababa Road Corridor Project)	3	The outputs of the portfolio are generally expected be achieved, though often with some delay. Progress has been mixed, however, as seen in the Mombasa-Nairobi-Addis Ababa PRA, where Kenya has successfully met output targets while Ethiopia has dramatically failed.	4	For regional road projects, the logical-framework typically counts reduced vehicle operating costs and travel times as outcomes. In most projects, these are likely to be achieved, based on evidence in the PSRs. The regional road projects will most likely improve cross border trade, which is a key component of the RISP. Of some concern is that the Mombasa-Nairobi-Addis Ababa project will only deliver on two of five outcomes.
			14.1 km of dual carrigeway road complete in Tanzania and 50 in Kenya by 2016				
		Financing for COMESA Communications, Navigation and Surveillance Systems for Air Traffic Management financial close and/or concession agreement (COMESA Airspace Integration Project)	OSBP constructions (Namanga Border, and at Holili Tavita Border will be at least 30% completed on average.				
	Support to the energy sector development	Increased per installed generation capacity to 18,000 MW	30 staff each from EEPCO and KETRACO staff will be trained (Ethiopia-Kenya Electricity Highway Project)	4	All power project outputs are likely to be achieved, if sometimes behind schedule. The installed capacity for hydro was planned to “substantially increase” but in 2015 was well short of the target.	3	The interconnection of all countries to the Eastern Africa Power Pool has not been achieved.
		All mainland countries in the region (except Somalia) interconnected and linked to the Eastern Africa Power Pool	10 KETRACO staff trained (Interconnection of Electric Grids of Nile Equatorial Lakes Countries-Kenya)				

Pillar	RISP			
	Subpillar	Expected Final Outcome (in RISP)	Expected Final Outputs/Indicators (in RISP)	
Pillar I: Promotion of Regional Infrastructure Development	Support for Information and Communication Technology (ICT)	All countries in the region are interconnected (interstate fibre connectivity cable) and connected to undersea optic fibre system.	Development of a reliable ICT infrastructure with efficient connectivity to the regional and international Internet backbone network; and reduction in the cost of broadband internet access by half.	
	Support for shared water resources	Development of a reliable ICT infrastructure with efficient connectivity to the regional and international Internet backbone network; and reduction in the cost of broadband internet access by half.	Improved water supply for agriculture and drinking.	

	1-Year Extension Report			IDEV Evaluation of Progress at Extension			
	Subpillar / Development Goal (at extension)	Expected Final Outcome (in Extension Report)	Expected Final Outputs/Indicators (in Extension Report)	Rating (out-puts)	Comments (outputs)	Rating (out-comes)	Comments (outcomes)
	Improve access to ICT	All countries in the region are interconnected (interstate fibre connectivity cable) and connected to undersea fiber-optic system	No outputs to be reported in 2015.	6	The Seychelles Cable project became operational ahead of its target date and came in under budget, meeting all expected outputs.	5	The Seychelles Cable project also met its targets in terms of reduced bandwidth cost and better broadband. That said, the expected final regional outcome that all countries in the region are interconnected and connected to undersea optic fibre system has not been achieved. Significant reductions in the cost of broadband internet access has been realized; cost was USD 16.6 in 2013 compared with USD 50 in 2010.
	Improve access to clean water	85% of households accessing water supply within 250m in 15 selected towns in the Lake Victoria basin	14 water treatment works constructed.	-	No water sector projects have been approved.	-	No water sector projects have been approved.

Table A4: IDEV Evaluation: Eastern Africa RISP Pillar 2, End 2015

Pillar	RISP			1-Year Extension Report		
	Subpillar	Expected Final Outcome (in RISP)	Expected Final Outputs/ Indicators (in RISP)	Subpillar / Development Goal (at extension)	Expected Final Outcome (in Extension Report)	
Pillar II: Institutional Capacity Building and Knowledge Sharing	Support to the EAC-COMESA-SADC Tripartite Agreement	Tripartite Strategic Framework prepared to ensure the eventual merger of the three RECs	The CES Free Trade Area established and functioning by 2015.	Enhanced tripartite capacity	No outcomes to be reported in 2015	
		RECs transport master plans harmonized into one joint master plan	Improved transport system marked with reduced travel time and cost. Harmonized Regional Infrastructure Master Plans for the three RECs.	Note: At this point, it becomes difficult to line up the categories from the RISP with the reconfigured categories from the 1-Year Extension Report. Given this lack of clear correspondence, We have shifted several of the ratings from the 1-Year Extension Report down to the cells below, in order to avoid implying that there is a clear line of correspondence. Nevertheless, keep in mind that they still fall under Pillar II: Institutional Capacity Building and Knowledge Sharing.		
	Strengthening Institutions (RECs, Continental Organizations and National Implementing Unit)	Improved implementation of projects and programs	Adequate human and financial resources for implementation of regional projects and programs.			
			Regional Portfolio Performance Improvement Plan implemented.			
	Support to transport and trade facilitation, customs modernization and reform, and Aid for Trade	Reduced transit time on goods and services across borders within the region	Trade related procedures harmonized across countries in the region			

		IDEV Evaluation of Progress			
	Expected Final Outputs/ Indicators (in Extension Report)	Rating (out-puts)	Comments (outputs)	Rating (out-comes)	Comments (outcomes)
	No outcomes to be reported in 2015	3	A CES Free Trade Area has not been achieved even though it was supposed to be function by 2015.	3	Capacity building support to Tripartite has not been sufficiently effective in what it was designed to do. Many consultancies were delayed, aborted or not completed.
					The outputs indicate limited contributions to improved capacity (noting that there is no clear definition of what improved capacity would entail).
		3	The mandate of the regional institutions for power is overly ambitious and does not sufficiently take into account the needs of member countries. Despite latent country resistence to increasing their authority, regional instituions continue to focus on goals like regional regulation and a pool market. At the same time, regional institutions do not respond to those needs that countries do have. For example, regional projects development, a wheeling tariff, and harmonziation of standards are all more important to members countries. In other sectors, the situation is somewhat better. The East African Centers of Excellence is a genuinely regional organization. Its slow start was understandable given the complexities of all project elements. African Virtual University Phase II establishes a common base for training, ICT, and distance education. The Bank and other donors have been active in transport coordination working groups that are effective in enhancing donor cooperation in regional transport and the role of transport in regional trade. The ICGLR is not on track due to policical and security situation.	2	The outputs indicate limited contributions to improved capacity (noting that there is no clear definition of what improved capacity would entail).
		3	Under support to Tripartite Capacity, work has been completed on common rules of origin and industrial capacity, but not on improving industrial databases. The outcome indicator, increase in intra Tripartite trade flows is not likely to be achieved and was poorly-selected because it depends on many factors other than project activities.	3	Reduced transit time on goods and services across borders within the region is likely to be achieved only if soft infrastructure (OSBP, etc.) is provided on time.

Pillar	RISP			1-Year Extension Report		
	Subpillar	Expected Final Outcome (in RISP)	Expected Final Outputs/ Indicators (in RISP)	Subpillar / Development Goal (at extension)	Expected Final Outcome (in Extension Report)	
Pillar II: Institutional Capacity Building and Knowledge Sharing	See note above and to the right.			Strengthen analysis and communication of infrastructure policy	8 RECs implementing an integrated communication frameworks in place	
					Policy analysis for PIDA PAP by 2015	
				Improved access to specialized graduate medical education, and promote access to higher skills and applied technology	At least 10 new postgraduate curricula developed and sustained in biomedical education by 2015	
				SMEs and Private Sector fostered through support to EADB	No outcomes to be reported in 2015	

		IDEV Evaluation of Progress			
	Expected Final Outputs/ Indicators (in Extension Report)	Rating (out-puts)	Comments (outputs)	Rating (out-comes)	Comments (outcomes)
	100% of REC infrastructure professionals trained at RMC/Project Unit level for implementation and at REC level for monitoring of PIDA PAP implementation by 2017	n/a	No informaiton about training. Updating of PIDA projects data is still in process.	n/a	Not assessed due to Limited information
	Gender advisor recruited to support mainstreaming in PIDA projects				
	3 centers of excellence in biomedical higher education with established infrastructure equipment	4	As in the case of Expected Final Outputs, the project is making reasonable progress.	4	The Centers of Excellence project is behind schedule but the schedule was unrealistic from the beginning, failing to allow for the lead time necessary to design complex institutions and equipment, develop training contracts, and recruit staff. There is no evidence yet that the programs are seriously delayed.
	EADB's credit quality improved and as a result increased subscription by Class "B" shareholders.	3	The Seychelles Chamber of Commerce reported that business connectivity and therefore the competitiveness of Seychelles businesses has increased. The reductions in vehicle operating costs and reductions in travel times for movement of goods in cross-border trade for the four transport operations should benefit the private sector but projects are delayed so there is no measurable evidence yet. There has been modest contribution to labor mobility through the East Africa Centers of Excellence project and the Africa Virtual Universities project. Finance: There have been some positive contributions from the finance projects (PTA jobs increase from 3,498 to 6,400 but the share for women has fallen from 50% to 5%. Although the ATI project reports exceeding outcomes for inter-regional trade and investment, disbursement thus far is zero.)	n/a	n/a

Annex III – Project Database[119]

Chart 1: Basic Data

SAP ID	Division	Project Name	Public/ Private	Sector Name
Pillar I – Regional Infrastructure				
P-SC-GB0-002	OPSD4	Seychelles Submarine Cable	Private	Communications
P-Z1-DC0-011	OPSD4	Rift Valley Railways Concession	Private	Transport
P-Z1-DB0-070 P-Z1-DB0-095	OITC2	Mombasa-Nairobi-Addis Ababa Corridor - Phase III	Public	Transport
P-Z1-DB0-099 P-Z1-DB0-099 P-Z1-DB0-073	OITC2	North-South Corridor Road Development and Transport Facilitation - Phase III (Mugina-Mabanda-Lake Nyanza and Rubavu-Gisiza)	Public	Transport
P-Z1-FA0-022 P-Z1-FA0-044	ONEC2	Ethiopia-Kenya Electricity Highway	Public	Power
P-Z1-AAZ-013 P-Z1-AAZ-011 P-Z1-AAZ-012 P-Z1-AAZ-014	OSAN1	Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase I	Public	Agriculture
P-Z1-DB0-075 P-Z1-DB0-074	OITC2	Arusha-Holili/Taveta-Voi Road	Public	Transport
P-Z1-HAA-050	OPSD4	PTA Bank Line of Credit and Equity	Private	Finance
P-Z1-FAD-007 P-Z1-FAD-007 P-Z1-FAD-008 P-Z1-FAD-008	ONEC2	Regional Rusumo Hydropower - Burundi	Public	Power
P-Z1-HAA-054	OPSD4	Shelter Afrique Line of Credit	Private	Finance
P-Z1-HAA-059	OFSD1	EADB Line of Credit	Public	Finance
P-Z1-AAZ-034 P-Z1-AAZ-033 P-Z1-AAZ-034 P-Z1-AAZ-035 P-Z1-AAZ-035 P-Z1-AAZ-036 P-Z1-AAZ-036	OSAN1	Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase II	Public	Agriculture
P-Z1-FA0-086	ONEC2	Kenya-Tanzania Interconnection	Public	Power
P-Z1-AAZ-037 P-Z1-A00-015	OSAN1	Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase III	Public	Agriculture

Country Name	Status of Project (by SAP)	Approval Date	Window	Breakdown by SAP ID (UA Millions)	Disbursement Ratio by SAP ID (as of Feb.2016)
Seychelles and Tanzania	OnGo	4/27/2011	ADB	5.95	100.00
Multinational	OnGo	7/13/2011	ADB	28.79	100.00
Multinational	OnGo	11/30/2011			50.07
Ethiopia			ADF	105.00	37.95
Kenya			ADF	120.00	60.68
Multinational	OnGo	6/27/2012			
Multinational		6/27/2012	ADF	4.53	20.99
Rwanda		6/27/2012	ADF	40.53	11.27
Burundi		6/27/2012		27.50	16.56
					29.11
Multinational	OnGo	9/19/2012			13.09
Ethiopia			ADF	150.00	12.05
Kenya			ADF	75.00	15.16
Multinational	OnGo	12/19/2012			11.31
Ethiopia			ADF	30.00	8.05
Kenya			ADF	37.41	9.33
Djibouti			ADF	10.70	11.21
IGAD			ADF	5.00	45.90
Multinational	OnGo	4/16/2013			24.79
Kenya			ADF	75.00	39.84
Tanzania			ADF	79.90	10.67
Multinational	OnGo	10/2/2013		35.99	100.00
Multinational	OnGo	11/21/2013			0.18
Burundi			Others	10.12	0.00
Burundi			ADF	16.70	0.56
Rwanda			ADF	18.88	0.09
Rwanda			NTF	6.50	0.00
Multinational	OnGo	12/11/2013		14.40	100.00
Multinational	APVD	10/15/2014	ADB	28.79	75.00
Multinational		11/26/2014			2.02
Eritrea	APVD			5.75	2.58
Ethiopia	APVD			28.48	3.20
Multinational	APVD			5.75	0.00
Sudan	APVD			10.00	2.53
Sudan	APVD			10.00	1.80
Somalia	OnGo			10.00	0.00
Somalia	OnGo			5.00	0.47
Multinational	APVD	2/18/2015		27.50	0.00
Kenya					0.00
Multinational		6/17/2015			0.83
Djibouti	APVD			11.50	1.56
Sudan	OnGo			10.00	0.00

SAP ID	Division	Project Name	Public/ Private	Sector Name	
P-Z1-HZ0-016 P-Z1-HZ0-023 P-Z1-HZ0-022	OFSD	African Trade Insurance - RMC Membership Program	Private	Finance	
P-Z1-FA0-076 P-Z1-FA0-077 P-Z1-FA0-105 P-Z1-FA0-109	ONEC2	Ruzizi III Hydropower	Public	Power	
Pillar II – Capacity Building					
P-Z1-IAZ-006	OSHD2	Africa Virtual University - Phase II	Public	Social	
P-Z1-HZ0-003	OFSD2	East African Community - Payment and Settlement Systems Integration	Public	Finance	
P-Z1-KF0-035	BIFO	Technical Assistance and Capacity Support to ICGLR	Public	Multi-Sector	
P-Z1-KZ0-018	ONRI2	Capacity Building Support to Tripartite FTA	Public	Multi-Sector	
P-Z1-KF0-021 P-Z1-KF0-021	ONRI1	PIDA Capacity Building	Public	Multi-Sector	
P-Z1-IB0-023 P-Z1-IB0-025 P-Z1-IB0-016 P-Z1-IB0-024	OSHD3	Eastern Africa Centers of Excellence	Public	Social	
P-Z1-AAF-010	OSAN3	Lakes Edward & Albert Integrated Fisheries and Water	Public	Agriculture	
P-Z1-IAZ-008	EADI2	Policy Research Capacity Development	Public	Social	

Country Name	Status of Project (by SAP)	Approval Date	Window	Breakdown by SAP ID (UA Millions)	Disbursement Ratio by SAP ID (as of Feb.2016)
Multinational	APVD	9/23/2015		4.97	0.00
Benin				4.97	
Ethiopia				9.93	
Cote d'Ivoire					
Multinational	APVD	12/16/2015			0.00
Burundi			ADF	19.29	0.00
Rwanda			ADF	16.00	0.00
Multinational			ADF	1.71	0.00
Multinational			ADF	1.50	0.00
Multinational	OnGo	12/16/2011		10.00	80.88
Multinational	OnGo	12/5/2012	ADF	15.00	24.66
Multinational	OnGo	7/15/2013	ADF	1.00	39.02
Multinational	OnGo	10/9/2013	ADF	5.00	40.11
Multinational	OnGo	12/12/2013			19.13
				5.00	20.19
				1.00	10.29
Multinational	OnGo	10/3/2014			2.05
Kenya			ADF	25.00	1.49
Rwanda			ADF	13.00	0.27
Tanzania			ADF	6.00	14.42
Uganda			ADF	23.00	0.23
Multinational	APVD	5/20/2015			0.00
Uganda			ADF	5.00	0.00
Multinational	APVD	10/12/2015		5.00	0.00

Chart 2: Timeline

Project Name	SAP ID	Country Name	Approval Date	Commitment or Signature Date
Pillar I – Regional Infrastructure				
Seychelles Submarine Cable	P-SC-GB0-002	Seychelles and Tanzania	4/27/2011	6/30/2011
Rift Valley Railways Concession	P-Z1-DC0-011	Multinational	7/13/2011	8/2/2011
Mombasa-Nairobi-Addis Ababa Corridor - Phase III	P-Z1-DB0-070	Ethiopia	11/30/2011	1/15/2012
	P-Z1-DB0-095	Kenya	11/30/2011	3/12/2012
North-South Corridor Road Development and Transport Facilitation - Phase III	P-Z1-DB0-099	Multinational	6/27/2012	7/25/2012
	P-Z1-DB0-099	Rwanda	6/27/2012	7/25/2012
	P-Z1-DB0-073	Burundi	6/27/2012	7/23/2012
Ethiopia-Kenya Electricity Highway	P-Z1-FA0-022	Ethiopia	9/19/2012	12/5/2012
	P-Z1-FA0-044	Kenya	9/19/2012	12/6/2012
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase I	P-Z1-AAZ-013	Ethiopia	12/19/2012	2/23/2013
	P-Z1-AAZ-011	Kenya	12/19/2012	2/27/2013
	P-Z1-AAZ-012	Djibouti	12/19/2012	2/17/2013
	P-Z1-AAZ-014	IGAD	12/18/2012	2/23/2013
Arusha-Holili/Taveta-Voi Road	P-Z1-DB0-075	Kenya	4/16/2013	7/15/2013
	P-Z1-DB0-074	Tanzania	4/16/2013	7/11/2013
			11/29/2006	-
PTA Bank Line of Credit and Equity	P-Z1-HAA-050	Multinational	10/2/2013	12/17/2013
Regional Rusumo Hydropower – Burundi	P-Z1-FAD-007	Burundi	11/27/2013	2/18/2014
	P-Z1-FAD-008	Rwanda	11/27/2013	2/7/2014
	P-Z1-FAD-009	Tanzania	11/27/2013	-
Shelter Afrique Line of Credit	P-Z1-HAA-054	Multinational	2/1/2009	7/31/2009
EADB Line of Credit	P-Z1-HAA-059	Multinational	10/15/2014	-
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase II	P-Z1-AAZ-034	Eritrea	11/26/2014	5/6/2015
	P-Z1-AAZ-033	Ethiopia	11/26/2014	-
	P-Z1-AAZ-035	Sudan	11/26/2014	-
	P-Z1-AAZ-036	Somalia	11/26/2014	-
Kenya-Tanzania Interconnection	P-Z1-FA0-086	Kenya	02/18/2015	-
	P-Z1-FA0-052	Tanzania	02/18/2015	-
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase III	P-Z1-AAZ-037	Djibouti	6/17/2015	-
	P-Z1-A00-015	Sudan	6/17/2015	-
African Trade Insurance - RMC Membership Program	P-Z1-HZ0-016	Benin	9/30/2015	-
	P-Z1-HZ0-023	Ethiopia	9/30/2015	-
	P-Z1-HZ0-022	Cote d'Ivoire	9/30/2015	-
Ruzizi III Hydropower	P-Z1-FA0-076	Burundi	12/16/2015	-
	P-Z1-FA0-077	Rwanda	12/16/2015	-
	P-Z1-FA0-105	Multinational	12/16/2015	-

Originally Estimated Effectiveness Date	First Disbursement Date	Originally Estimated Closing Date	As of Date	Source Document[120]
3/31/2011	3/30/2012	12/31/2016	9/30/2015	PSR Sep.2015
8/31/2011	12/29/2011	12/31/2019	9/30/2015	PSR Sep.2015
4/31/2012	3/6/2013	12/31/2017	6/11/2015	IPR June. 2015
4/31/2012	11/27/2012	12/31/2017	12/2/2015	IPR Dec. 2015
12/31/2012	10/3/2013	12/31/2018	12/29/2015	IPR Dec. 2015
12/31/2012	10/3/2013	12/31/2018	12/29/2015	IPR Dec. 2015
12/31/2012	5/14/2013	12/31/2017	12/30/2015	IPR Dec. 2015
3/31/2013	2/11/2014	12/31/2017	12/1/2015	IPR Nov. 2015
3/31/2013	3/13/2014	12/31/2017	11/30/2015	IPR Nov. 2015
2/28/2013	1/23/2014	12/31/2017	5/20/2015	IPR Mar. 2015
2/28/2013	9/10/2013	6/30/2018	6/9/2015	IPR June 2015
2/28/2013	1/24/2014	12/31/2017	11/12/2015	IPR Oct. 2015
2/28/2013	11/4/2013	12/31/2017	11/12/2015	IPR Oct. 2015
10/31/2013	10/18/2013	12/31/2018	12/8/2015	IPR Dec. 2015/SAP
10/31/2013	6/26/2015	12/31/2018	12/30/2015	IPR Dec. 2015
10/31/2013	-	12/31/2013	3/29/2013	PAR Mar. 2013
N/A	12/23/2013	N/A	2/5/2014	PSR Feb. 2014
5/31/2014	N/A	8/31/2019	4/21/2015	IPR Apr. 2015
5/31/2014	42304	8/31/2019	3/31/2016	IPR Mar. 2016
5/31/2014	-	8/31/2018	11/12/2013	PAR Nov. 2013
N/A	4/20/2010	N/A	3/31/2015	PSR Mar. 2015
-	-	-	9/30/2014	PAR Sept. 2014 & Draft Resolution
5/31/2015	1/31/2016	12/31/2020	2/22/2016	IPR Feb. 2016
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
5/31/2015	-	12/31/2019	2/4/2015	PAR Feb. 2015
5/31/2015	-	12/31/2019	2/4/2015	PAR Feb. 2015
N/A	-	N/A	6/16/2015	OoN June 2015
N/A	-	N/A	6/16/2015	OoN June 2015
1/31/2016	-	1/31/2018	8/25/2015	PAR Aug. 2015
1/31/2016	-	1/31/2018	8/25/2015	PAR Aug. 2015
1/31/2016	-	1/31/2018	8/25/2015	PAR Aug. 2015
4/30/2016	-	12/31/2023	12/31/2015	PAR Dec. 2015
4/30/2016	-	12/31/2023	12/31/2015	PAR Dec. 2015
4/30/2016	-	12/31/2023	12/31/2015	PAR Dec. 2015

Project Name	SAP ID	Country Name	Approval Date	Commitment or Signature Date
Pillar II – Capacity Building				
Africa Virtual University - Phase II	P-Z1-IAZ-006	Multinational	12/16/2011	1/24/2012
East African Community - Payment and Settlement Systems Integration	P-Z1-HZ0-003	Multinational	12/5/2012	1/28/2013
Technical Assistance and Capacity Support to ICGLR	P-Z1-KF0-035	Multinational	7/15/2013	11/8/2013
Capacity Building Support to Tripartite FTA	P-Z1-KZ0-018	Multinational	10/31/2013	-
PIDA Capacity Building	P-Z1-KF0-021	Multinational	12/12/2013	4/30/2014
Eastern Africa Centers of Excellence	P-Z1-IB0-023	Kenya	10/10/2014	12/17/2014
	P-Z1-IB0-025	Rwanda	10/3/2014	12/8/2014
	P-Z1-IB0-016	Tanzania	10/4/2014	12/12/2014
	P-Z1-IB0-024	Uganda	10/3/2014	10/26/2015
Lakes Edward & Albert Integrated Fisheries and Water			11/30/2014	-
	P-Z1-AAF-010	Uganda	11/30/2014	-
	P-Z1-AAF-011	NBI/NELSAP	11/30/2014	-
Policy Research Capacity Development	P-Z1-IAZ-008	Multinational	9/30/2015	-

Originally Estimated Effectiveness Date	First Disbursement Date	Originally Estimated Closing Date	As of Date	Source Document[120]
1/31/2012	3/12/2012	6/30/2017	7/27/2015	IPR Nov.2015
1/31/2013	1/30/2014	12/31/2016	10/23/2014	IPR Oct 2014
12/31/2015	2/24/2014	12/31/2015	12/29/2014	IPR Dec. 2014
12/31/2013	-	12/31/2016	9/26/2013	PAR Sept. 2013
12/31/2013	2/28/2015	12/31/2016	5/14/2015	PAR Dec. 2013 & Aide Memoire May 2015
12/31/2014	10/10/2015	6/30/2019	11/13/2015	IPR Nov.2015
12/31/2014	N/A	6/30/2019	7/24/2015	IPR Oct. 2015
12/31/2014	N/A	12/31/2019	10/12/2015	IPR Sept. 2015
3/31/2014	N/A	12/31/2019	11/26/2015	IPR Nov.2015
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
5/31/2015	-	7/31/2020	12/5/2014	PAR Dec. 2014
10/31/2015	-	12/31/2017	8/18/2015	PAR Aug. 2015

Chart 3: Bank Group Financing

Project Name	SAP ID	Bank Net Commitments (UA millions)	ADF (UA millions)	
			ADF Loans, normal	ADF Grants, normal
Pillar I – Regional Infrastructure				
Seychelles Submarine Cable	P-SC-GB0-002	5.95	-	-
Rift Valley Railways Concession	P-Z1-DC0-011	28.79	-	-
Mombasa-Nairobi-Addis Ababa Corridor - Phase III		225.00	75.00	-
	P-Z1-DB0-070	105.00	35.00	-
	P-Z1-DB0-095	120.00	40.00	-
North-South Corridor Road Development and Transport Facilitation - Phase III (Mugina-Mabanda-Lake Nyanza and Rubavu-Gisiza)		72.55	16.21	12.81
	P-Z1-DB0-099			
	P-Z1-DB0-099	51.22	16.21	1.81
	P-Z1-DB0-073	30.58	-	11.00
Ethiopia-Kenya Electricity Highway		225.00	105.00	-
	P-Z1-FA0-022	150.00	75.00	-
	P-Z1-FA0-044	75.00	30.00	-
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase I		83.11	27.00	0.70
	P-Z1-AAZ-013	30.00	12.00	-
	P-Z1-AAZ-011	37.41	15.00	-
	P-Z1-AAZ-012	10.70	-	0.70
	P-Z1-AAZ-014	5.00	-	-
Arusha-Holili/Taveta-Voi Road		154.90	61.96	-
	P-Z1-DB0-075	75.00	30.00	-
	P-Z1-DB0-074	79.90	31.96	-
PTA Bank Line of Credit and Equity	P-Z1-HAA-050	35.99		
Regional Rusumo Hydropower – Burundi		64.49	17.35	6.68
	P-Z1-FAD-007	16.70	-	6.68
	P-Z1-FAD-008	25.38	8.38	-
	P-Z1-FAD-008			
	P-Z1-FAD-009	22.41	8.96	-
Shelter Afrique Line of Credit	P-Z1-HAA-054	14.40		
EADB Line of Credit	P-Z1-HAA-059	28.79		
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase II		74.98	11.39	1.50
	P-Z1-AAZ-034	11.50	-	1.50
	P-Z1-AAZ-033	28.48	11.39	-
	P-Z1-AAZ-035	20.00	-	-
	P-Z1-AAZ-036	15.00	-	-
Kenya-Tanzania Interconnection		102.79	41.12	-
	P-Z1-FA0-086	27.50	11.00	-
	P-Z1-FA0-052	75.29	30.12	-
Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa - Phase III		21.50	1.50	-
	P-Z1-AAZ-037	11.50	1.50	-
	P-Z1-A00-015	10.00	-	-

				AfDB	Ratios	
	ADF Loans, RO	ADF Grants, RO	ADF Total		Ratio regional loans to normal loans	Ratio regional grants to normal grants
	-	-	-	5.95		
	-	-	-	28.79		
	150.00	-	225.00	-	2.0	
	70.00	-	105.00	-	2.0	
	80.00	-	120.00	-	2.0	
	24.32	19.22	72.55	-	1.5	1.5
			-			
	24.32	2.72	45.05	-	1.5	1.5
	-	16.50	27.50	-		1.5
	120.00	-	225.00	-		
	75.00	-	150.00	-	1.0	
	45.00	-	75.00	-	1.5	
	40.41	15.00	83.11	-		
	18.00	-	30.00	-	1.5	
	22.41	-	37.41	-	1.5	
	-	10.00	10.70	-		14.3
	-	5.00	5.00	-		
	92.94	-	154.90	-	1.5	
	45.00	-	75.00	-	1.5	
	47.94	-	79.90	-	1.5	
			-	35.99		
	23.95	10.02	57.99	6.50		
	-	10.02	16.70	-		1.5
	10.50	-	18.88	6.50	1.3	
	13.45	-	22.41	-	1.5	
			-	14.40		
			-	28.79		
	22.09	25.00	59.98	15.00		
	5.00	5.00	11.50	-		3.3
	17.09	-	28.48	-	1.5	
	-	10.00	10.00	10.00		
	-	10.00	10.00	5.00		
	61.67	-	102.79	-		
	16.50		27.50	-	1.5	
	45.17		75.29	-	1.5	
	10.00	10.00	21.50	-		
	10.00	-	11.50	-	6.7	
	-	10.00	10.00	-		

Project Name	SAP ID	Bank Net Commitments (UA millions)	ADF (UA millions)		
			ADF Loans, normal	ADF Grants, normal	
African Trade Insurance - RMC Membership Program		19.87	7.26	-	
	P-Z1-HZ0-016	4.97	1.99	-	
	P-Z1-HZ0-023	4.97	1.99	-	
	P-Z1-HZ0-022	9.93	3.28	-	
Ruzizi III Hydropower		134.12	7.00	7.00	
	P-Z1-FA0-076/105	21.00	-	7.00	
	P-Z1-FA0-077/109	17.50	7.00	-	
	(DRC)	60.00	5.00 (TSF)	15.00 (TSF)	
		35.62	-	-	
Pillar II – Capacity Building					
Africa Virtual University - Phase II	P-Z1-IAZ-006	10.00	-	10.00	
East African Community - Payment and Settlement Systems Integration	P-Z1-HZ0-003	15.00	-	-	
Technical Assistance and Capacity Support to ICGLR	P-Z1-KF0-035	1.49		-	
Capacity Building Support to Tripartite FTA	P-Z1-KZ0-018	5.00	-	5.00	
PIDA Capacity Building		5.60	-	5.00	
Eastern Africa Centers of Excellence		66.25	26.50	-	
	P-Z1-IB0-023	25.00	10.00	-	
	P-Z1-IB0-025	12.50	5.00	-	
	P-Z1-IB0-016	6.25	2.50	-	
	P-Z1-IB0-024	22.50	9.00	-	
Lakes Edward & Albert Integrated Fisheries and Water		10.83	5.00	5.83	
	P-Z1-AAF-010	5.00	5.00	-	
	P-Z1-AAF-011	5.83	-	5.83	
Policy Research Capacity Development	P-Z1-IAZ-008	5.00	-	5.00	

				AfDB	Ratios	
	ADF Loans, RO	ADF Grants, RO	ADF Total		Ratio regional loans to normal loans	Ratio regional grants to normal grants
	12.61	-	19.87	-		
	2.98	-	4.97	-	1.5	
	2.98	-	4.97	-	1.5	
	6.65	-	9.93	-	2.0	
	20.50	44.00	78.50	35.62		
	-	14.00	21.00	-		2.0
	10.50	-	17.50	-	1.5	
	10.00	30.00	40.00	-	2.0	2.0
	-	-	-	35.62		
	-	-	10.00	-		
	-	15.00	15.00	-		
	-	-	-	1.49		
	-	-	5.00	-		
	-	-	5.00	0.60		
	39.75	-	66.25	-	1.5	
	15.00	-	25.00	-	1.5	
	7.50	-	12.50	-	1.5	
	3.75	-	6.25	-	1.5	
	13.50	-	22.50	-	1.5	
	-	-	10.83	-		
	-	-	5.00	-		
	-	-	5.83	-		
	-	-	5.00	-		0.0

Chart 4: List of RISP projects that are unlikely to provide a platform for promoting regional integration

Project Name	Judgement Criteria (Promoting Regional Integration or Not)			Detailed Analysis
	Multi-country or single country operations with limited regional impact	Bilateral arrangements	Others	
Seychelles Submarine Cable	√ (Single country operation)			While the project is fully aligned and directly supports one of the areas of focus of the Eastern Africa RISP, the project is not a regional integration project but a single country operation that only benefits the Seychelles. However, the internet connectivity provided by the submarine cable connects the Seychelles to any country in the world as well as Eastern Africa. Indeed, had the cable been laid from the Seychelles to India, the internet connectivity to all countries would essentially be no different. The ultimate objective, as stated in the PAR, is to improve business competitiveness, productivity and economic growth. Regional integration is not mentioned in the logframe and none of the Key Performance Indicators (KPIs) of the logframe relate to regional integration.
Ethiopia-Kenya Electricity Highway Project	√ (Multi-country operation)	√ (Bilateral electricity trading arrangements)	The project logframe briefly mentioned govt commitment to regional integration as a risk but no reference in indicators.	The project is presently backed by bilateral trading arrangements, so it does not contribute directly to regional integration. However, as a key line for future power exports of Ethiopia to East Africa, it will be an enabling asset permitting future integration. Intrinsically, the project does not provide an institutional platform for integration, as it does not contain an institutional or policy component.
DRSLP Phase 1	√ (Multi-country operation)		Regional integration is mentioned in the project logframe as an impact, but with no indicators or baselines to measure progress.	With project activities being implemented strictly on a national basis there is no scope for promoting regional integration. The small IGAD component designed to strengthen this regional institution would support regional integration but only in a very indirect way. The fact that similar programs funded by the World Bank – IFAD completely bypass IGAD point to the limited capacity of this organization to promote regional integration.

Project Name	Judgement Criteria (Promoting Regional Integration or Not)			Detailed Analysis
	Multi-country or single country operations with limited regional impact	Bilateral arrangements	Others	
PTA LOC Equity	√ (Multi-country operation)		The sub-projects does not include operations which could be construed as supporting regional integration.	PTA Bank is intended to be a platform for promoting regional integration, which is and has been supported by the AfDB with both equity and debt (LOC). However, the outcomes of the operation, as stated in the logical framework, do not clearly link to regional integration. The indicative pipeline for LOC IV (the current LOC) had no projects that could be classed as promoting regional integration. Furthermore, the actual projects being funded by the LOC (Project Status Report, PSR Sep.2015), which were different from the original pipeline, did not include any projects which could be construed as supporting regional integration. The development outcomes did not list regional integration for any of the LOCs and Equity operations covered by the PSR. Consequently, while the PTA in theory is supposed to provide a platform for regional integration, it has not been adequately utilized for this purpose. For this reason, this criterion is rated moderately unsatisfactory.
Regional Rusumo Falls Hydro Power Project	√ (Multi-country operation)	√ (Bilateral electricity trading arrangements)		The Rusumo project supports the construction of enabling infrastructure for the execution of bilateral electricity trading arrangements and sharing the production of the regional Rusumo hydro plant. Hence, it is not directly linked to regional integration. To that extent it is not likely to be a platform for regional integration at large but it contributes to power exchanges.

Project Name	Judgement Criteria (Promoting Regional Integration or Not)			Detailed Analysis
	Multi-country or single country operations with limited regional impact	Bilateral arrangements	Others	
EADB Line of Credit	√ (Multi-country operation)		No set criteria to screen sub-projects for regional integration could be found in the documents.	This operation (LOC) is the eigth in a series of LOCs that the Bank has provided to the EADB. The extent to which the Bank has provided a platform promoting regional integration therefore needs to be considered in a program context rather than solely for the project itself. The EADB ,as re-established in 1980 , had as its overriding objective the promotion of "socio-economic development and regional integration in the member states" (LOC 5 PPA Executive summary para 1). In the event however, there does not seem to have been a very large impact on regional integration. In two cases where data could be found, LOC V and LOC 7 , there were some projects which could have indirectly promoted regional integration. In the pipeline for the present operation, the tea export, tourism and possibly) the cement projects might indirectly promote regional integration. Overall, however, no set criteria to screen sub-projects for regional integration could be found in the documents. Consequently, although stated to be a platform for promoting regional integration, the EADB and the LOC 8 do not appear to fulfil this role to any significant extent.
DRSLP Phase II	√ (Multi-country operation)		Regional integration is mentioned in the project logframe as an impact but with no indicators or baselines to measure progress.	With project activities being implemented strictly on a national basis there is no scope for promoting regional integration. The small IGAD component designed to strengthen this regional institution would support regional integration, but only in a very indirect way. The fact that similar programs funded by the World Bank – IFAD completely bypass IGAD point to the limited capacity of this organization to promote regional integration.
DRSLP Phase III Source: Portfolio Reviews Total number of projects: 8 33 percent (= 8/24)	√ (Multi-country operation)		Regional integration is mentioned in the project logframe as an impact but with no indicators or baselines to measure progress.	With project activities being implemented strictly on a national basis there is no scope for promoting regional integration. The small IGAD component designed to strengthen this regional institution would support regional integration, but only in a very indirect way. The fact that similar programs funded by the World Bank – IFAD completely bypass IGAD point to the limited capacity of this organization to promote regional integration.

Endnotes

1. See Glossary of Terms for definition.
2. According to the Eastern Africa Regional Resource Center (EARC). 11 out of the 16 operations under Pillar 1 also include a capacity-building component, thus contributing to Pillar 2 as well.
3. See Glossary of Terms for Bank's definition.
4. The RIPoS recognizes both the importance of soft infrastructure and the necessity of supporting REC's capacity through private sector involvement, by saying that: "while soft infrastructure investments require fewer resources, they have also proved harder to implement, and countries may want to proceed at their own pace. Therefore, the Bank will also support the RECs not only to monitor but also to help RMCs implement regional programs, using scorecards and involving private sector associations and other regional bodies." (Source: RIPoS pp.4)
5. These include trade facilitation, regulatory framework for energy exchange, standards and procedures development including Sanitary and Phyto-Sanitary measures, labor mobility protocols, virtual education platform, integrated water resource management (IWRM), and regulation for corporate governance for banking institutions.
6. Source: Portfolio Reviews
7. This issue is frequently cited in the PARs.
8. This framework is aimed at selecting the most relevant Bank operations eligible for the regional operation incentive mechanism (which is a ROE), based on cost-sharing financing where the countries contribute to a portion of project costs from their Performance-Based Allocation (PBA) and the Bank finances the remaining portion.
9. It is too early to judge the sustainability of the Lakes Edward & Albert Integrated Fisheries and Water Project due to the low disbursement. The Policy Research Capacity Development Project cannot be assessed due to lack of available information and evidence.
10. Including TA through the Fund for African Private Sector Assistance (FAPA) and additional equity contributions.
11. Two PPP projects do not have impact indicators. The others have no indictors that are project specific; the logframe needs to be updated, based on changes in project components.
12. First disbursement have not yet been completed for eight operations.
13. Source: Portfolio Review and the PRAs.
14. This applies only to officially recorded trade. It is well understood that informal cross-border trade within Africa is substantial but it can only be estimated. See AfDB, Eastern Africa RISP, Mid-Term Review, p. 3 and African Regional Integration Index Report 2016.
15. CEMAC, CEN-SAD, COMESA, EAC, ECCAS, ECOWAS, EGAD, SADC and UEMOA. Ten regional countries belong to COMESA, 8 to EGAD, six to the EAC, and two to SADC.
16. Especially the World Bank and DFID, which has promoted intra-African trade through its program Trade-Mark Southern Africa and Trade-Mark East Africa.
17. Combined Mid-Term Review and Regional Portfolio Performance Review, page 4. Those countries, which have fallen short of the goals are Tanzania, Rwanda, Burundi, and Eritrea.
18. Consumption in 2015 was 70 TWh (East Africa Power Pool (EAPP) Master Plan 2015) and trade well below 0.5 TWh.
19. EAPP Master Plan, 2014.

20. In the Transparency International Index of Corruption for 2015, covering 167 countries, only one Eastern African country ranked in the top 25 percent (Seychelles) and only one other in the top 50 percent (Tanzania). Eight Eastern African countries were ranked in the bottom 25 percent. In the Ibrahim Index of African Governance for 2015; the Eastern African region has the second-lowest regional ranking, following Central Africa. Only four countries (Seychelles, Rwanda, Kenya, and Tanzania) ranked in the top one-third of the 52 countries rated, and six Eastern African countries ranked in the bottom half.

21. See World Bank, Doing Business 2016. Of the 189 countries evaluated by the World Bank for Ease of Doing Business only one Eastern African country (Rwanda) ranked in the top half of countries and seven Eastern African countries were rated in the bottom 25 percent.

22. In the power sector, the benefits of interconnection depend on investment in transmission, as well as the development of generation capacity to allow export of excess production capacity over domestic demand, compounding the complexity and uncertainty of regional transmission projects.

23. An East African Court of Justice and an East African Legislative Assembly have been established under the EAC but law enforcement has remained the key issue even though these two institutions are in the position of enacting and approving "regional" legislation in Eastern Africa.

24. The ultimate goal of the Abuja Treaty is to realize continental integration culminating in the long run vision of a United States of Africa. The intermediate steps are creation of a Free Trade Area (FTA), Customs Union, Common Market, Monetary Union (and ultimately a single currency) and ultimately the African Economic Community (AEC). The Treaty also required the rationalization of RECs to address multiple membership issues. (Source: AfDB (2011) Eastern Africa – Regional Integration Strategy Paper (RISP), July 2011, pp.1-2)

25. The MIP has been elaborated by the AU Commission in close cooperation with the RECs and was adopted as "dynamic strategic continental framework for the integration process". It is a mechanism for the convergence of the RECs, based on a number of priority areas to be implemented at regional and continental levels. Enabling the RECs to strengthen their cooperation and to benefit from one another's comparative advantages, best practices and experiences in the area of integration, it forms the missing link between the Abuja Treaty and its realization. (Source: AUC (2013) Status of Integration in Africa – SIA IV, pp. 159-160)

26. See the above footnotes for details.

27. See IDEV multinational operations evaluation, for example.

28. Including two water sector studies

29. See Glossary of Terms for definition.

30. In designing the RISP, the Bank has focused on the East African context (see Section 1-2), which includes fragile and small economies, limited linkages among economies, and the number of RECs and their overlapping jurisdiction. The RISP identifies the activities that are essential to promote regional integration: improving transport and communication networks among countries, developing projects that create multi-country electricity and water supply systems, introducing trade liberalization through reforms of customs authorities and regulations, and the elimination of non-tariff barriers.

31. In the power sector, the regional Independent Regulatory Board has one officer; the Energy Regulators Association of East Africa (EREA) also has one officer. All Government officials and utilities interviewed expressed a lack of support and distrust towards EAPP and its power systems integration goal.

32. There are many examples of adverse incentives. In multi-country road transport projects, the establishment of OSBPs , included in the project design, often lags reforms in trade regulations essential for realizing the full benefit of the transport link. In the EAC, the liberalization of trade regulations has proceeded further than with other RECs but member countries still find reasons to restrict imports from other members. An earlier evaluation by the AfDB of an EADB line of credit project cited a lack of political will on the part of member countries to finance regional integration projects.

33. This includes Seychelles Telecommunications, Drought Resilience (Phase I to III), the transport corridor projects (3), Ethiopia-Kenya Power Interconnection, IGCLR Capacity Building, PTA LOC, Tripartite Capacity Building, Rusumo Power, Medical Centers of Excellence, EADB Line of Credit, Kenya-Tanzania Power, Lakes Edward & Albert Fisheries, Africa Trade Insurance, and Ruzizi Hydropower.
34. In the case of the Arusha-Holili/Taveta-Voi project, the development priorities of the EAC and the CSPs of both Kenya and Tanzania identify transport deficiencies as a binding constraint and give high priority to this road link. The Mombasa-Nairobi-Addis Ababa road corridor project is also identified as a high priority in the CSPs and the development plans of Kenya and Ethiopia. Both countries have been developing closer collaboration on this project and other aspects of integration in recent years.
35. Such as the Drought Resilience and Sustainable Livelihoods Program (DRSLP) or Lakes Edward Fisheries Project
36. For two projects, it is unclear how much of a causal relationship the project will have with actual transition to green growth.
37. The executive summary of the RIPoS only refers to the key element of regional integration, by describing that "Regional integration is to create larger, more attractive markets, link landlocked countries to international markets and support intra-African trade." (Source: RIPoS, pp.iv)
38. Or 38 percent by the Bank net commitment base.
39. The ROE increases the resources allocated to a country through the PBA system whenever the country opts for a regional operation, and has been leveraging PBA resources at a ratio of 1:1.5.
40. The PAR of the Ethiopia-Kenya Electricity Highway project indicated in paragraph 3.1.1, "the focus of this analysis is on the bilateral exchange between Ethiopia and Kenya. A 25-year PPA as described earlier has been concluded between EEPCO and KPLC, with KETRACO as the transmission intermediary.
41. The Ethiopia-Kenya Electricity Highway; Kenya-Tanzania Interconnection and NELSAP transmission projects support bilateral agreements under negotiation. They are not based on future development of an integrated regional market. Ruzizi III Hydropower was rated higher, as the project includes the development of a regional transmission system and a subregional dispatch center which are part of an integrated approach. (Source: Portfolio Reviews).
42. Source: Portfolio Reviews.
43. In the transport corridor project, for example, it is necessary to involve private sector actors such as logistics companies in order to allow for price adjustments when vehicle operating costs are reduced by the Bank operations
44. In the RISP, there is a section 3.3.2 (iii): "A vibrant private sector plays a critical role in stimulating regional integration" and "The policy thrust is also shifting more heavily towards the development of the private sector as the ultimate vehicle for the optimal allocation of resources to bring about development and prosperity to the region."
45. Although it will be addressed more fully in other sections of the report, two factors have made assessment of progress particularly challenging. First, it is early in the life of the portfolio of operations. Second, the RISP Results Matrix and the project logframes have issues with confusion of outputs and outcomes, unspecified or unclear indicators (particularly weak for outcomes), and identified outcomes that cannot be readily assessed or are well beyond what the operation could reasonably affect (for example, "seamless connectivity", "enhanced energy generation", and "pathway to peace"). Further discussion of these issues can be found in Section 4.3.5 Management for Development Results.
46. Source: Portfolio Reviews and PRAs.
47. Two studies (Baro-Akobo Water Resource Development Study and Feasibility Study of The Nyimur Multipurpose Water Resources) were approved during the same period.

48. Road rehabilitation of Hawassa - Ageremariam section (198km) in Ethiopia has been severely delayed due to poor performance of the contractors.(Source: PRA –Mombasa-Nairobi-Addis Ababa Corridor Project).
49. Moyale OSBP located at the border between Ethiopia and Kenya in this particular case.
50. Source: Portfolio Reviews.
51. Source: PRA –Seychelles Submarine Cable Project.
52. The program includes detailed numerical targets for outputs but the corresponding baselines information is missing. However, this will not necessarily restrict the ability to measure progress. (Source: PRA –Drought Resilience and Sustainable Livelihoods Program in the Horn of Africa).
53. Source: Portfolio Reviews (Shelter Afrique LOC Project was not assessed due to limited information.)
54. Policy Research Capacity Development Project was not assessed due to limited information.
55. Source: Portfolio Reviews.
56. With the exception of Burundi ,which is likely to remain unintegrated due to the obstacles being encountered in terms of harmonizing national legislation, regulations and policies (Source: Portfolio Reviews).
57. International Conference on the Great Lakes Region
58. This is especially the case for IGAD with respect to the DRSLP projects. The full effects of the relatively young DRSLP projects will not be known for some time (Source: Portfolio Reviews).
59. See also Footnote 24.
60. Source: PRA –Mombasa-Nairobi-Addis Ababa Corridor Project
61. The total installed generation capacity of two hydropower projects under the RISP portfolio 2011-2015 are only 227 MW (147 MW for Ruzizi and 80 MW for Rusumo). The outcome target mentioned in the Results Matrix (18,000 MW) probably refers to the generation capacity to beinstalled by other projects in the Eastern Africa region as a whole, but there remains an issue of the causal linkages between outputs and outcomes (See Section 4.3.5 Managing for Development Results).
62. In the case of the Ethiopia-Kenya Electricity Highway, commercial contracts for the utilization of the line are still pending and not ready for execution. Similarly, for the Kenya-Tanzania Interconnection, the underlying contracts for power import-exports are not ready for finalization and remain at the Memorandum of Understanding stage. (source: Portfolio Reviews)
63. For the logframe of the EADB Lines of Credit project, it is difficult to see how a $40 million investment in the subprojects would generate a 2,400 percent increase in government revenues. The financial returns figure also needs to be more specific as to how it is defined.
64. As to the PTA Lines of Credit project, class B shareholders could make more financing available, but these do not provide a clear and measurable indicator for increased access to finance : how much each of the class B shareholders would invest is not clear. Furthermore, the capital base line is firstly not defined, and secondly, it does not match any of the figures in the PTA balance sheet in PAR Annex 2.
65. IFAD-WB program in Ethiopia, for example.
66. Policy Research Capacity Development Project cannot be assessed due to lack of available information.
67. In other words, project design should have appropriately addressed this issue at the time of project appraisal.
68. Multinational or cross-border projects should include: OSBPs, capacity building, policy and regulatory framework, training, customs reforms and modernization, coordination of the trade and transport facilitation processes right from the design stage. Consequently, as new roads are built, the soft infrastructure simultaneously improves. This would enhance coordination, harmonization and hence improve effectiveness of capacity building.

69. The RIPoS recognizes both the importance of soft infrastructure and the necessity of supporting REC's capacity through private sector involvement, by saying that: "while soft infrastructure investments require fewer resources, they have also proved harder to implement, and countries may want to proceed at their own pace. Therefore, the Bank will also support the RECs not only to monitor but also to help RMCs implement regional programs, using scorecards and involving private sector associations and other regional bodies." (source: RIPoS pp.4) The RISP details the soft issues by sectors (pp. 17, Section "Area of Focus 2.2: Capacity Support for Infrastructure Development").
70. PIDA Capacity Building Project deals with institutional strengthening of 8 RECs and the implementing institution is new to the Bank and unfamiliar with Bank procedures (Source: Portfolio Reviews).
71. East African Centers of Excellence project, for example.
72. For example, in the Africa Virtual University and Regional Rusumo Falls Hydropower projects.
73. Source: Portfolio Reviews
74. Regional Rusumo Falls Hydropower Project, for example.
75. East African Centers of Excellence project.
76. It is too early to judge the sustainability of the Lakes Edward & Albert Integrated Fisheries and Water Project because of the low disbursement. The Policy Research Capacity Development Project cannot be assessed because of a lack of available information and evidence.
77. Ruzizi III Hydropower Project and PIDA Capacity Building.
78. From 50 percent to 15 percent in Tanzania and from 27 percent to 14 percent in Kenya (source: PAR of the Arusha-Holili/Taveta-Voi Road project).
79. Source: Portfolio Reviews.
80. For the EAC Payment and Settlement Systems Integration Project, the wholesale level "cost recovery charges" and the benefits of economies of scale to be passed on at the retail level are clearly described in PAR para 4.4.2, which is a solid base for taking proactive measures to secure financial sustainability. (Source: Portfolio Reviews).
81. No mechanism to ensure that funding for the maintenance of the AfDB financed lines was included in the Ethiopia-Kenya Electricity Highway, Rusumo Hydropower transmission, or Kenya-Tanzania Interconnection projects. The maintenance of the AfDB financed assets will depend upon the overall financial performance of the national utility.
82. For the series of DRSLP (Phase 1 to 3), much depends on the capacity of the sector and district institutions where capacity is limited.
83. For the DRSLP, the Bank and co-financiers supported a significant proportion of IGAD's budget during the 2010-2014 period (the Bank's contribution: five million UA for Phase-1) while member states' contribution only amounted to 14.7 percent over the same period.
84. For example, in the case of the ICGLR, the PAR assumed that the elimination of illegal mineral exports would shift revenue from the exports to the governments, and thereby enable the governments to fund the activities in future. However, it is not clear how much progress, if any, has been made in securing additional revenue from legal exports for the member governments. This puts the sustainability of the project going forward in question.
85. Ruzizi III Hydropower
86. Ethiopia-Kenya Electricity Highway Project.
87. North-South Corridor Phase III Project, for example.

88. In the case of the Tripartite Capacity Building Project, a revised work plan was drawn up for the period October 2015-October 2016 (effectively to the end of the project since the last disbursement was projected for October 2016), given slow progress in the first 1 ½ years. It is however likely that the closing date will have to be extended.

89. For example, in the case of the African Trade Insurance project, the TA being provided under the Fund for African Private Sector Assistance (FAPA), as well as the additional equity contributions, will help to support the growth of premium volume and bring it to the critical mass that is needed for it to be self-supporting over the longer term. In the case of the Shelter Afrique (SHAF) project, a quasi-financial sector operation, a review of commercial viability analysis of the project in the PAR, suggests that risks related to financing operations are very modest and manageable. SHAF has adopted various further measures to prevent any deterioration of its financial situation and assure sustainability.

90. Note that all the project appraisal reports under the portfolio review include analyses of costs and rates of return.

91. First disbursement has not yet been completed for the eight operations.

92. The analysis excludes the four operations of which disbursement rates have already reached 100 percent.

93. The Implementation costs should not change as disbursement is based on drawdown of funds by ATI.

94. Procurement has been within budget and there have not been cost overruns.

95. Source: Key informant interviews, Portfolio Reviews and Project Results Assessments (PRAs).

96. No information is available for the Policy Research Capacity Development Project.

97. In the case of the Tripartite TA project, key informant interviews cited substantial delays in handling procurement as one of the main reasons for delays in project implementation. Similarly, in the Payment and Settlement Systems Integration Project (PSSIP) – a financial sector project that did include procurement, the procurement plan was prepared and submitted on time and rated satisfactory in the October 2014 IPR. Since the disbursement is only expected to be 25 percent as of May 2016, it is not clear if procurement is still on track or if there are delays.

98. Source: Portfolio Reviews and Project Results Assessments (PRAs).

99. Kenya and Ethiopia have also requested technical support for managing the Moyale border post from DFID's Trade Mark East Africa program.(source: PAR-Mombasa-Nairobi-Addis Ababa Corridor Phase-III Project).

100. The PAR notes that as Burundi and Rwanda are landlocked countries with high transport costs, particularly on the major road corridors used for trade, so regional integration to improve trade is a major priority for both countries. Furthermore, because of the Bank's work on regional transport integration, the Bank was designated by NEPAD to lead the implementation of its transport infrastructure program.

101. Source: Portfolio Reviews and Key informant interviews.

102. Source: Portfolio Reviews

103. Indirectly, the Bank also played a significant role in coordinating this project with the complementary Ethiopia-Kenya Electricity Highway. (source: Portfolio Reviews).

104. The Bank is very active in donor coordination in transport in both Kenya and Tanzania, as demonstrated by the Arusha-Holili/Taveta-Voi Road project. Donor coordination takes place primarily at the sector level, mainly because of the large numbers of donors working in the sector in those two countries.

105. The PAR indicates that during project identification, preparation and appraisal missions, the Bank held discussions with most of the development partners and maintained a sustained dialogue with the two governments. In Burundi, meetings were held within the Partners' Coordination Group (PCG). In Rwanda, aid is coordinated through the Development Partners' Coordination Group (GCPD). The two groups are broken down into sub-thematic groups responsible for sector-based technical issues. The sub-thematic groups meet regularly.(source: Portfolio Reviews)

106. During the PRA exercise, the evaluation team learned from the JICA office that the donor's transport sector coordination group in Kenya had not met frequently (three to four times a year on average). In this instance, it appears that coordination has usually occurred at a bilateral level.

107. The telephone interview with the IGAD country coordinator for Ethiopia confirms the role that IGAD is playing in coordinating activities at the country level. This provides evidence of ownership by member countries and a promise of sustainability, subject to a resolution of IGAD's financial situation.(source: Portfolio Reviews).

108. Responsibility for coordination of project activities at the regional level has been assigned to NELSAP; this points to efforts by the Bank to facilitate coordination with a regional organization.(source: Portfolio Reviews).

109. Source: Portfolio Reviews.

110. Given the specific transport focus of the project, NEPAD itself gave the lead to the Bank.(source: Portfolio Reviews).

111. This project was to be implemented at the regional level by an EAC "Core Project Team" (EAC-CPT) to be established at the EAC Secretariat. There is no evidence of the Bank either supporting the Team or even being involved in the process. Furthermore, the PAR is somewhat unclear and silent as to any coordination between RECs, RMCs, and donors supported by the Bank.(Source: Portfolio Reviews)

112. For this project it is not at all clear that the Bank was playing a leading role in coordination between the REC, RMCs, and donors. There are no reports on whether a coordination activity has taken place; the number of proposed coordination meetings has been reduced, and the funding for a donor coordination consultant has been dropped.(Source: Portfolio Reviews)

113. Eastern Africa Regional Integration Strategy 2011-2015, Regional Departments – East I & East II (OREA/OREB), September 2011

114. Two PPP projects do not have impact indicators. The other cases are that the indictors are not project specific and the logframe needs to be updated, based on the changes in project components (See Annex III, Table A3-1).

115. Successful efforts to manage for development results must identify the planned outputs that will lead to the planned outcomes. These outputs and outcomes must be associated with numeric indicators and include targeted amounts of expected change within a specified timeframe. This entire structure should be included from the outset in a well-developed logframe that sets the targets against clear baselines, with progress periodically reported in the IPRs.

116. A solid M&E system was established for this program. Expected outputs and outcomes are clear and measurable. Intermediate and final targets are clearly set out. Baseline data were included for those activities already underway in those countries where African Virtual University had already started these programs, otherwise at zero where no programs existed. The Bank supervision missions have provided support to the African Virtual University's efforts to implement an effective M&E system.(source: Portfolio Reviews and key informant interviews)

117. Impacts, outcomes and outputs are well articulated. Baselines have been provided against which the targets indicators can be measured through means of verification which for impacts and outcomes are likely to be available independent of the project itself (source: Portfolio Reviews).

118. Each of the country components of this program incorporates an M&E framework that is clear and detailed, with baseline data, intermediate targets, final outputs and outcomes. (source: Portfolio Reviews).

119. In each table of this annex, projects are divided into the categories of Pillar 1 and Pillar 2. Within those categories, projects are listed in chronological order by approval date.

120. If there was no source for a date (that is no IPR or PSR), it is indicated in this table by a dash.

Independent Development Evaluation
African Development Bank

An IDEV **Regional Integration Strategy Evaluation**

About this Evaluation

This evaluation assesses the Eastern Africa Regional Integration Strategy Paper (RISP) of the African Development Bank. It focuses on two pillars: Pillar 1: investments in infrastructure; and Pillar 2: capacity building for Regional Economic Communities (RECs) and member governments engaged in regional operations. Overall, the evaluation found that the Eastern Africa RISP and the Bank's operations were aligned with the needs of the Regional Member Countries (RMCs), and the Bank's strategic priorities. However, the evaluation also underlined the fact that the RISP and the Bank's operations did not integrate the broader objective of regional integration. These findings aim to inform the preparation of the new Eastern Africa RISP.The evaluation draws on multiple lines of enquiry to assess the extent to which development results have been achieved in the context of the RISP. They include document review, literature review, portfolio review, key informant interviews, and project results assessments.

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