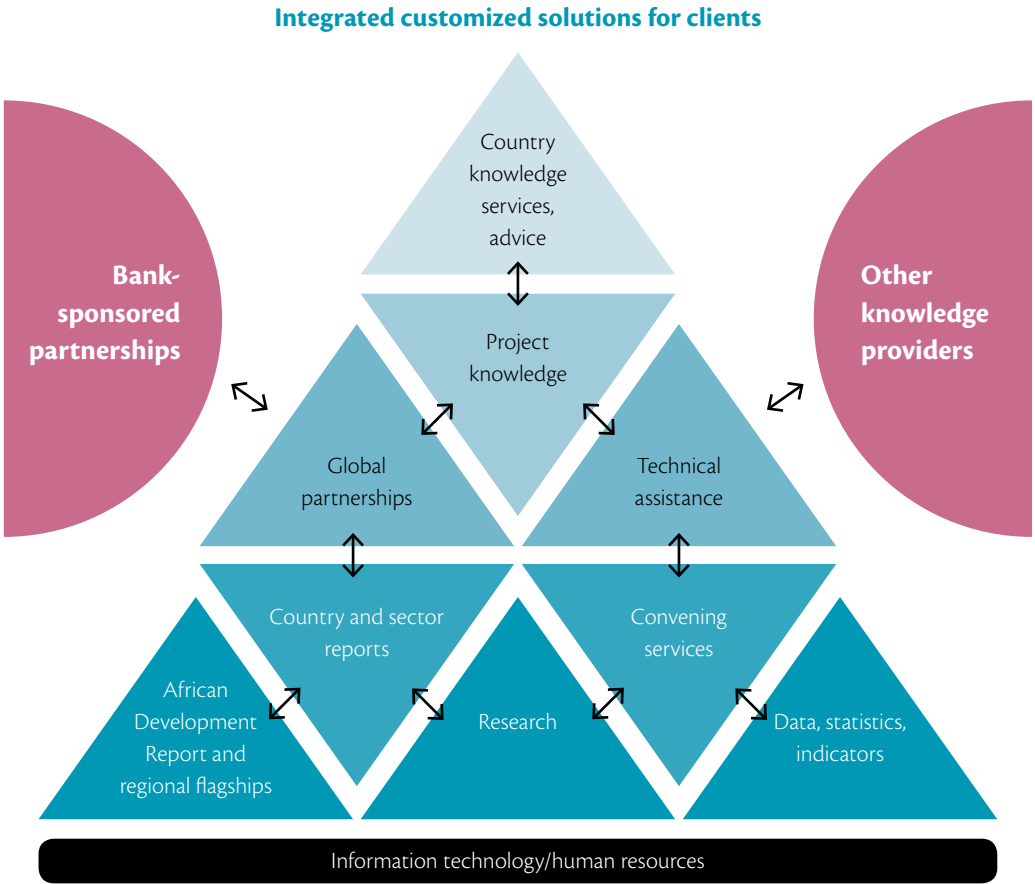


Operations Evaluation Department

2013

REVIEW OF THE AFRICAN DEVELOPMENT BANK'S ECONOMIC AND SECTOR WORK (2005-2010)



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About OPEV

The mission of the Operations Evaluation Department is to enhance the development effectiveness of AfDB initiatives in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

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Abbreviations

ADF	African Development Fund
AfDB (ADB)	African Development Bank Group
AsDB	Asian Development Bank
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DARMS	Document and Records Management System
DfID	Department for International Development (UK)
ECON	Complex of Chief Economist
EDRE	Development Research Department
ESW	Economic and Sector Work
EU	European Union
IADB	Inter-American Development Bank
IMF	International Monetary Fund
KPI	Key Performance Indicator
LTS	Long-Term Strategy
MDBs	Multilateral Development Banks
MTS	Medium Term Strategy
OECD	Organisation for Economic Cooperation and Development
OIVP	Infrastructure, Private Sector and Regional Integration Complex
OPEV	Operations Evaluation Department
OREA	Country Regional Department East A
OREB	Country Regional Department East B
ORRU	Partnerships and Cooperation Unit
ORVP	Country and Regional Programs & Policy Complex
ORWB	Country Regional Department West B
OSGE	Governance, Economic and Financial Management Department
OSVP	Sector Operations Complex
RePEc	Research Paper in Economics
RMC	Regional Member Country
UA	Unit of Account
VPU	Vice Presidential Unit

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Preamble

This report is a review of the performance of the Bank's Economic and Sector Work (ESW) over the period 2005-2010 and constitutes the first phase of a comprehensive ESW evaluation. It is a quick turnaround *formative evaluation*. The report has been completed on a tight budget and is primarily meant to inform the new Chapter 1 on ESW in the *Operations Manual*. Management is currently preparing a new policy on Knowledge Management (including the creation of a Bank-wide Knowledge Management Committee), and it is expected that this review will also inform this policy. The rationale for releasing this document at this stage is to ensure that it is timely and useful.

This review focuses mainly on the processes and procedures for the preparation of ESW. It also assesses the performance of ESW activities of the Bank based on a portfolio review, literature review and five country case studies. The review mainly addresses four questions:

1. How consistent are Bank policies and strategies for ESW?
2. What are the features of ESW produced by the Bank?
3. How efficient are the Bank's processes and management of ESW?
4. To what extent is the Bank's ESW useable and useful?

The fundamental issues facing the Bank in undertaking ESW activities are:

- (i) lack of a comprehensive policy and strategy that drives ESW;
- (ii) no management information system with a comprehensive database that documents ESW results and outcomes of Bank activities; and
- (iii) little ESW visibility in RMCs which undermines and underemphasizes the Bank's role in influencing partners' policies. This also raises vital questions related to the overall purpose and objectives of ESW in the Bank.

The implications of these findings are that the Bank needs to:

- (i) define its role and adjust the overarching framework of ESW;
- (ii) align its work to the country and regional strategies as well as to the Long-Term Strategy (LTS);
- (iii) allocate the necessary budget resources to streamline its ESW activities; and
- (iv) take steps in managing ESW as a coherent portfolio across the Bank. The Bank should also be more realistic with respect to actual delivery of ESW activities while increasing the corporate oversight to support and manage ESW portfolio, generate and disseminate the knowledge acquired. Finally, the Bank should target a high return ESW, increase partnering with other actors on the continent and pursue effective division of labor with other development agencies

¹ Although the *Operations Manual* was first prepared in 1999, it has never included guidance on ESW.

and reputable research and development organizations.

The second phase of the ESW Evaluation aims to take a '*summative evaluation perspective*', focusing on outcome and impact, and therefore completing

the work undertaken during the first phase. This phase will concentrate on three aspects:

- (i) Technical Quality of Bank ESW reports;
- (ii) Budget and costing of ESW at the Bank; and
- (iii) Impact of ESW.

Executive Summary

In response to the growing demand for cutting-edge knowledge, international development organizations publish studies and reports, both to enhance the quality of lending and as a business line for policy and program advice to clients.

There is consensus that the potential contribution of non-financial services, including Economic and Sector Work (ESW), to development is substantial and that development institutions should pay particularly close attention to these activities.

This review assesses the performance of the African Development Bank's (AfDB or the Bank) ESW over the period 2005-2010.

The report builds on evidence from three separate studies: a portfolio review, a literature review, and five country case studies. In all three studies evidence was gathered through desk reviews, data mining, and consultations with a wide range of stakeholders. Open interviews on issues related to ESW were conducted to solicit views from relevant Bank staff at headquarters and field offices. Several meetings and interviews were held with country officials, members of civil society, other donors and international agencies, non-governmental organizations, and other stakeholders. The findings yield both specific and broad conclusions on ESW and its role in supporting the Bank's objective to become a "knowledge bank."

Summary of Findings

1. The Bank has never had a specific and comprehensive policy for ESW.

Although not always explicitly mentioned, elements of the ESW policy and strategy are found in the Bank's Operations Manual, Organization Manual, and the Bank's knowledge strategies. The findings point to a need to consolidate, harmonize and make them explicit.

2. The volume of ESW prepared has increased substantially since 2008, with increased focus on the Bank's strategic areas.

In response to the growing demand for cutting-edge knowledge, international development organizations publish studies and report to both enhance the quality of lending and as a business line for policy and program advice for clients etc.

3. The ESW portfolio remains dispersed, difficult to find, and inconsistent.

The Bank has no corporate definition of ESW and keeps no systematic records, leading to confusion over what constitutes ESW. The Bank produces ESW in all areas, with varying orientations and depth. In some cases there is duplication with other donors who have already prepared similar ESW reports.

4. In recent years corporate planning and programming of ESW and other non-financial activities have improved through the three-year rolling program and budget. However, these still do not provide a precise overview of the Bank's activities.

The Bank consistently fails to realize planned ESW while initiating unplanned ESW largely in response

to resource availability rather than to strategic needs or actual demand based on operational needs. This is compounded by poor coordination and prioritization across and within Bank units.

5. Lack of systems.

There are no mechanisms for managing ESW as a portfolio, no comprehensive database with terms of reference and reports, and no harmonized procedures for quality control and/or quality assurance. Poor coordination across Bank units and between field offices and headquarters in the same unit is a handicap to effectively managing the Bank's ESW.

6. Dissemination of the Bank's ESW is limited, and the ESW portfolio has little visibility in Regional Member Countries (RMCs).

The Bank's field offices do not have a clear role in disseminating ESW. Generally, there is very little attention to modalities and budgeting

for dissemination. Currently, dissemination is ad-hoc, with no formal guidelines to help choose appropriate dissemination strategies. Posting on the Document and Records Management System (DARMS) and presenting to the Board are considered to be the end stages for many ESW documents, but many are neither presented to the board nor posted on the web.

7. Use of ESW products—by the Bank itself, by RMCs, and by the public at large—is low.

When ESW is used, it tends to be undermined as the Bank down-plays its role in influencing decision-making. The Bank tends to be less willing to using ESW to push the envelope on policy dialogue with member governments even when ESW could present a sound case for policy change. This raises vital questions related to the overall purpose and objectives of the ESW for the Bank.

Conclusions and Recommendations

The review concludes that the expected gains from ESW are not being achieved. An important lesson is that identifying an activity as an institutional key performance indicator (KPI) without first having in place a definition for it inevitably leads to mistaken measurements and poor management of the activity. The lack of a comprehensive policy and strategy for ESW is not conducive to tangible results in influencing RMC and partners' policies and strategies and has led to ad-hoc, unarticulated activities and processes.

This review offers six recommendations to improve ESW at the Bank:

- 1. The Bank needs to contextualize ESW, and provide a specific definition.**

This entails at least two aspects: (i) deciding whether the Bank should continue using this term "ESW" and what it means for the Bank; and (ii) clearly position ESW within the Bank's knowledge ecosystem.
- 2. Adequate budgets should be set aside to finance strategic ESW, with Country Strategy Papers (CSPs) defining the envelope to be allocated to ESW.**

Trust funds should be used to finance only unplanned, additional or non-core ESW. The CSP should determine the related core ESW to be conducted and policy dialogue should be based on tangible ESW. CSP teams should propose ESW that is either strategic, and funded by the administrative budget, or linked to the availability of trust funds. Alternatively, a dedicated trust fund could be established and modeled on the Knowledge Management Trust Funds being proposed by the Chief Economist's complex.
- 3. ESW should be more carefully aligned with Bank strategy, and demand-driven ESW should be priority.**

The Bank's ESW is largely supply-driven, even when governments are the end-users. Country case studies reveal that the Bank over-emphasizes country needs for ESW, and few government officials actually read such reports. Studies specifically requested by clients are more likely to find an audience among policymakers. A detailed needs assessment should be done before planning for ESW, and these should be more carefully aligned with the Bank's LTS and CSPs. In addition, annual programming of ESW should take place at least at the complex level to ensure flexibility and capacity to respond to demand.
- 4. The Bank needs to clarify the role of the Field Offices (FO) and Regional Resource Centers (RRC) with respect to ESW.**

The Bank's rapid decentralization is increasing decision centers and Bank rules need to be responsive to these changes. The lack of guidelines on managing and disseminating ESW provides no clearly articulated mandate or expectation regarding the role of field offices and RRCs in generating, managing and promoting ESW.

5. The Bank should create a business process which ensures corporate oversight to support quality assurance, dissemination and management of ESW as a coherent portfolio across the Bank.

The Bank should strengthen connectivity between departments in producing and disseminating ESW. Regional departments need to be the focal points for coordinating all ESW for their region. This should ensure that ESW is in line with country strategies. For quality assurance, one option is to subject ESW to a review process similar to that used for lending operations and CSPs, including a review by external experts. Another

option is to have clear arrangements (with accountability) for support from the Chief Economist Complex which would ensure minimum quality.

6. The Bank needs to be more realistic with respect to its actual capacity to deliver ESW.

KPI targets for ESW are established without considering the Bank's actual capacity. The Bank ought to target a smaller number of high-return ESW, and for selected topics, partners, and pursue institutional arrangements on division of labor with other agencies and organizations.

Management Response

Management welcomes OPEV's independent evaluation of the Bank's ESW. This evaluation provides an opportunity to learn from experience and to ensure that in the future, ESW is better aligned with the strategic and program objectives both of the Bank and of RMCs.

Management agrees generally with the recommendations of this evaluation. In particular, it agrees that the Bank lacks a clear, operational definition of ESW. These recommendations will be useful for revising the Bank's *Operation Manual* in which a chapter dedicated to ESW is planned. The evaluation will also be an important contribution to the forthcoming Knowledge Management Development Strategy (KMDS).

Introduction

Economic and Sector Work (ESW) is one of the Bank's key tools for knowledge generation and is essential for the Bank's role as adviser and knowledge broker. It enhances the Bank's financial assistance to Regional Member Countries (RMCs) by identifying and analyzing the critical challenges that African countries may face, and proposing solutions to policy and structural constraints that impede their development. ESW also contribute to enhancing the quality of the Bank's portfolio. In order for the Bank to maintain its position as a knowledge leader on African development issues, it will require stronger knowledge management within the Bank.

This is the first phase of a comprehensive ESW evaluation, focusing mainly on the processes and procedures for the preparation of ESW. It also assesses the performance of ESW activities of the Bank based on a portfolio review, literature review and five country case studies. The second phase of the ESW Evaluation will focus on outcome and impact.

The Report raises a number of important issues including:

- (i) the lack of a corporate definition, guidelines and systematic records, leading to confusion over what constitutes ESW in the Bank and to ad-hoc related activities;
- (ii) the heavy reliance on Trust Funds, which may be unpredictable and in some case, not sufficient to finance ESW;
- (iii) the lack of alignment of ESW activities to the Bank's or RMCs strategic objectives and program needs; and
- (iv) the absence of stock-taking and classification of the large quantity of ESW documents produced, some of which are driven by availability of funds rather than needs.

Clarity on Concept, Guidelines and Relevance

Management appreciates the detailed and thorough review of the concept of Economic and Sector Work (ESW) in terms of its definition, framework and practice in other MDBs. This provides a good foundation on which to build the Bank's own approach. Without a clear and

unambiguous understanding of the concept, norms and guidelines of ESW, there cannot be a meaningful framework for the corresponding work program on ESW in the Bank. There is a need to contextualize ESW and provide a clear definition. Management has been aware of this challenge and is revising the operations manual, guidelines and policies relevant to ESW. Revised versions of these documents are expected to address the ambiguities and operational relevance of ESW as well as provide a clearer definition. The documents will also spell out clear roles and responsibilities of all the respective parts of the Bank.

Furthermore, Management agrees with the three proposed groups of knowledge products. They include those identified to address pipeline development as requested by RMCs; those undertaken to define policy and strategic issues that can help the RMCs to make informed decision, such as studies on resource mobilization; and those intended to create awareness and provide information as undertaken by the Development Research Department (EDRE) and Chief Economist Complex (ECON). While the three groups appear justified and complementary additions, the first one should be identified in Country Strategy Papers (CSPs), Regional Integration Strategy Papers (RISPs) or through policy dialogue with the RMCs.

Financing Economic and Sector Work

The financing modalities proposed by the evaluation include (i) strategic ESW funded by the administrative budget; (ii) ESW linked to trust fund availability; and (iii) a dedicated

trust-fund similar to the model of the Knowledge Management Trust Funds earlier proposed by the Chief Economist's Complex.

Management agrees with the recommendation of a hybrid of an administrative budget and trust fund resources for ESW. In view of the fact that it will be difficult to undertake meaningful ESW on a limited budget, a selective approach by ECON may be considered. Key ESW identified in the CSP by ORVP or other departments/units may be included within the agreed three year rolling country work programme and therefore financed under the approved annual budget, while trust funds could be used for the other requests. In all cases, Management will ensure that all approved ESW are adequately funded, regardless of the source or financial instruments.

Alignment of ESW with Bank's Strategy

Management agrees that a thorough needs assessment should be done in consultation with stakeholders and governments to ensure that planning for ESW is better aligned with Bank's Ten-year strategy, RISPs and CSPs. Demand-driven ESW should be a priority.

Management agrees that relevance, timeliness and dialogue should be emphasized with respect to ESW and will encourage the practice of preparing ESW documents in consultation with the relevant RMC in order to promote ownership of the product. In addition, the Bank will conduct annual programming of ESW at the Complex level to ensure that it adequately responds to the demand for analytical work.

The Role of the Field Offices and Regional Resource Centers with respect to ESW

Management agrees that it is important to establish clear institutional arrangements regarding the role, responsibilities and annual KPIs for Field Offices and Regional Resource Centers with respect to ESW. Management will ensure that the new guidelines and Operations Manual clearly outline the roles of Field Offices, Regional Resource Centers and other Bank units responsible for conducting ESW.

Importance of Coordination

Management agrees that Regional Departments should be the focal points for coordination of all ESW in their respective regions. However, although Regional departments will coordinate, some ESW need to be prepared by specialized Bank departments as part of their operations support responsibility. These ESW include: the Country Economic and Social Profiles and Country Statistical Profiles produced by the Chief Economist Complex; Country Governance Profiles by Governance, Economic and Financial Management Department (OSGE); Private Sector Profile by the Private Sector Department (OPSM); Country Fiduciary Assessments by Financial Control Department (FFCO) and Financial and Risk Management Department (FFMA); and, Environment and Climate Change Report by Energy, Environment and Climate Change Department (ONEC) etc.

As a rule, the Knowledge Management Committee will coordinate all technical and quality issues

relating to ESW in the Bank to ensure harmonization and cohesion as well as effectiveness.

Quality Assurance, Dissemination and Management of the ESW Portfolio

Management agrees that it is important to place high emphasis on cross-departmental collaboration for better operational efficiency and rational use of Bank's resources. In this regard, Management will encourage Bank's staff to discuss the contents of their proposed study with other relevant departments/units within the Bank through bilateral meetings, Country Team meetings and interdepartmental seminars. Going forward, dissemination will be made an integral part of all ESW with accompanying budget.

The role and responsibilities between country and sector teams will be clearly spelt out in the Operations Manual. The upcoming revised Presidential Directive 07/200, concerning the Operations Review and Approval Process) foresees a quality assurance of ESW. The recently constituted Knowledge Management Committee will be oversee the Bank's ESW portfolio.

Bank's Capacity to Deliver ESW

Management agrees that the Bank needs to be realistic with respect to its capacity to deliver ESW. The Bank will target a smaller number of high return ESW within its budget focusing, in particular, on strategic issues. KPIs will likewise be adjusted to reflect this and capacity constraints.

In addition to ESW produced internally by staff, the Bank will continue to hire the required high quality expertise to deliver products for the Bank. Partnerships will also be established with both local and international research institutions, regional organizations and other international organizations to collaborate on analytical work.

Conclusion

Following this independent evaluation, Management is committed to implementing its recommendations by undertaking a series of actions to enhance the performance of ESW and other related knowledge activities. However, Management's specific responses to the insightful recommendations for improving the Bank's ESW are highlighted in the Management Action Record.

MANAGEMENT ACTION RECORD

MANAGEMENT'S RESPONSE

Recommendation 1: The Bank needs to contextualize ESW and provide a clear definition

This entails: i) deciding whether the Bank should continue using the term “ESW” and what it means for the Bank; and ii) clearly positioning ESW within the Bank’s analytical work and knowledge products.

i) The first aspect entails at least three options:

Option 1: Take the term and its baggage, retaining the term originated by the World Bank;

Option 2: Take the term and leave the baggage, the Bank could create its own definition of the term;

Option 3: Leave the term and its baggage, establishing an entirely new term for this body of work.

AGREED: Management agrees that the Bank needs to contextualize ESW and provide a clear definition. Management will continue to encourage and promote preparation of relevant and timely ESW and Sector Analytical Works to inform and guide relevant stakeholders like Bank’s staff and RMCs. ORPC will rationalize the processes (selection, conduct, validation) through the Operations Manual and related guidelines. ECON, ORVP and OSVP will collaborate to ensure the development of clear definition and outline the objectives and scope of EWS.

In order to ensure effective implementation of the guidelines, management is committed to the institutionalization of knowledge management and ESW across the organization. Management will also ensure that product categorization of knowledge is entrenched through Directives / Memos and reflected in guidance notes to staff.

ACTIONS:

- Operational Resources and Policies Department (ORPC) will finalize the Guidelines on ESW that will include a clear definition by September 2014.
- ECON will incorporate a clear definition and role of ESW in the new KMDS as well as in subsequent policies and strategies by Q3, 2013.

There is considerable confusion about how ESW, research, and internal reports such as portfolio analyses are positioned in the Bank as well as the audiences for ESW. The Bank should revisit its knowledge products, which it could organize into three principal groups:

Group 1: Knowledge for external clients, including ESW, for specific countries and at the regional or continental levels;

Group 2: Knowledge as a public good without a designated client that advances knowledge in specific areas of development and stimulate debates, for example, products from the Chief Economist Complex (*African Development Report*, research);

Group 3: Knowledge for internal use to inform Bank staff about the latest approaches or findings, instruments or client products (sector reports, policy papers and portfolio examinations) and tools developed for Bank staff.

AGREED: Management agrees with the three proposed groups of knowledge products. While the three groups appear justified and complementary, the first (for specific countries and at the regional or continental level) should be identified in the CSPs, RISPs or through policy dialogue with the RMCs.

ACTIONS:

- ORPC to ensure that the new Operations Manual and guidelines will organize ESW along the 3 groups recommended by Q4, 2014.
- The newly established Knowledge Management Committee (KMC) will ensure further clarity and precision in the area of ESW & related work by Q4, 2013. It will enable a continued monitoring and facilitation of operational modalities for the conception, preparation and execution of such work.

MANAGEMENT ACTION RECORD

Recommendation 2: Adequate administrative budget should be set aside to finance strategic ESW, with CSPs defining the envelope to be allocated to ESW

Trust Fund should be used only for unplanned, additional or non-core ESW. The CSP should define the related core ESW that needs to be conducted and the policy dialogue grounds on tangible ESW. CSP team should split the proposed ESW into two groups:

Group 1: Strategic ESW funded by administrative budget

Group 2: ESW linked to trust fund availability
Another option to consider is to establish a dedicated trust-fund similar to the model of the knowledge Management Trust Fund being proposed by the Chief Economist.

AGREED IN PART: Management agrees with the recommendation of a hybrid of both an administrative budget and trust fund resources. In view of the fact that it will be difficult to undertake meaningful ESW on a limited budget, a selective approach may be considered. Key ESW identified in the CSP by ORVP or other departments/units may be included within the agreed and arbitrated three year rolling country work programme and therefore, financed under the approved annual budget, while trust funds could be used for the other requests. In all cases management will ensure that all approved ESW are adequately funded, regardless of the source or financial instruments.

ACTION:

- EDRE shall work with COBS to plan the budgetary allocation for ESW.

Recommendation 3: ESW should be more carefully aligned with Bank strategy, and demand-driven ESW should be a priority

The Bank's ESW is largely supply-driven, even when governments are the end-users. The Bank overemphasized country needs for ESW and few government officials actually read such reports. Studies specifically requested by clients are more likely to find an audience among policymakers. A serious needs assessment should be done before planning for ESW and these should be more carefully aligned with Bank's Ten Year Strategy and country strategies. In addition, annual programming of ESW should take place at the complex level to ensure flexibility and capacity to respond to demand.

AGREED: Management agrees that a needs assessment should be done in consultation with stakeholders and governments to ensure that planning for ESW is better aligned with Bank's Ten Year Strategy, RISPs and CSPs. Demand-driven ESW should be a priority with greater involvement of Field Offices in the identification, selection, dissemination of ESW and related knowledge products.

ACTIONS:

- ORVP will ensure greater collaboration with clients at the conception and implementation of ESW starting from Q1, 2014.
- Management will ensure that more attention is devoted to the alignment of ESW with the priorities of the Bank and the countries' needs starting from Q1, 2014.

MANAGEMENT ACTION RECORD

Recommendation 4: The Bank needs to clarify the role of Field Offices and Regional Resource Centers with respect to ESW

Rapid decentralization is increasing the number of Bank decision-centres and Bank rules must be responsive to the ensuing changes. The absence of guidelines for managing and disseminating ESW means that field offices have neither a clear mandate nor set of responsibilities regarding its generation management and promotion.

AGREED: Management agrees to establish clear institutional arrangements regarding role, responsibilities and annual KPIs for Field Offices and Regional Resource Centers as well as other Bank's units and departments. ECON/KMC will coordinate all issues relating to ESW in the Bank to ensure harmonization and cohesion as well as effectiveness. Dissemination will be made an integral part of all ESW with accompanying budget.

ACTIONS:

- The recently constituted KMC will act as advisory, coordinating and monitoring vehicle under the oversight of ECON starting from Q3, 2014.
- Management will ensure that the new guidelines and operations manual clearly outline the roles of the Field Offices, Regional Resource Centers and other Bank's units responsible for conducting ESW, by Q4, 2014.
- Management will ensure that the new guidelines and operations manual incorporate dissemination as an integral part of the planning, preparation and execution of ESW, by Q4, 2014.

Recommendation 5: The Bank should create a business process and increase corporate oversight to support quality assurance, dissemination and management of ESW as a current portfolio across the Bank.

There is no clear responsibility for ESW between countries and sector departments. Most sector departments produce ESW in "silos" which risks loss of a rational or country perspective. The Bank should strengthen connectivity between departments in producing and disseminating ESW.

AGREED: Management agrees that the connectivity between departments in producing and disseminating ESW needs to be strengthened.

ACTION:

- The role and responsibilities between countries and sector departments will be clearly spelt out in the *Operations Manual* by Q3, 2014.

Regional departments need to be the focal points for coordinating all ESW for their region to ensure that it is aligned with country and regional strategies.

AGREED IN PART: Management agrees that Regional Departments should be the focal points for coordinating all ESW in their regions. The revised PD 07/2007 plans for ESW quality assurance. The recently constituted KMP will oversee the ESW portfolio, coordinating ESW under the Chief Economist's oversight. The Bank will strengthen departmental connectivity and producing and disseminating ESW, which should ensure its alignment with country and regional strategies.

Another option is to establish a good arrangement for support from the Chief Economist's Complex, which would be responsible for ensuring minimum quality.

ACTION:

In all cases, the Bank needs to task a unity (i.e. the strategy department or ORVP) with establishing a knowledge strategy group to oversee the ESW portfolio.

- KMC will clear all ESW to enhance their quality starting Q3, 2013.

MANAGEMENT ACTION RECORD

Even well targeted and relevant ESW needs to be disseminated to be useful. Instead of posting ESW on the web and expecting end-users to find and make use of it, the Bank should explore and utilize different avenues for dissemination. This will require incentives and a systematic budgeting for disseminating of all ESW.

AGREED: Management agrees that the Bank should explore and utilize different avenues for dissemination in collaboration with/by RRCs/FOs. The role of field staff in promoting the Bank's knowledge products is critical, notably during country dialogues

ACTIONS:

- The Knowledge and Virtual Resource Centre (KVRC) will take more pro-active and innovative measures to ensure widespread dissemination of ESW starting from Q3, 2013.
- All the ESW that are planned will have a clearly identified dissemination in the action plan starting with 2014-2016 Program and Budget Document (PBD). The achievement of that dissemination plan will be part of the KPIs and a requirement for an ESW to be considered as 'complete'.

Recommendation 6 : The Bank needs to be realistic with respect to its actual capacity to deliver ESW

Key performance indicator targets for ESW are established without considering the Bank's actual capacity. The Bank ought to target a smaller number of high-return ESW. These should be for selected topics, partners, and pursue institutional arrangements on division of labor with other agencies and organizations.

AGREED: Management agrees that the Bank needs to be realistic with respect to its capacity to deliver ESW. The Bank will target a smaller number of high return ESW in consonance with budgetary allocations. KPIs will reflect reality and capacity constraints. ESW will continue to be produced by Bank Staff. In addition, they will also be produced jointly by Bank staff and consultants, with the Bank staff coordinating the work.

A Committee of Arbitration composed of line departments and complexes will streamline the number of ESW undertaken to ensure the quality of output. This arbitration shall also form the basis for the establishment of mechanisms for monitoring of ESW and ensuring effective use of the research, results and lessons learnt.

ACTIONS:

- Management will ensure preparation of a smaller number of high return ESW in consonance with budgetary allocations starting with 2014-2016.
- Priority will be given to ESW that inform the strategy and operations of the Bank and those that clearly meet the needs and demands of the client starting from Q1, 2014.
- Management will go into partnership and cooperation with relevant research institutions especially in RMCs, starting from Q1, 2014.



I. Introduction

Knowledge management as a new field of study has drawn attention to the significant and important role of ESW.

Knowledge management became an established area of study in the 1990s. The role of knowledge as a resource for development is of crucial importance. In response to the growing demand for cutting-edge knowledge, development organizations publish studies and reports, both to enhance quality of lending and as a business line for policy and program advice to clients. A subset of these knowledge products is known as ESW (Annex 1).

Different reports have emphasized the role of knowledge for the African Development Bank.

In 1994, the Knox report stressed that to contribute effectively to borrowing members' development the Bank must substantially strengthen its macroeconomic and sector work.² Subsequently, a major independent evaluation of the ADF VII, VIII, and IX in 2004 found that knowledge and ESW at the Bank were inadequate.³ The Bank responded by issuing knowledge strategies in 2005 and 2008.

The purpose of this review is to assess the Bank's ESW over the period 2005-2010 and to draw lessons and formulate recommendations to improve the effectiveness of future ESW.

This study should be seen as a formative evaluation, as the Bank is putting in place an internal process for ESW. A theory of change behind ESW has seven stages:

1. Developing a vision for ESW (policies and strategies).
2. Production.
3. Processing and packaging.
4. Dissemination.
5. Receipt by stakeholders.
6. Stakeholder engagement with messages.
7. Stakeholders take action based on messages.

To investigate ESW activity along the entire process, this review addresses four questions:

1. How consistent are Bank policies and strategies for ESW?
2. What are the features of ESW produced by the Bank?
3. How efficient are the Bank's processes and management of ESW?
4. To what extent is the Bank's ESW useable and useful?

There are four main limitations to this review:

1. No formal definition of ESW. The Bank's ESW universe is heterogeneous and units apply different criteria in selecting reports and studies identified as ESW;
2. The lack of systematic recording and reporting of ESW; some departments could not provide a list of their ESW. Reporting has improved since 2008 but remains

² African Development Bank, 1994, *The Quest for Quality*, Report of the Task Force on Project Quality, Abidjan.

³ African Development Bank, 2004, *Stepping up to the Future: An Independent Evaluation of ADF-VII, VIII and IX*, Operations Evaluation Department, Tunis.

unsystematic. Thus, the comprehensiveness of the ESW database used for this review could not be fully ascertained;

3. The country case studies constitute only five non-randomly selected countries. Although they provide interesting information on a range of issues facing ESW in regional member countries, clear-cut generalizations cannot be made;
4. Due to limited resources it was not possible to assess the technical quality of the Bank's ESW. This will be the focus of the next phase.

This report builds on evidence from three components: a literature review, a portfolio review, and five country case studies.

The literature review presents an overview of the state of research and knowledge on ESW. It revisits the concept of ESW and examines experience in conceptualizing and managing ESW across agencies to highlight commonalities and differences. The portfolio review provides a broad picture of the scope, composition, and characteristics (structure, focus, geographic and sectoral distribution, financing and management, and the like) of the Bank's ESW. Because there is no systematic recording of ESW at the Bank, the first task of the review consisted in building a database of all Bank ESW.

The country case studies, undertaken for Burundi, Ethiopia, Gambia, Mozambique, and Tunisia,

aimed to gather country-specific insights. The five countries were purposively selected to ensure representation based on some objective criteria, such as geographical coverage, African Development Bank or African Development Fund status, language, fragility amongst others.

Evidence was gathered through desk reviews, data mining, and consultations with a wide range of stakeholders.

Interviews on issues related to ESW were conducted to solicit views from relevant Bank staff at headquarters and field offices. Many meetings and interviews were held with country officials, civil society organizations, other donors and international agencies, nongovernmental organizations, and other stakeholders.

This report is organized into six chapters.

Chapter 2 provides an overview of the context and concept of ESW at the Bank.

Chapter 3 examines the Bank's ESW portfolio.

Chapter 4 investigates the management and processes for ESW.

Chapter 5 assesses the use of the Bank's ESW.

Chapter 6 concludes and offers recommendations.

II. Context and Concept of ESW at the Bank

Role, function, and definition of ESW

In the 1980s, the World Bank published *Issues and Options*, an influential set of reports on technical, sectoral and country issues designed to inform the lending programs and policy dialogues with borrowing countries. These reports later became known as economic and sector work (ESW), and were not part of the preparation of any specific lending operation.

The literature offers no clear-cut definition of ESW: each institution defines the term differently.

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), which serves as a clearinghouse on international development assistance issues, provides technical glossaries. There is no entry for ESW but the entry for country analytic work comes close: this is work that “provides the context, strategies and priorities within which specific donor interventions may be identified. The work may be undertaken at many different levels: macro, sector, cross-cutting, sub-sector or sub-national.” While this definition does not directly address multi-country, regional, or continental topics that ESW can address, it is probably the best definition being used generally.

Institutional variations in the definition of and terminology for ESW reflects the differences in perception about the role that ESW plays and what it is.

Many institutions prefer the more general term or a variant of country analytic work.

Multilateral Development Banks (MDBs) use the term ESW virtually exclusively, to designate a knowledge-based instrument used to diagnose development problems and identify policy and investment solutions. Some variations occur: The Inter-American Development Bank (IADB) tends not to hold ESW as a standalone product, whereas the Asian Development Bank (AsDB) considers ESW (or economic, thematic, and sector work) as a separate product but provides a very broad definition that allows a large range of knowledge products to be considered ESW. The World Bank is the most prescriptive of MDBs in characterizing ESW, making it a unique product (Annex 2).

Many institutions prefer the more general term “country analytic work” or one of its variants. Country analytic work and ESW do not always mean the same thing. The concept of country analytic work as described by the OECD is probably the best available definition in general use, though it does not directly address multi-country, regional, or continental subjects that can also be the subject of ESW.

One tricky issue in the literature is whether to differentiate ESW and research. The World Bank definition of ESW clearly differentiates the two activities and considers ESW a form of applied research in which knowledge arising from research is tailored to the situation of a specific borrowing client country. For other MDBs, the boundary between ESW and research is more ambiguous.

Another important issue for ESW is the target audience. Ideally, each institution should clarify

III. What ESW has the Bank Produced?

Patterns and Coherence

When the latest knowledge management strategy was published in 2008, ESW became an institutional KPI at the Bank and ESW preparation gained momentum perhaps as a result of identifying ESW as a KPI rather than because the numbers of reports were increasing. After 2008, many different types of documents were reported as ESW that should not normally be considered ESW, including portfolio assessments, strategies, guidelines and Board or staff guidelines and policies).

A database of 247 products released between 2005-2010 was created for this review from the raw data collected from the Bank Documents and Records Management System (DARMS) and lists of ESW identified as such and submitted by the various complexes.

There is neither a corporate definition clarifying ESW nor any systematic record of ESW at the Bank.

The 247 documents were classified into five categories:

1. Diagnostic studies, which include a variety of broad analytical reports, such as Country Governance Profiles, Country Gender Profiles, and other sectoral assessment studies;
2. Policy and strategy guidelines, which include corporate and non-corporate documents such as Bank sector strategies and other action plans;
3. Portfolio assessments, which include portfolio descriptions or portfolio status reports;

4. Reports and proceeding, which include program annual and progress reports, and workshop and seminar proceedings;
5. Topical analyses, which include reports devoted to the study of a specific topic such as labor market dynamics, oil revenue or drivers of growth.

ESW preparation has gained momentum since 2008, when the latest knowledge management strategy was published and ESW became an institutional KPI at the Bank.

Based on raw data collected from the Bank 'Documents and Records Management System (DARMS)' and lists of ESW sent by different complexes, a database was created for this review. The database consisted of 247 products released by the Bank during 2005–2010 and labeled as ESW (see Annex 4). The breakdown of ESW by year shows that the volume of ESW reported has increased significantly in recent years (Table 1). The rapid growth in ESW after 2008 may partly be a result of identifying ESW as an institutional KPI rather than an actual increase in the preparation of studies. Another related effect is the fact that after 2008, many different types of documents are now reported as ESW. Example of documents reported by the Bank as ESW (which normally should not be considered ESW) included portfolio assessments, strategies, guidelines and policies for the Board or Bank staff, background papers for ADF-12, project supervision or preparation documents, brochures describing the lending portfolio in various countries, conference proceedings, annual reports, and chapters in publications such as Africa Economic Outlook.

Table 1. Breakdown of ESW by Category of Report

Report type	2005	2006	2007	2008	2009	2010	Grand Total	%
Diagnostic study	11	6	2	12	17	9	57	23
Policy & strategy guideline		3	4	8	9	19	43	17
Portfolio assessment						18	18	7
Report and proceedings	1	4	3	3	7	3	21	9
Topical analysis		2	6	15	32	53	108	44
Grand Total	12	15	15	38	65	102	247	100

Table 2. Effect of Definition on Bank ESW Universe

Definition	Diagnostic studies	Policy and strategy guidelines	Portfolio assessments	Progress report and proceedings	Topical analysis	Research papers	Capacity-building products	Number
AfDB (implicit)	✓	✓	✓	✓	✓			247
World Bank	✓				✓			165(-)
AsDB	✓				✓	✓		165(+)
IADB	✓			✓	✓	✓	✓	186(+)
OECD-DAC	✓				✓	✓		165(+)

(-) = Less than; (+) = More than

Analysis of the database using definitions of ESW from other MDBs showed that only two-thirds of ESW communicated by the Bank complexes can be considered ESW.

Although some variations exist in the definitions of ESW, most multilateral development banks exclude internally focused and corporate documents (except some policy documents and progress reports considered as such by the AsDB). The difference between research and ESW is murky, with only the World Bank making a clear separation.

Table 2 demonstrates how the definition influences the universe of ESW. Of the 247 Bank ESW products in Table 1, only 165 (Diagnostic studies + Topical analysis) have the minimum criteria to be widely considered ESW. The rest of the analysis in this chapter is based on this subgroup of work (165) that qualify as ESW.

More than a quarter (28%) of Bank ESW is standard ESW; the remainder is ad-hoc.

Standard ESW refers to routine programmatic

publications such as Country Gender Profiles, Country Governance Profiles, Country Economic Reviews,⁵ Country Economic Memoranda, Investment Climate Assessments, country fiduciary assessments (Country Financial Accountability Assessments and Public Expenditure and Financial Accountability Framework reports), and *African Economic Outlook* (see Annex 3). Ad-hoc ESW comprise all other ESW, including three private sector profiles prepared for Angola and Egypt and a series of reports on domestic resource mobilization conducted in 2010 for six countries in East and Southern Africa.

The Bank prepares ESW on a broad range of subjects and in varying depth. In a few cases, such as the recent work on infrastructure in Burundi, the Bank produced ESW providing in-depth analysis of sector issues. However, this is an exception rather than the rule. In most cases the Bank's ESW consists of small partial investigations that do not offer detailed analysis of sector issues and thus are not helpful in advocating for policy change or projecting the institutional voice in development debates. In some cases other donors had already prepared similar reports.

ESW reporting has increased substantially in recent years, with preparation in 2010 up 27% over 2009 and more than five times higher than 2005 Annex 4. Production in 2011 and 2012 is expected to be even higher. Only 11 ESW products were released in 2005, compared with 45

in 2009 and 62 in 2010. The small number during 2005-2007 may be due to deficient recording, as there were no reporting requirements for ESW at that time.

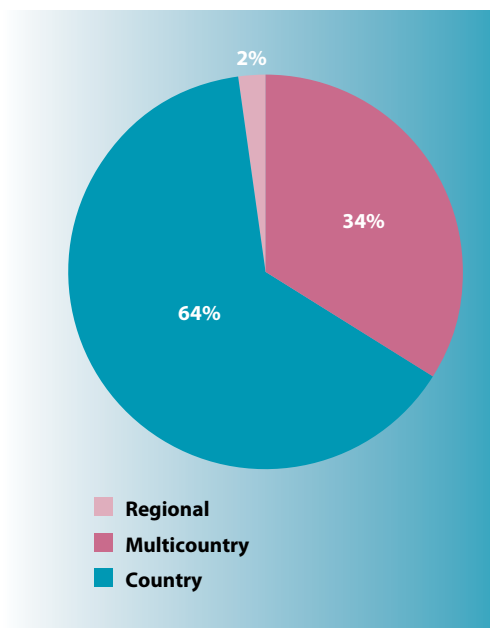
Some 30 units reported ESW products during the period, but most ESW is concentrated in just a few units. Only three departments prepared more than 10 ESW products, with Governance, Economic, and Financial Reforms (OSGE) accounting for about 17% of all ESW. The breakdown by complex shows that Country and Regional Programs and Policy produced the most (74, or 45% of the total), followed by Sector Operations (47, or 28%), Infrastructure, Private Sector and Regional Integration (26, or 16%), Chief Operating Officer (11, or 7%), and Chief Economist (7, or 4%). Annex 5.

The breakdown by regional department shows a wide variety in ESW preparation. The department with the lowest production was Country Regional Department North B (1), while the department with the highest production was Country Regional Department South A (11) Annex 5.

With respect to geographic scope, a third (36%) of the Bank's ESW during 2005-2010 was transnational in nature (Figure 1). About 64% covered individual countries, whereas only 2% addressed regional topics. Country-focused ESW is unequally distributed across countries, with more ESW for some countries (such as Uganda, with five) and less or none for others (such as Togo and Sierra Leone; Annex 5).

5 The Bank used to prepare a Country Economic Memorandum for each RMC but discontinued the practice in 1996 as the process was found to be cumbersome and reports were often outdated by the time of release. The Bank has also recently stopped preparing Country Governance Profiles and is putting more focus on Public Expenditure and Financial Accountability Framework reports.

Figure 1. Geographic Scope of ESW. 2005-2010

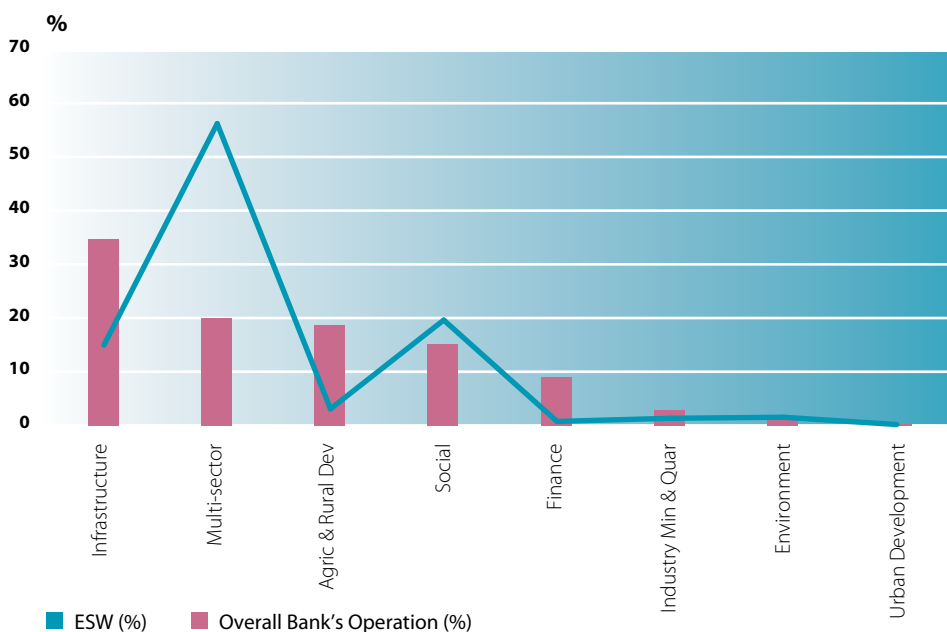


Responsiveness and Strategic Alignment

Multisector ESW (covering public sector management, private sector development, industrial import and export promotion) led the sectoral breakdown of ESW (95, or 58% of the total), followed by the social sector (33, or 20%; Annex 6). Most sectors began to see large increases in 2008.

The concentration of ESW is higher in sectors where the Bank has more operations but not always (Figure 2). This suggests that the ESW-Lending connection is by accident rather than by design. This is in line with the earlier assertion that ESW is not managed as a portfolio or driven by strategy. However, the concentration of ESW in the Bank's priority sectors has a positive implication for policy dialogue and for the quality of projects and sectoral interventions.

Figure 2. ESW Alignment with Bank Sectoral Operations, 2005-2010



While some sectors are well covered by ESW, the agriculture and rural development, and the finance sectors are exceptions.

Despite accounting for 18% of Bank operations during 2005-2010, only 3% of ESW was focused on the agricultural sector, compared with 58% for multisector, which accounts for only 20% of Bank operations. The predominance of multisector ESW is due mainly to the large number of country governance profiles. The low level of agriculture and rural development ESW suggests that such work is severely underfunded. The recent joint evaluation of the agricultural sector by the Bank and the International Fund for Agricultural Development reached the same conclusion and found that ESW in the sector is limited to work conducted by consultants when trust funds become available⁶.

Bank’s ESW were generally aligned with the pillars of the Medium Term Strategy (MTS) 2008-2012.

The Bank’s MTS 2008-2012 focuses on four operational areas: Infrastructure, Governance,

Private sector, and Higher education. As illustrated in Figure 2, the first three areas are well covered by ESW prepared by the Bank; 15% of ESW focus on infrastructure, while governance and private sectors account for 60% of all ESW (composed of multisector, finance, industry, mines and quarry). Conversely, only one ESW was carried out for the education sector.

The Bank approached and conducted ESW in a balanced manner across all categories of countries.

In the Bank cataloging, 40 out of 53 (75%) countries are classified ADF countries. Out of the 106 country-focused ESW, around 71% was conducted for ADF countries, 25% for Bank countries, and 4% for blend countries (see Table 3).

The share of fragile states among regional member countries in the Bank is 32%⁷ and the corresponding share of ESW for this category was 21% (see Table 4).

7 For Bank operations seventeen countries are considered fragile states: Burundi, Central African Republic, Comoros, Chad, Côte d’Ivoire, Democratic Republic of Congo, Djibouti, Republic of Congo, Guinea, Guinea-Bissau, Liberia, Sierra Leone, São Tomé and Príncipe, Somalia, Sudan, Togo, and Zimbabwe. Eritrea would be considered a fragile state but is a non-active Bank member.

Table 3. ESW for Fragile States

Category	2005	2006	2007	2008	2009	2010	Total	Percentage of total
Fragile State	0	0	1	5	7	9	22	21
Total country ESW	10	6	4	15	29	42	106	100

Table 4. Distribution of ESW by ADF/ADB Status

Status	2005	2006	2007	2008	2009	2010	Total	Percentage of total
ADB countries	3	1	3	3	8	9	27	25
ADB countries	7	5	1	12	20	30	75	71
Blend countries (both ADB/ADF)	0	0	0	0	1	3	4	4
Total	10	6	4	15	29	42	106	100



IV. Planning, Financing, and Managing ESW

Planning ESW

In recent years corporate programming of ESW and non-lending activities has improved through the three-year rolling program and budget, but it does not yet provide a consistent overview of what the Bank will do. From 2009 the three-year rolling program and budget reflected substantial movement toward better defining the purposes and audience of different types of documents, an essential step in managing ESW as a coherent portfolio across the Bank. The programming documents include ESW in non-lending activities, which comprise four areas: programming and pipeline development, ESW, portfolio management, and policy development. However, the program and budget documents are internally inconsistent⁸ and thus not a reliable predictor of the amount of ESW that the Bank will undertake.

The origination of ESW is essentially supply driven. ESW planning is driven by studies

⁸ For example, the 2009–2011 program and budget document indicates in the main body of the report a plan to stabilize ESW production in 2009 at 60, compared with 62 in 2008 (p. 18); however, in the annex the key performance indicator details show ESW production set to rise from a 2008 baseline of 62 to 112 in 2009, 113 in 2010, and 86 in 2011 (p. 59). The 2011–2013 program and budget document provides a detailed list of proposed ESW in Annex 7b, which lists 71 products for 2011; this contradicts the information in Annex 11, which identifies 44 ESW products for 2011.

identified in Country Strategy Papers, requested by member country governments, or on topics identified by Senior Management or the Board, and topics for which trust funds are available. In practice, planning is essentially supply driven, with little attention to country priority needs with a tendency to follow management or the Board's topics or themes (governance, gender, private sector, infrastructure, regional integration). This leads to a sudden rise of interest in ESW on the topic and then a decrease once trust funds are no longer available.

The Bank is becoming more realistic about its actual capacity to deliver ESW. The 2009–2011 program and budget was very ambitious on the amount of ESW the Bank could produce. Because the ESW target had been consistently missed in previous years, the projected amount of ESW was substantially reduced in the 2011–2013 program and budget (Table 5), reflecting greater realism with respect to the Bank's actual capacity to deliver ESW identified by annual planning exercises. The latest programming document calls for small annual increases in output, in the range of one to two per year, in contrast with the projected increase from 62 to 112 in the first year of the 2009–2011 planning cycle.

Table 5. KPI Targets for ESW, 2008–2013

Program and budget year	2008	2009	2010	2011	2012	2013
2009–2011	62 (baseline)	112 (target)	113 (target)	86 (target)		
2011–2013			42 (baseline)	44 (target)	46 (target)	47 (target)

The gap between targets and achievements was wide in 2008 and 2009 but decreased in 2010 (Figure 3). The gap between target and delivery is greatest in the case of OIVP (Figures 4 and 5). The shortfall is due mainly to staff and

budget constraints. Despite senior management's commitment to expand the Bank's role as a go-to source of knowledge for Africa, day-to-day business priorities still reinforce the emphasis on lending, with ESW taking a back seat.

Figure 3. ESW Targets and Achievements, 2008-2013

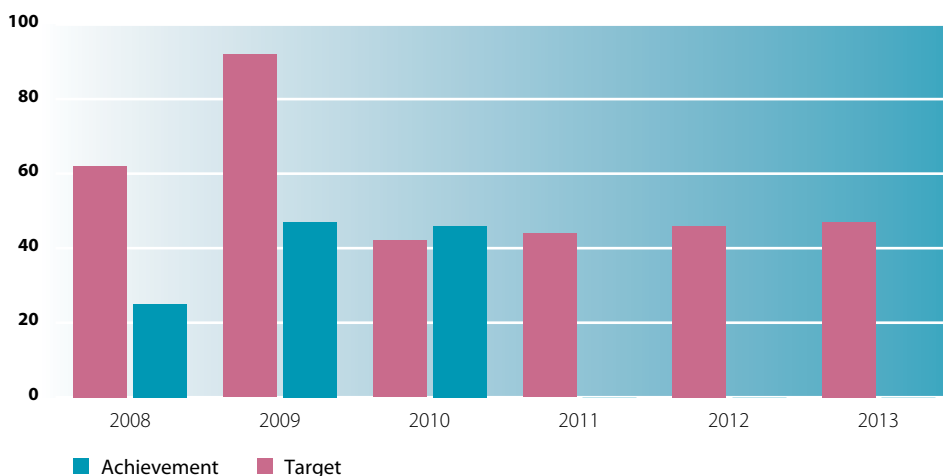


Figure 4. ESW Targets and Achievements by Operations Complex, 2008

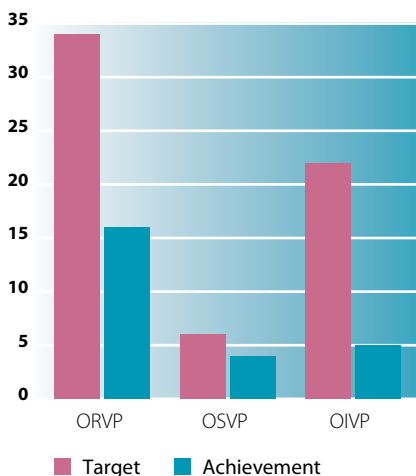
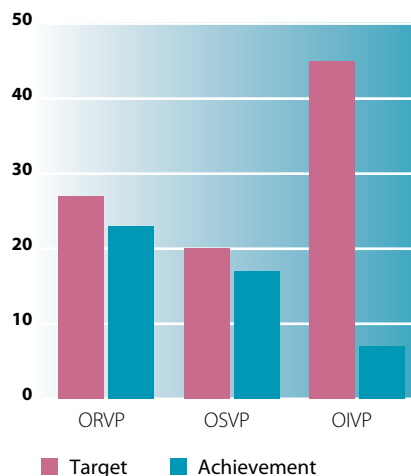


Figure 5. ESW Targets and Achievements by Operations Complex, 2009



Financing ESW

The programming documents list no separate administration budget for planned ESW.

Funding of planned ESW is sometimes budgeted for a basket of activities comprising ESW, project supervision, and Project Completion Reports. But, most planned ESW are funded through trust funds. Even ESW planned in Country Strategy Papers is subject to trust fund availability, often unpredictable and not necessarily grounded in Bank strategies. This leads to questions of the rationale of planning activities without securing the resources needed.

Trust fund expenditures on knowledge and ESW have increased in nominal terms since 2009.

But actual ESW total costs are not captured under the present system. One partial source of expenditure information is trust fund resources, which are recorded for annual reporting to donors. Only general expenditure information is available from the bilateral trust fund.⁹ According to data provided by the Partnerships and Cooperation Unit, UA 3.4 million (16%) of bilateral trust fund resources were utilized for knowledge generation studies and ESW in 2010 (figure 6), compared with UA 2.4 million (23%) in 2009. Comparable data for the thematic trusts funds were not available.

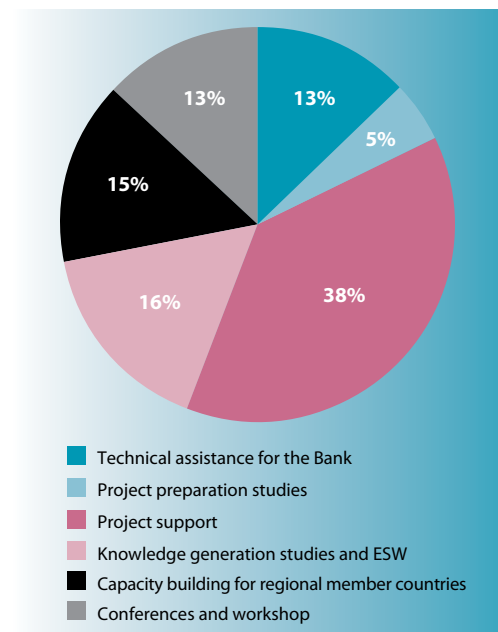
Over-reliance on trust funds is increasing inefficiencies and risks.

Staff report high transaction costs in soliciting resources from trust funds,

9 Trust funds managed by the Bank include bilateral trust funds, which are managed by the Partnerships and Cooperation Unit, and multi-donor thematic funds, which are managed by the Partnerships and Cooperation Unit or by the sector departments with oversight or facilitation support provided by the Partnerships and Cooperation Unit. In 2009 about 89 percent of trust fund resources mobilized by the Bank were thematic funds, and 11 percent were bilateral; in 2010 about 76 percent were thematic funds, and 24% were bilateral.

which have their own reporting requirements and specific criteria for proposals. And there is a tendency toward supply-driven requests, with proposals responding to availability of resources rather than to actual demand based on operational needs or client requests. This is restraining the strategic nature of the Bank's ESW. One staff member described having a recent application for ESW rejected on the grounds that it was a topic that was "no longer of interest to the bilateral donor," even though the Country Strategy Paper identified the topic as a priority concern for the Bank. The same type of issue is also observed in other multilateral development banks.¹⁰

Figure 6. Bilateral Trust Fund Approvals by Type of Activity, 2010



10 A recent World Bank Knowledge Report also raised concerns over the financing of ESW at the World Bank, which has been shifting from the World Bank budget to greater use of trust funds, with the implication that analytic work is becoming less grounded in Board-approved strategies and that some donors are using trust funds as a back door to promote their own agendas. (WB 2011. Knowledge Report 2011, Operations Policy and Country Services).



Consequently, many ESW products planned in Country Strategy Papers were not undertaken, while many unplanned ESW products are prepared. An inventory of all ESW planned in CSPs over the period 2005-2010 (using a broad definition of ESW noted above) showed that 179 ESW products were planned, but only 46 (25%) were completed, as were 81 unplanned ESW products (Annex 7). Central African Republic presents an extreme example: eight ESW products were planned, but none were done, and eventually three unplanned ESW products were undertaken.

Managing ESW

There is no mechanism in place for managing ESW as a portfolio. There is neither a comprehensive database with terms of reference and reports for ESW nor the capability to centrally determine whether an ESW product is on track except by probing individual units. In many cases unit heads do not know the amount of ESW produced in their unit and cannot locate individual reports. In some cases programmed ESW (ie. shown in the work program) is subsequently dropped, but no system formally records the decision or reason behind it (such as lack of financing, opposition from government, or lack of qualified consultants). Thus, it is difficult to assess the actual status of an ESW product even after it is part of the department's work program.

Harmonized procedures for quality control of ESW do not exist. Internal and external reviews are conducted for some ESW products, particularly those with a high profile, but only on an ad-hoc basis. The Operations Manual does not provide guidance. The section devoted to ESW was planned but never written, so there are still no formal guidelines or procedures for ESW. The creation of the Chief Economist Complex in 2006 and the publication of strategies for knowledge since 2008 could have reinforced the governance structure for ESW, but the two knowledge strategies published so far focus principally on the Chief Economist Complex and not enough on the role of country economists and sector staff where most ESW is conducted.¹¹ The Chief Economist Complex does not play any role in management or quality control of ESW. Interviews with Bank staff revealed that the Development Research Department was originally set up not to be a research department, as in the case of research at the World Bank, but to prepare ESW. In practice, however, the department is oriented more toward academic research. While country economists could have played a bigger role in ESW, they do not feel they have any institutional responsibility in this regard, and are sometimes not even aware

¹¹ In the 2008–2012 knowledge strategy document, the expression “ESW” is mentioned only three times, and only in passing.

of ESW produced for their country. In addition, they are usually overwhelmed with operations and portfolio responsibilities and lack sufficient time to give serious attention to analytical tasks such as ESW. As a result, ESW tends to remain an orphan activity.

Lack of coordination across Bank units and between field offices and headquarters in the same unit is a serious handicap to the effectiveness of Bank ESW. Some Bank units (ORVP in particular) make good efforts in programming and coordinating ESW within their complex, but ESW in many other units is done within institutional silos, with some units complaining about not being associated with ESW that falls under their area of activity but

undertaken by a different unit.¹² The Bank's rapid decentralization, which will bring about more decision centers, means that coordination will become even more important. Some ESW has been produced in field offices without being recorded at headquarters. One positive indication is that over time, collaborative ESW has increased, which may be a prelude to more coordinated ESW preparation in the future. In 2010 more than 22% of the Bank's ESW was produced with collaboration between two or more Bank units, a sharp increase from the less than 6% before 2009 (Table 6). Over 2005–2010, more than 45% of ESW was prepared collaboratively between two or more Bank units or in collaboration with an external organization.

12 Proposed ESW does not need to be reviewed by the country team if it is funded by trust funds, leading to cases in which the country team is unaware of ESW being done on the country.

Table 6. Collaboration in Producing ESW, 2005-2010

Type	2005	2006	2007	2008	2009	2010	Total
Within single unit	7	4	3	13	23	20	70
Jointly with another Bank entity	1		1	1	7	14	24
In collaboration with an external organization	2	4	3	6	15	21	51
Not specified	1		1	7	4	7	20
Total	11	8	8	27	49	62	165



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ESW is not assigned a unique cost code in the Bank's system. Thus, there is no practical way to track variables such as unit costs or preparation milestones, as is done at other MDBs. The Bank does not have a budget for individual ESW products; instead, each unit receives an allocation for consultants and mission costs from which managers prepare their annual unit work programs. Staff time is not recorded and there is no mechanism to charge internal cross-support between departments. There is no capability to centrally monitor aggregate or unit costs of ESW preparation, and it is impossible to accurately determine how much it is spent on ESW in any given year. The recent introduction of the Activity Time Recording System (ATRS), if enforced, will help address these issues.

The ORVP Exceptions report could serve as a useful model for a Bank-wide monitoring and

reporting of ESW. One operationally focused source of information is the series of monthly *Outliers and Exceptions* reports prepared by ORVP which includes ESW and flagship reports planned and delivered in ORVP. According to the report, a product is considered delivered when it is placed on the ORVP shared drive or added to the Documents and Records Management System. ORVP's ESW for 2010 exceeded the plan (Table 7). The overrun was due to the preparation of nine unplanned ADF-XII papers and six additional ESW products prepared by OREA and OREB. (The difference between "unplanned" and "additional" is not stated; and any ESW carried over from the previous year is not identified). Since the Outliers and Exceptions reports already provide Bank-wide totals for lending operations, including ESW from other VPUs could greatly enhance ESW oversight.

Table 7. ESW Delivery Monitoring in ORVP, 2009-2010

Year	Planned	Completed		
		In the DARMS	Not in the DARMS	Not delivered
2009	36	29	17	7
2010	17	29	Not given	7

Source: ORVP Analytics, *Outliers and Exceptions Reports*, Dec. 2009 and Dec. 2010.



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V. Dissemination and Use of the Bank's ESW

Dissemination of ESW

Dissemination of reports is ad hoc with no formal guidelines. Dissemination varies across Bank units, from posting studies on the web (internally or externally) to sending them to national or international organizations or a network of people for presentation in seminars. Unlike the World Bank, where ESW is considered delivered when the draft report has been formally transmitted to the government for comment, the Bank does not require ESW to be sent to the government and does not have a monitoring system to record if and when this occurs. Instead, completion is based on delivery to the Board¹³ or posting on the DARMS, though many ESW products are neither presented to the Board nor posted on the web. The criteria for deciding which ESW documents should be sent to the Board are not formally defined, but in practice ESW planned in CSPs are given priority. (Annex 5).

In general, the Bank's ESW portfolio has little visibility in RMCs, and the Bank's field offices in turn do not have a clear role in disseminating ESW. Globally, country officials have little exposure to the Bank's analytical work and automatically turn to the World Bank and the IMF when they need detailed analysis of economic or sector issues. Even documents jointly produced by the Bank and the World Bank are usually referred to as World Bank publications. The lack of guidelines on managing and disseminating ESW

offers no clearly articulated mandate or process to the field offices in promoting ESW. Consequently, different field offices act differently.

In budget support operations, the absence of Bank ESW is particularly conspicuous, since these are typically multi-donor initiatives with complex reform objectives and substantial analytic requirements.¹⁴ One staff member expressed embarrassment at having nothing "to put on the table" at meetings with the EU, World Bank, DfID etc which does not reinforce the image of a "knowledge bank." In practice, the Bank tends to rely heavily on World Bank and IMF analytic materials as a point of departure. While this has the advantage of drawing from a base of global experience, it risks failing to adapt it to African situations.

Use of ESW

As noted above, the use of ESW products at different levels is poor. As discussed below, there are three main causes: (i) use by the Bank of its own ESW is modest; (ii) use of the Bank's ESW as a global public good downloadable from anywhere is insignificant; and (iii) limited dissemination of ESW in RMCs restricts its use and influence.

The use of the Bank's ESW is undermined by the fact that the Bank puts less emphasis on its role in influencing decision making in RMCs. The Bank is widely perceived as a close

¹³ During the period under review, twenty-one ESW products were presented to the Board in French and twenty in English. During 2005-2008 few ESW were presented to the Board, but by 2010 on average one ESW was sent to the Board per month (Annex 5).

¹⁴ A recent evaluation found that analytical work and policy dialogue in policy-based operations are areas where the Bank has been the weakest.



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partner by governments, or as a “sister institution,” like the African Union or the Economic Commission for Africa. One positive aspect is that sometimes there is more government buy-in on initiatives endorsed by these organizations. Yet the Bank fails to capitalize on these advantages, even when ESW presents a sound case for policy change. This raises the question of the ESW relevance¹⁵ for the Bank

Use in Bank operations

The Bank’s ESW has helped shape lending and country strategies albeit modestly. ESW

¹⁵ One notable case was the study of unemployment among young graduates in Tunisia, conducted at the request of the then-government (prior to the “Arab Spring in 2010”). After the civil insurrection, the topic became a key focus of the transitional government who authorized its publication by the Chief Economist Complex.

can enhance the Bank’s operational effectiveness by guiding implementation of operations or upstream strategies. Its influence on the implementation of Bank operations could not be assessed, but use of ESW to steer Bank strategies can be gauged by analyzing citations in CSPs as a proxy. The ten most recent CSPs (all published in 2011) cited 210 reports, 75 of them (36%) from other international organizations, 68 of them (about 32%) from the country in question, and 67 of them (32%) from Bank documents (Table 8). Of the 67 Bank documents, 21 were ESW products, and the rest were policy or strategy papers, portfolio reviews, evaluation reports, or other CSPs. Of the 21 ESW products, seven were *African Economic Outlooks*. Thus, a typical CSP cites two ESW products, which is small given the average number of documents cited.



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Table 8. Citation of Documents in the 10 Most Recent CSPs, 2011

Country	Bank documents		Regional member country documents	Other international organization documents	Total	Bank ESW as % of total
	ESW	Non-ESW				
Comoros	0	4	1	5	10	0.0
Gabon	2	5	2	6	15	13.3
Mozambique	2	6	12	11	31	6.4
Djibouti	3	6	16	14	39	7.7
Togo	1	4	3	10	18	5.5
Tanzania	3	6	10	11	30	10.0
Ethiopia	5	1	11	5	22	22.7
Malawi	2	3	5	5	15	13.3
Seychelles	2	5	2	6	15	13.3
Mauritania	1	6	6	2	15	6.7
Total	21	46	68	75	210	10

Use at the country level

Continental and regional ESW is generally not used at the country level, and only few country-level ESW products are disseminated and used in countries (Annex 5). The country case studies in this review investigated the awareness and use of ESW and found that sporadic in-country launches are organized for some flagship reports, such as the *African Economic Outlook*. Half of ESW products are not posted on the web or disseminated in countries. Information from the field also reveals that studies requested by the government are more likely to find an audience among policymakers, while supply-driven studies tend to be underused.

Government officials are overloaded with knowledge products and reports from

different sources and do not always have time to read them. Some countries have the presence of many donors. In such high donor-driven environment such as in Mozambique, there are also numerous studies prepared. Several government officials in the case study countries expressed the view that there are too many studies that they cannot digest. Targeted and clear studies which focus on lessons learned with operational recommendations are preferred. The Bank has yet to develop its own niche for ESW. ESW is rarely linked to country requests and, once completed, is often shelved. Most ESW are only posted on the web, with the expectation that end-users will somehow find and use it. However, no country officials interviewed reported downloading and using ESW from the Bank website.

Lack of coordination within government agencies does not help use of ESW. National administrations tend to function in a hierarchical structure and few staff participate in decision making. Coordinated decision making is rare which undermines strategy and selectivity in identifying topics, establishing priorities, and discussing and using findings of ESW.

Use worldwide

Bank document downloads are low. Whether ESW posted on the web is downloaded and used is difficult to measure. However, information on

how often Bank documents are accessed can be used as a proxy to approximate the influence of Bank's ESW. The database of files accessed and download statistics available from RePEc and LogEc (<http://logec.repec.org>) show that consultation and downloads of Bank documents are not significant (Box 1). Although most Bank ESW is not included in the RePEc online database, Bank reports that are included, such as the 24 reports in the Policy Briefs series, showed 52 downloads and 100 abstract views during the first 10 months of 2011.

Box 1. Access and download statistics from RePEc

The average Bank policy brief was downloaded only 2.16 times and its abstract was viewed 4.58 times from January-October 2011. Even a major report such as the *Africa Competitiveness Report* has limited exposure, with 44 downloads and 63 abstract views combined during 2011 for the two books published in this series. *Africa Achieves* had 18 downloads and 33 abstract views during the first 10 months of 2011. As of October 2011, the Bank does not appear among the top 100 institutions publishing on topics related to Africa, according to RePEc rankings.

The access statistics show that comparable international institutions have a much larger base of end-users than the Bank. During the same period the World Bank Policy Research Working Paper series, which contains more than 5,900 articles, had almost 133,000 downloads (22.5 per article) and 387,000 abstract views (66 per article). The Working Paper series of the University of Cape Town Economics Department had more than 4,100 downloads and nearly 4,400 abstract views. The pattern is similar for other MDBs: the AsDB Institute's Working Paper series had more than 3,100 downloads and 5,300 abstract views, the Asian Development Bank's Working Papers on Regional Economic Integration (99 reports) had 2,400 downloads and 5,000 abstract views, and the Inter-American Development Bank's Research Department Working Paper series (around 1,000 reports) had 8,700 downloads and 36,000 abstract views. The reasons for this did not form part of this study.



VI. Conclusion and Recommendations

What gets measured gets done. This review shows that since 2008 ESW preparation has increased substantially. It reflects the Bank's desire to position itself as a "knowledge bank" and identifies ESW as an institutional key performance indicator. This creates incentives to define work as ESW. The increasing volume of ESW indicates that the Bank appreciates the important role of knowledge in the quality of lending.

Notwithstanding these facts, the ESW portfolio remains dispersed, indiscernible, and inconsistent. The effectiveness of the Bank's ESW is hampered by:

- (i) lack of definition of ESW;
- (ii) lack of strategic positioning;
- (iii) poor planning and programming;
- (iv) absence of mechanisms for managing ESW as a portfolio;
- (v) deficiencies in governance and oversight; and
- (vi) poor dissemination and ultimate use. These factors affect the quality of Bank ESW and thus its ability to move to a "knowledge bank".

The review concludes that the potential gains of ESW are not being achieved. An important lesson drawn from this study is that identifying an activity as an institutional KPI without a clear definition leads to mistaken measurements and poor management. The lack of a comprehensive policy and strategy for ESW is not conducive to tangible results in influencing RMC policies and strategies. As an unintended consequence,

it can lead to ad-hoc, unarticulated activities and processes.

This review offers six recommendations to improve ESW policy and process in the Bank:

- 1. The Bank needs to contextualize ESW, and provide a clear definition.** This entails at least two aspects: (i) deciding whether the Bank should continue using the term "ESW" and what it means for the Bank; and (ii) clearly position ESW within the Bank's knowledge ecosystem.
 - (i) The first aspect entails at least three options:
 1. *Take the term and its baggage.* The Bank could continue using "ESW" with the definition used by the World Bank, who originated the term. This has the advantage of harmonizing the meaning of ESW between the two institutions.
 2. *Take the term and leave the baggage.* Over time other MDBs have used different definitions for ESW, depending on its role and function. The World Bank definition does not necessarily align with the definition used by other MDBs or AfDB's ambitions for this product. In this scenario, the Bank could create its own definition of ESW to reflect the orientation it seeks to give to its ESW within the umbrella of knowledge products.

3. *Leave the term and its baggage.* The World Bank clearly intends countries to be the end-users of ESW and uses ESW to push for policy change. The World Bank has greater technical capacity and more willingness to challenge government policy positions. It is also more prone to question official statistics and analyses. ESW, as defined by the World Bank, is a good instrument to help fulfill its own objectives. The AfDB needs to clarify its overall objectives and ambitions for this instrument as it defines ESW. The AfDB would still need studies to inform its lending but would not necessarily need to call them ESW. A term such as “country analytic work” with the definition used by the OECD may be an option to consider. However, this does create issues for regional and cross-country products.

(ii) On the ESW positioning, much confusion exists among ESW, research, and internal reports (such as portfolio analysis), with unclear audiences for Bank ESW. The Bank should revisit its knowledge strategy to clarify the function, purpose, and audience of its analytical and knowledge products. Adapting from the “general framework for knowledge in organizations”, one option is to organize Bank knowledge products into three main groups:

1. *Knowledge for external clients* is work done for specific countries and at

the regional or continental level. This category includes ESW.

2. *Knowledge as a public good* is work that has no pre-specified client but that ultimately advances knowledge in specific area of development. This category includes products from the Chief Economist Complex (*African Development Report*, research publications to stimulate debate etc.)

3. *Knowledge for internal use* is analytical work intended to inform Bank staff on the latest approaches or findings and new instruments or products for clients. This category includes sector reports, policy papers, and portfolio investigations and tools developed primarily for Bank staff.

2. Adequate administrative budget should be set aside to finance strategic ESW, with CSPs defining the envelope to be allocated to ESW. Trust Funds should be used only for unplanned, additional or non-core ESW. The CSP should define the related core ESW that needs to be conducted and the policy dialogue grounds on tangible ESW. CSP teams should split the proposed ESW into two groups: i) strategic ESW funded by the administrative budget; and ii) ESW linked to trust fund availability. Another option to consider is to establish a dedicated trust-fund similar to the model of the Knowledge Management Trust Funds being proposed by the Chief Economist.

3. ESW should be more carefully aligned with Bank strategy, and demand-driven ESW should be a priority.

The Bank's ESW is largely supply-driven, even when governments are the end-users. The Bank overemphasizes country needs for ESW, and few government officials actually read such reports. Studies specifically requested by clients are more likely to find an audience among policymakers. A serious needs assessment should be done before planning for ESW, and these should be more carefully aligned with the Bank's LTS and country strategies. In addition, annual programming of ESW should take place at least at the complex level to ensure flexibility and capacity to respond to demand.

4. The Bank needs to clarify the role of the Field Offices and Regional Resource Centers with respect to ESW.

The Bank's rapid decentralization is bringing about more decision centers and Bank rules need to be responsive to these changes. The lack of guidelines on managing and disseminating ESW provides no clearly articulated mandate or expectation regarding the role of field offices in generating, managing and promoting ESW.

5. The Bank should create a business process and increase corporate oversight to support quality assurance, dissemination and management of ESW as a coherent portfolio across the Bank.

There is no clear responsibility for ESW between country and sector departments. Most sector departments produce ESW in

"silos" which risks loss of a regional or country perspective. The Bank should strengthen connectivity between departments in producing and disseminating ESW. Regional departments need to be the focal points for coordinating all ESW for their region. This should ensure that ESW is in line with country and regional strategies. For quality assurance, one option is to subject ESW to a review process similar to that used for lending operations and CSPs, including reviews by external experts. Another option is to have a good arrangement for support from the Chief Economist's Complex which would be responsible to ensure minimum quality. In any case, the Bank needs to task a Bank unit (such as the strategy department or ORVP) or establish a knowledge strategy group to oversee the Bank's ESW portfolio. Even well targeted and relevant ESW needs to be disseminated to be useful. Instead of posting ESW on the web and expecting end-users to find and make use of it, the Bank should explore and utilize different avenues for dissemination. This will require incentives and a systematic budgeting for dissemination of all ESW.

6. The Bank needs to be realistic with respect to its actual capacity to deliver ESW.

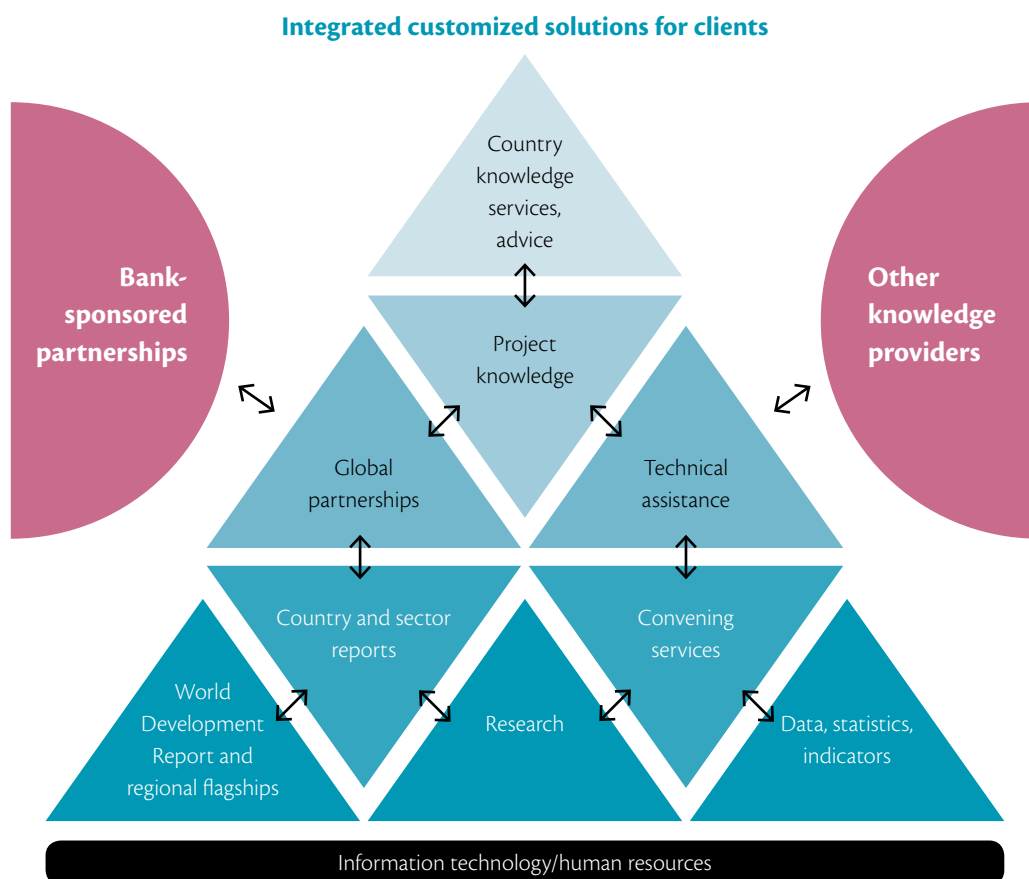
Key performance indicator targets for ESW are established without considering the Bank's actual capacity. The Bank ought to target a smaller number of high-return ESW. These should be for selected topics, partners, and pursue institutional arrangements on division of labor with other agencies and organizations.

Annex 1. The “Ecosystem” of Development Knowledge

The World Bank’s *Knowledge for Development 2011: The State of World Bank Knowledge Services* introduces the metaphor of an “ecosystem” of interlinked activities that produce, customize, and share knowledge of many types for the benefit of development partners (Figure 7). The triangle at the center of this ecosystem includes familiar knowledge activities such as ESW, development research, datasets, flagship studies, and technical assistance, plus implicit knowledge derived from

lending operations, which all interact to produce knowledge-based solutions for developing countries. At the tip of this triangle is highly customized policy advice to country clients, which depends on the quality of underlying knowledge activities to provide examples of international best practice in a rapidly changing world. The entire structure rests on a foundation of experienced staff who maintains strong links with diverse development partners, using modern information technology tools.

Figure 7. The Knowledge Ecosystem



Source: Adapted from Chioda, De la Torre, and Maloney (2011) World Bank. (2011) p. 15.

At the borders of this ecosystem an increasing role is being played by various forms of collaborative knowledge, through formalized partnership arrangements (Cities Alliance, Consultative Group to Assist the Poor, Public-Private Infrastructure Advisory Facility, Water and Sanitation Program, Program on Forests, and many others), as well as through informal interaction with other donor agencies, academic institutions, think tanks, nongovernmental organizations, and private sector consultancy services. One result: country clients now have many more sources of development knowledge from which to draw.

This model is based on the observation that over time loan finance is becoming less important to developing countries compared with knowledge of how to solve specific policy problems, while the demand for knowledge services is in a state of rapid growth and changing institutional arrangements. With minor adjustments this model is also applicable to other multilateral development banks, which will also find themselves needing to rethink business models that have prioritized lending over knowledge functions such as ESW.

Annex 2. Definition of ESW by Other Multilateral Development Banks

At the **Asian Development Bank**, an interdepartmental working group defined ESW in 1999 as follows: “ESW is a deliberate stand-alone effort which deals with broad and specific economic and sector issues. Economic work will cover mainly macroeconomic issues, country strategy studies, or special studies that cut across sectors. Sector work will cover issues which are technical, financial, economic, institutional, social or managerial in nature.” Since then, the Asian Development Bank has moved from the term “ESW” to “economic, thematic, and sector work,” loosely defined as “deliberate analytical work.”

The **Inter-American Development Bank** occasionally but not consistently uses the term “ESW” (usually to refer to World Bank documents or joint ESW). Prior to 2010, the Inter-American Development Bank tended to describe studies and analytic tasks as “nonfinancial products,” although ESW was sometimes used as a form of generic reference to such products. In practice there was no consistent definition for studies of this type. Beginning in 2010, the Inter-American Development Bank adopted a new knowledge policy that identifies a new business line of knowledge and capacity-building products, which will likely replace previous references to ESW or nonfinancial products.

In 2002 the **World Bank’s** Operations Policy and Country Services Department issued new instructions defining ESW as an activity that “(a) involves analytic effort; (b) is undertaken with the intent of influencing an external client’s policies and/or programs; and (c) represents the views of the Bank.” The World Bank definition further differentiated ESW and research. Deaton et al. p.24 described the difference in this way: “Research is designed to produce results with wide applicability across countries or sectors, while economic and sector work take the product of research and apply it to particular project or country settings.” (Deaton Angus, Abhijit Banerjee, Nora Lustig, and Ken Rogoff, (2006). An Evaluation of World Bank Research: 1998-2005).

At the **African Development Bank** the term “ESW” has been used since the 1990s, but the concept remains elusive. No recorded definition of ESW was found. The 1999 Operations Manual, which remains in effect, contains a placeholder for a section describing Bank procedures and policies for ESW that was never prepared. Different complexes categorize various studies as ESW depending on their functional purpose. This business model, however, is being reviewed by the Operational Resources and Policies Department, which is responsible for the Bank’s Operations Manual.

Annex 3. Sample Types of ESW Produced

Type and country	Year	Unit
Country Gender Profiles		
Lesotho	2005	OSAN
Malawi	2005	OSAN
Tanzania	2005	OSAN
Uganda	2005	OSAN
Namibia	2006	OSHD
Zambia	2006	OSAN
Angola	2008	ORSB
Ghana	2008	ORWA
Kenya	2008	OSHD
Eritrea	2009	OSHD
South Africa	2009	OSHD
Comoros	2010	OSUS
Swaziland	2010	OSUS
Country Governance Profiles		
Gabon	2005	ORCE
Madagascar	2005	ORSB
Swaziland	2005	ORSA
Mauritania	2005	OSGE
Benin	2005	ORWA
Lesotho	2006	ORSA
Mozambique	2006	ORSB
Burkina Faso	2006	ORWA
Senegal	2006	ORWB
Egypt	2007	ORNA
Gambia	2008	OSGE
Rwanda	2008	OSGE
Swaziland	2008	ORSA
Nigeria	2009	OSGE
Congo	2009	OSGE
Botswana	2009	ORSA

Type and country	Year	Unit
Ethiopia	2009	OSGE
São Tomé and Príncipe	2010	OSGE
Country Economic Reports and Country Economic Memoranda		
Botswana	2008	ORSA
Lesotho	2008	ORSA
Swaziland	2008	ORSA
Malawi	2010	ORSBa
<i>Investment Climate Assessments</i>		
Mauritius	2009	EDRE
Nigeria	2010	EDRE
Country Financial Accountability Assessments		
Gambia	2008	OSGE
Public Expenditure and Financial Accountability Reports		
Liberia	2009	OSGE
Madagascar	2009	ORSB
Guinea-Bissau	2010	ORWB
Lesotho	2010	OSGE
Domestic Resource Mobilization for Poverty Reduction		
Burundi	2010	OREA
Kenya	2010	OREA
Rwanda	2010	OREA
Tanzania	2010	OREA
Uganda	2010	OREA
South Africa	2010	ORSA
Country Private Sector Profiles		
Egypt	2005	ORNA
Angola	2008	ORSB
Egypt	2009	ORNA

Annex 4. ESW Products by Complex and Department, 2005-2010

Complex and department	2005	2006	2007	2008	2009	2010	Total
COO					8	3	11
COBS							
COEO							
COPM							
OPSC							
ORQR ^a					8	3	11
ECON					1	6	7
EADI							
EDRE					1	5	6
ESTA						1	1
OIVP	1	2	4	5	4	10	26
OITC			1	2		5	8
ONEC							
ONRI			1	2	3	3	9
OPSM							
OWAS	1	2	2	1	1	2	9
ORVP	5	4	4	8	24	29	74
ORCE	1		1	1	6	1	10
OREA					4	5	9
OREB					1	5	6
ORMU						3	3
ORNA	1		1		3	3	8
ORNB					1		1
ORPC					3		3
ORPF							
ORRU							
ORSA	1	1	2	4	1	2	11
ORSB	1	1		2	2	3	9
ORWA	1	1		1	3	3	9
ORWB		1				4	5
OSVP	5	2		14	12	14	47
OSAN	4	1		2	1	1	9
OSFU							
OSGE	1			10	7	10	28
OSHD		1		2	4	3	10
Total	11	8	8	27	49	62	165

a. Includes the Gender, Climate Change and Sustainable Development Unit (OSUS), which was previously part of OSVP.

Annex 5. ESW Products by Country, 2005-2010

Country	2005	2006	2007	2008	2009	2010	Total
Multinational	1	2	4	12	20	20	59
Lesotho	1	1		1		2	5
Malawi	1				2	2	5
Swaziland	1		1	2		1	5
Uganda	1				3	1	5
Egypt	1		1		1	1	4
Ethiopia					1	3	4
Gabon	1				1	2	4
Gambia				2		2	4
Madagascar	1				1	2	4
Nigeria					1	3	4
Rwanda				2		2	4
Angola				2		1	3
Botswana			1	1	1		3
Burundi					1	2	3
Congo			1		2		3
Ghana				1	2		3
Tunisia					1	2	3
Benin	1					1	2
Burkina Faso		1			1		2
Cameroon					2		2
Central Africa Republic				1	1		2
Comoros						2	2
Congo, Dem. Rep.					1	1	2
Kenya				1		1	2
Liberia				1	1		2
Libya					1	1	2
Mauritius					1	1	2
Mozambique		1				1	2
Senegal		1				1	2
South Africa					1	1	2
Tanzania	1					1	2
Zambia		1				1	2
Côte d'Ivoire				1			1
Djibouti					1		1
Eritrea					1		1
Guinea-Bissau						1	1
Mali						1	1
Mauritania	1						1
Namibia		1					1
São Tomé and Príncipe						1	1
Seychelles					1		1
Sudan						1	1
Total	11	8	8	27	49	62	165

Note: There were four steps in building the database of all ESW conducted at the Bank. First, the Bank's intranet system was explored, and a folder in the Bank Documents and Records Management System that includes a list of ESW products was identified. Second, a memo was sent to complexes requesting the list of all analytical work and knowledge products over 2005–2010 that the complex considers ESW. Some 23 units in five complexes responded. In a few cases where it could not be verified that the listed ESW had actually been completed, these were dropped from the database. In 11 cases no copy of the report could be located, but unit staff confirmed that the ESW had been completed. Those cases were not dropped. Third, a final database comprising 247 ESW products was built. This number might not be exhaustive because some departments did not provide a list of ESW. Fourth, the database was filtered using the definition for ESW outlined in chapter 3, leaving 165 ESW products.

ESW Presented to the Board, by Year and Language

Language	2005	2006	2007	2008	2009	2010	Total
English	1	0	1*	3	3	12	20
French	1	0	0	3	3	14**	21

* Only in English

** of which 2 only in French; Source: DARMS data

Annex 6. ESW by Sector, 2005-2010

Sector	2005	2006	2007	2008	2009	2010	Total	Share of total [%]
Agriculture and Rural Development ^a			1	3	1	2	7	3
Environment ^b				3	3	1	7	3
Infrastructure ^c	2	9	8	10	9	34	72	30
Industry, Mining, and Quarrying ^d					2	1	3	1
Social Sector ^e	4	2	1	6	15	8	36	15
Multisector ^f	6	4	5	16	35	56	122	49
Finance ^g								0
Urban Development ^h								0
Total	12	15	15	38	65	102	247	100

a. Includes food, irrigation and drainage, cash crops, agroindustry, livestock, fisheries, and forestry.

b. Includes standalone operations that address environmental conservation and management issues such as reforestation to curb soil erosion, clean-up of bodies of water, treatment and disposal of waste material, and the like.

c. Includes transport, water supply and sanitation, power, and communication.

d. Includes operations in manufacturing, tourism, mining, and quarrying and small and medium-size industrial enterprises.

e. Includes education, health, standalone poverty alleviation, gender, population, nutrition, and the like.

f. Includes public sector management (including structural adjustment loans), private sector development, industrial import, export promotion, and the like.

g. Includes development banking, commercial banking, and nonbank financial operations.

h. Includes projects related to strategic urban planning activities.

Annex 7. ESW Planned in CSPs, 2005-2010

Country	ESW planned, 2005–2010	Planned and effectively produced ESW	Unplanned, but produced ESW	Total ESW produced, 2005–2010
Algeria	0	0	1	1
Angola	5	1	3	4
Benin	5	1	1	2
Botswana	4	2	1	3
Burkina Faso	2	1	2	3
Burundi	6	2	3	5
Cameroon	2	0	2	2
Cape Verde	4	0	0	0
Central African Republic	8	0	3	3
Chad	5	0	0	0
Comoros	3	1	1	2
Congo	5	1	3	4
Congo	4	1	1	2
Côte d'Ivoire	1	1	0	1
Djibouti	0	0	1	1
Egypt	3	3	2	5
Equatorial Guinea	1	0	0	0
Eritrea	2	0	1	1
Ethiopia	1	0	6	6
Gabon	4	1	3	4
Gambia	6	2	2	4
Ghana	4	1	3	4
Guinea-Bissau	1	1	0	1
Kenya	5	2	1	3
Lesotho	8	3	2	5
Liberia	4	1	1	2
Libya	3	0	2	2
Madagascar	2	1	3	4
Malawi	3	2	4	6
Mali	5	1	0	1
Mauritania	3	1	0	1
Mauritius	3	2	1	3
Morocco	0	0	1	1
Mozambique	2	1	1	2
Namibia	8	0	1	1
Niger	2	0	0	0
Nigeria	4	2	4	6
Rwanda	4	2	2	4
São Tomé and Príncipe	5	1	0	1
Senegal	3	0	2	2
Seychelles	5	1	0	1
Sierra Leone	7	0	0	0
South Africa	3	1	1	2
Sudan	0	0	2	2
Swaziland	5	2	3	5
Tanzania	2	1	2	3
Togo	1	0	0	0
Tunisia	3	2	1	3
Uganda	6	1	5	6
Zambia	7	0	2	2
Zimbabwe	0	0	1	1
Total	179	46	81	127

Annex 8. Dissemination and Influence of ESW in Case Study Countries

Country and product	Posted on the web	In-country dissemination	Influencing debate	Influencing policy
Burundi				
An Infrastructure Action Plan for Burundi: Accelerating Regional Integration (2009)	✓	✓	✓	✓
A Shock Analysis of Burundi's Economy: The Financial Crisis and Other Shocks (2009)	✓			
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REVIEW OF THE AFRICAN DEVELOPMENT BANK'S ECONOMIC AND SECTOR WORK (2005–2010)

About the AfDB: The overarching objective of the African Development Bank Group is to foster 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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