

African Development Bank Project II
698-0434

Project Paper Supplement

The purpose of this Project Paper Supplement is to revise the Logical Framework in response to the RIG/Dakar Audit recommendation to improve monitoring of progress indicators, particularly at the project purpose level. It is also intended to strengthen REDSO/WCA's management of the project.

On the basis of the experience gained since the 1985 authorization of the project, the Logical Framework has been reviewed and reformulated. The format of the logframe has been simplified, making it more realistic and easier to verify. The project management unit located within REDSO/WCA will develop the information necessary to determine whether the project purpose and the end-of-project status are being achieved. Specifically, REDSO/WCA will track on an annual basis: 1) the rate of Bank disbursements and degree of attainment of planned disbursement targets; 2) the number of externally-funded technical assistants (both within and outside of this project) as compared with overall AfDB personnel levels; and 3) strengthened AfDB management capacity as measured by the substantive improvements in internal staff capabilities and reduced dependency on outside support.

No additional personnel will need to be hired by REDSO/WCA and the work requirements for this task can be incorporated into the functions of the present Project Assistant. Project outputs have also been greatly simplified and these will also be monitored by the REDSO/WCA Project Assistant and reported upon annually. The output statement now reads: "Management improvement, technical staff development, and acceleration of loan appraisal and supervision processes within the African Development Bank". Magnitude of these outputs is as follows: 1) 80% of Bank executive staff to receive management training; 2) 80% of Bank technical staff to receive project management (identification, implementation, evaluation), financial management and/or computer training; and 3) the use of financial/engineering/technical analyses on 80% of approved projects.

In addition, following REDSO/WCA management decisions made during the course of the past year, and with the concurrence of the AfDB, certain activities are now being dropped from the project. This includes the further U.S. financing of member country training as well as the hiring of any additional long-term technical assistants once current contracts have been fulfilled. The budget and level of AID and AfDB support for the project remain unchanged.

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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<u>Goal:</u> to promote economic & social development of AfDB member states in particular those that are least developed.	1. Value and number of loans rise to meet targets of AfDB 5-year devel. plan. 2. At least 5.67 billions of total Group lending allotted to Group (A) countries comprising Group (A1) with per capita income under \$350 & Group (A2) with per capita under \$510.	1. AfDB Annual Report. 2. Other appropriate reports as published.	1. Economic condition per member states, particularly least developed, to be eligible for AfDB loans & capable of timely disbursements. 2. Capital contributions members provided as planned. 3. Institutional capabilities in place to permit achievement of annual program targets.
<u>Purpose:</u> To strengthen the capability of the AfDB to develop and manage more efficiently projects and loans in an enlarging portfolio.	<u>End of Project Status:</u> 1. At least 60% of AfDB projects will be accomplished within the originally planned time frame. 2. Requirements for externally funded TAs will be reduced to 15 consultants by 1991.	1. Project evaluations. 2. AfDB reports. 3. Project monitoring (management information) system.	1. Continued receptivity of AfDB Management to strengthen staff capability. 2. Administrative budget sufficient & qualified staff available to meet bank targets.
<u>Outputs:</u> 1. Management improvement. 2. Technical staff development. 3. Acceleration of loan appraisal and supervision process within the AfDB.	<u>Magnitude of Outputs:</u> 1. Training Plan established which sets out objectives, annual targets and evaluation criteria. 2. 381 of Bank professional staff to receive project management training (ident., impl., evaluation). 3. 83 of Bank sub professional staff to receive training in administration, financial, and/or computer.	1. Project evaluations. 2. Contractor reports. 3. REDSO/AfDB records. 4. Training evaluation reports. 5. Project monitoring system reports. 6. Project Implementation reports.	1. Required AfDB inputs to be provided in a timely manner. 2. Appropriate AfDB personnel be identified and receive appropriate training. 3. Timely arrivals of TAs, equipment and other inputs.

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<u>Inputs:</u> Activities and Types of Resources	<u>Level of effort:</u>		
1. U.S.:	\$15 million	1. AfDB Annual Report	1. Suitable personnel with acceptable language capability.
Technical Assistance	6,365,458	2. Semi-annual Project Implementation Reports	2. AfDB provides adequate and timely support
Commodities	705,000	3. REDSO/WAAC records	
Training	2,545,000		
Studies	5,169,542		
Evaluation/Audit	<u>215,000</u>		
Total	\$ 15,000,000		
2. AfDB:			
Administrative and physical support			
Office space			
Recurrent costs			
Total	<u>\$ 3,300,000</u>		
Grand Total	\$ 18,300,000		

ACTION MEMORANDUM FOR THE DIRECTOR, REDSO/WCA

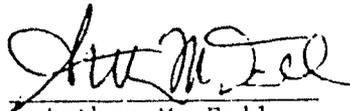
Date: January 18, 1989
From: Wayne J. King, Assistant Director, PDO
Subject: African Development Bank II Project (698-0434) PP Supplement

PROBLEM: Pursuant to Sections 4A(2) of the Delegation of Authority 551, as amended, your approval is required to authorize a PP Supplement for the subject project.

DISCUSSION: The African Development Bank II Project was designed as a six-year, \$15 million activity to strengthen the institutional and professional capacity of the African Development Bank (AfDB) to develop and manage projects and loans in an enlarging portfolio. An evaluation and a RIG/Dakar audit of the project in the past year, affirmed the basic soundness and utility of the project. However, the audit also concluded that REDSO/WCA did not have an adequate management system to measure project effectiveness. Consequently, it was not possible to determine to what extent the project had achieved the desired results. While the audit and the evaluation did affirm that strengthening undoubtedly occurred, neither AfDB nor REDSO/WCA officials were gathering the necessary data to show how much the institution had been strengthened in conformance with the objectives set forth in the Project Paper. This, in turn, is a result of the inadequacies inherent in the logical framework presented in the Project Paper. The audit recommended that REDSO develop an adequate monitoring system. The attached PP Supplement describes a revised logical framework which is implementable under the realities of the current relationships existing between REDSO/WCA and the AfDB. It essentially provides for a REDSO/WCA monitoring system utilizing information readily available from the AfDB without engaging in major expenditure of time and resources on the part of an already fully engaged project staff.

This PP Supplement does not request any change in funding, life-of-project, waivers, conditions precedent or covenants. Thus no amended authorization is necessary. The budget and implementation schedule have been reviewed and also remain valid. The PP Supplement has been reviewed by the REDSO/WCA Project Committee which recommends approval.

RECOMMENDATION: It is recommended that you approve the attached PP Supplement for the African Development Bank II Project by affixing your signature and date on the appropriate lines below.

APPROVE: 
Arthur M. Fell
Director, REDSO/WCA

DO NOT APPROVE: _____
DATE: 2/6/89

Attachments: a/s

Clearances: PDO:FRigoulot RF Date 1/23/89
RLA:AVance AV Date 1/18/89
PRM:PMulligan PM Date 1/20/89
WAAC:DArnold DA Date 1/20/89
P&E:CMoseley CM Date 1/21/89
ODD:HHandler HH Date 2/3/89

Drafted:CPippitt:1670G:1/18/89 CP