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Engaging for Impact: Enhancing Country Partnerships

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Presentation outline

- Country Partnership Strategy (CPS) and its importance
- Factors affecting country engagement
- Enhancing country engagement approach to meet the multifaceted development challenges



Background data & information

- The presentation is based on the **2024 Annual Evaluation Review** of the Asian Development Bank (ADB)
- Draws on **completed country evaluations** undertaken by ADB's Independent Evaluation Department (IED)
- Synthesizes **findings and lessons** from the country assistance program evaluations and validations of CPS final review
- Given the dynamic nature of country engagement, IED also conducted **interviews** with:
 - ADB's country directors, country planning teams, staff engaged in country diagnostic studies,
 - key counterparts in developing member countries (DMCs), and
 - staff of other multilateral development banks (MDBs)

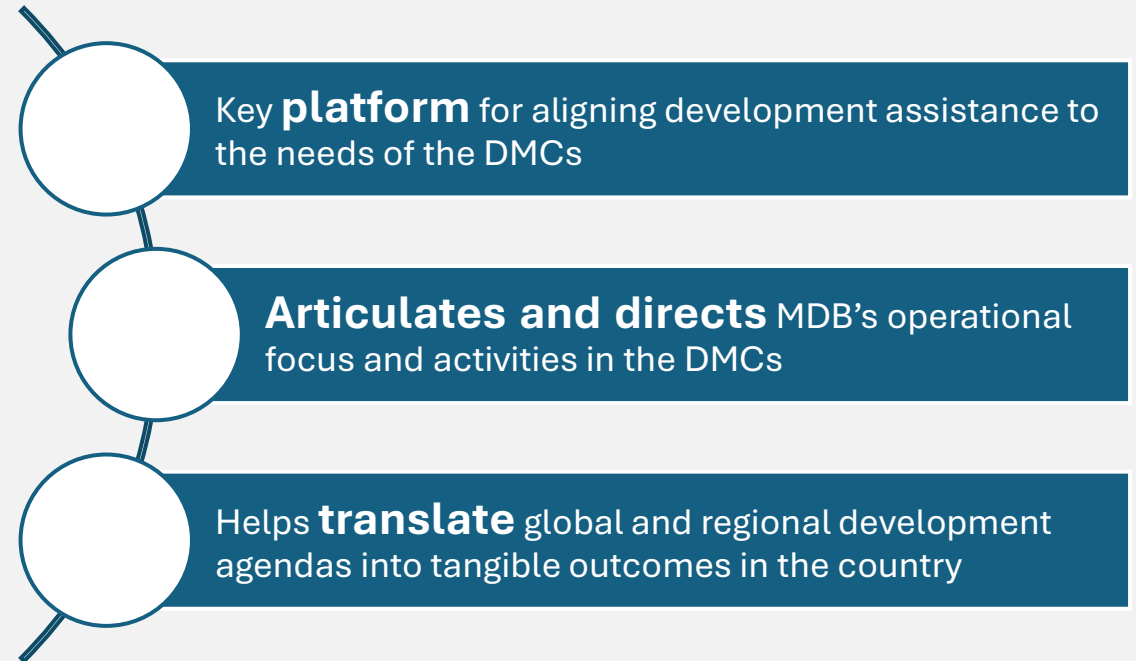
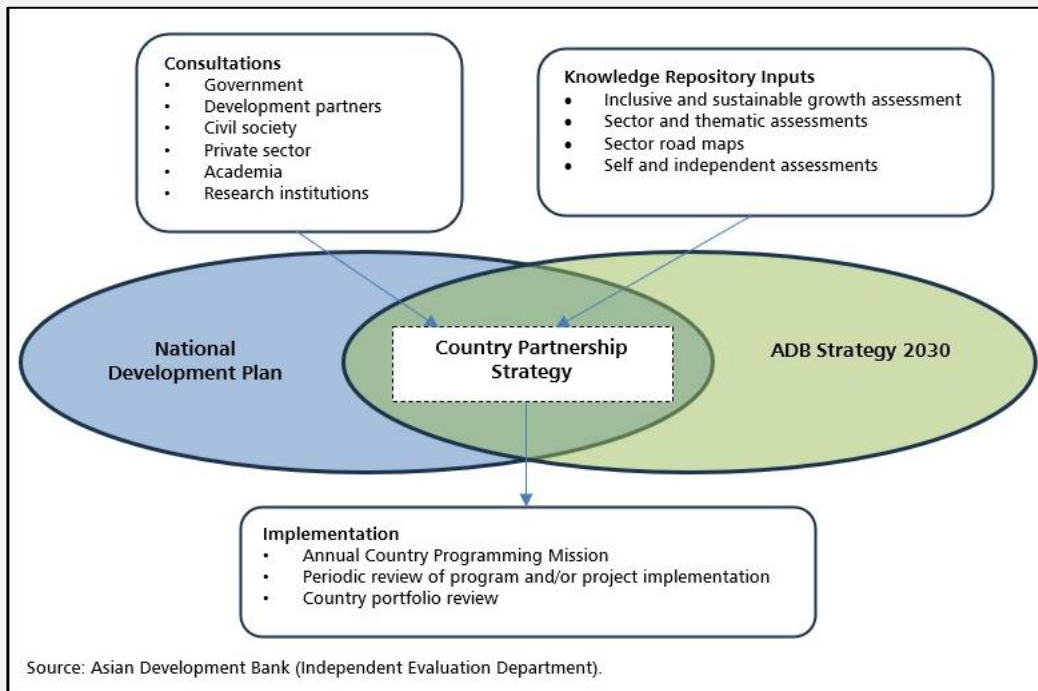
2024 ANNUAL EVALUATION REVIEW


Drivers of ADB's
Country Engagement
Approach and Quality



Country **Partnership** Strategy is the primary platform for country engagement between a DMC and MDB

Figure: Illustration of ADB's CPS





International good practices on country engagement

- **Effective consultation** with stakeholders is crucial for identifying development priorities and promoting coordination among development partners
- Country strategies must be guided by a **robust country diagnostic** to identify the most pressing challenges and where an MDB can add value
- Processes for monitoring, **learning**, and **midcourse corrections** in strategy implementation enhance effectiveness, with evaluations offering valuable insights for subsequent strategy development

Factors that determine the success of country engagement



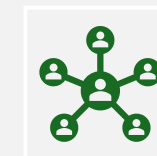
External Factors



Reforms



Capacity, skills & networks



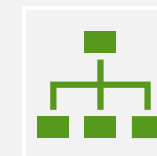
Being proactive & responsive



Value add



Differentiated approach

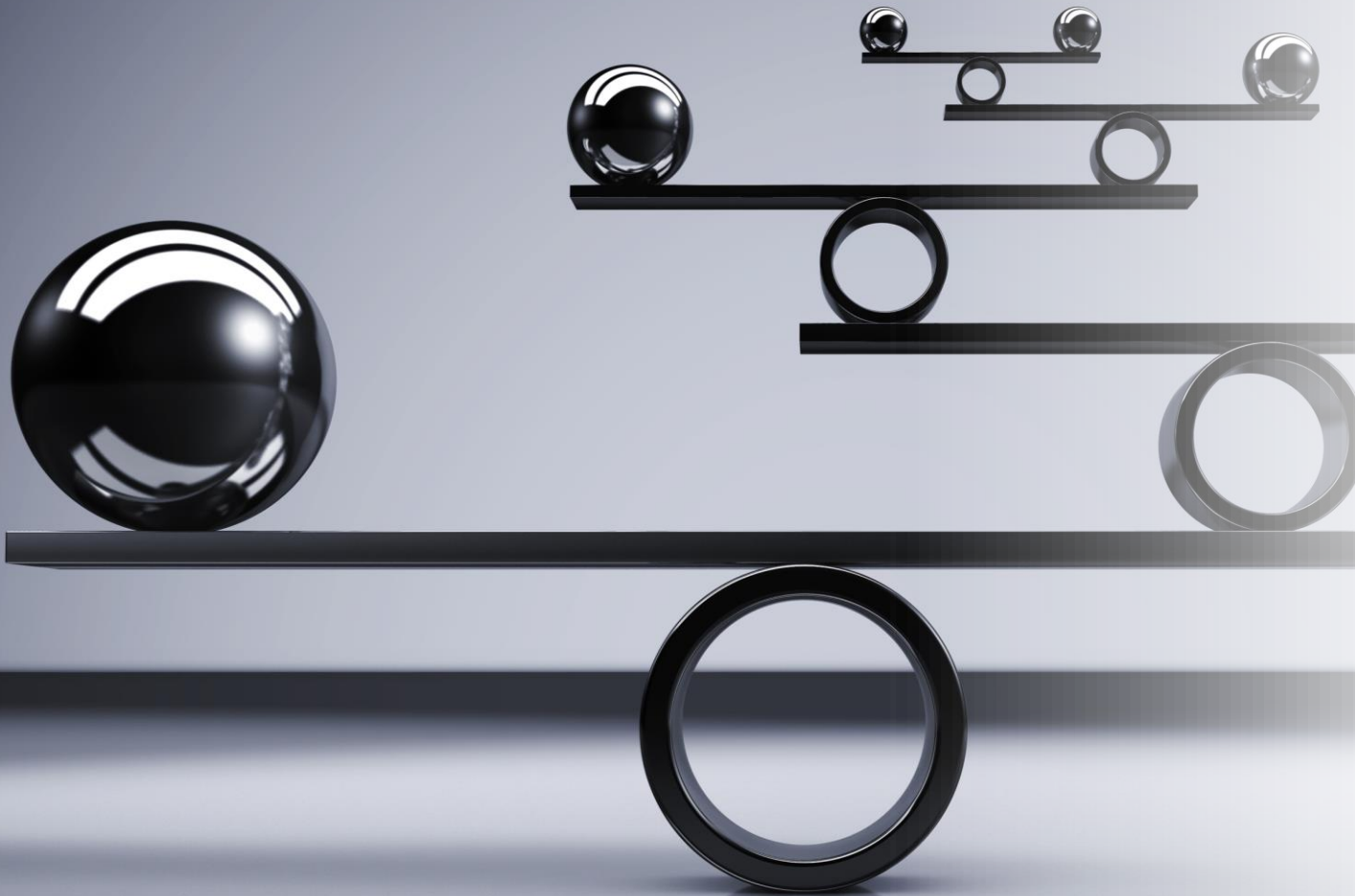


Innovation & knowledge work



Quality results indicators

Improve the customization of the CPS to individual DMCs' contexts and needs



- ✓ While CPS aims to be highly selective and prioritize operations, many are often **too generic**
- ✓ Process of creating a CPS tends to accumulate **additional agendas** as it progresses
- ✓ Balancing **selectivity** with **flexibility** is challenging
- ✓ Customization requires **ongoing adjustments** to changing conditions, but monitoring and adjusting CPS is often weak
- ✓ Value of country partnership strategy is in being **alive, proactive, and purposeful**

Strengthen country risk analysis in the design and implementation of the country strategy


- ✓ Given the multifaceted challenges DMCs encounter, consistent **country risk analyses** are essential for CPS development and execution
- ✓ **Risk assessments** should go beyond fragile and conflict-affected situations and small island developing states to include all DMCs
- ✓ Such an approach will help identify potential **disruptions to operations** and incorporate resilience-focused strategies into country programming
- ✓ Scope for increased collaboration in **jointly developing country risk profiles**





Integrate private sector development in CPS objectives

- ✓ PSD's effectiveness is limited by **constrained prospects**, a demanding business environment, and fragmented efforts lacking strong policy support
- ✓ Addressing these challenges requires **linking sovereign and nonsovereign lending** through upstream program development to support reforms and projects, including public-private partnerships
- ✓ CPS should clearly outline **PSD goals** and demonstrate how country engagement will help deliver them



Leverage regional cooperation expertise to maintain climate priorities on agenda

- ✓ MDBs have been called on to focus more on providing **global and regional public goods**, including tackling climate change, preserving nature and biodiversity, and reducing risks
- ✓ **Regional cooperation** can play an important role in advancing global and regional public goods
- ✓ Need to step up engagement on **non-physical sectors** and **strengthening of institutional capacity**
- ✓ MDBs could expand their regional cooperation initiatives by focusing on **policy reforms** that aim at enhancing global and regional public goods

Conclusion & key takeaways

- Country **Partnership** Strategy is the **primary platform for engagement** between a development member country and a multilateral development bank
- **Enhancing country engagement approach entails:**
 - ✓ Improving the **customization** of the CPS to individual DMCs' contexts and needs
 - ✓ Strengthening **country risk analysis** in the design and implementation of the country strategy
 - ✓ Integrating **private sector development** in CPS objectives
 - ✓ Leveraging **regional cooperation** to maintain climate priorities on the agenda and catalyze collective action