



## 1. Project Data

<b>Project ID</b> P104806	<b>Project Name</b> 4M Mekong Int. Water Resources MGMT	
<b>Country</b> Lao People's Democratic Republic	<b>Practice Area(Lead)</b> Water	
<b>L/C/TF Number(s)</b> IDA-61180,IDA-H6750,IDA-H7620,TF-93258,TF-94553,TF-98965	<b>Closing Date (Original)</b> 31-Mar-2018	<b>Total Project Cost (USD)</b> 49,040,873.14
<b>Bank Approval Date</b> 08-Mar-2012	<b>Closing Date (Actual)</b> 28-Feb-2022	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	26,000,000.00	1,132,700.00
Revised Commitment	50,555,370.62	1,087,286.81
Actual	49,040,873.14	1,087,286.81

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## 2. Project Objectives and Components

### a. Objectives

The Project Development Objective (PDO) was "to establish key examples of integrated water resources management practices in the lower Mekong Basin at the regional, national, and sub-national levels, thus contributing to more sustainable river basin management in the lower Mekong". (Financing Agreement dated April 4,2012 - Schedule 1 and Project Appraisal Document dated February 2, 2012 - para. 30).



At a Level 1 restructuring in July 2017, the original PDO was revised "to improve water resource and fisheries management in selected areas of the Lower Mekong Basin". (Financing Agreement dated July 26, 2017 - Schedule 1 and Project Paper dated July 6, 2017 - para. 18).

As discussed below in Section 2 under Restructurings, the PDO was revised to provide greater clarity and make it more outcome oriented. A PDO indicator was revised since it included implementation of joint action plans which was beyond the purview of the Lao PDR alone. The definitions of some indicators were revised to provide greater clarity. The original targets for some of the PDO indicators were increased, and additional PDO and Intermediate Results Indicators (IRIs) were included. These changes did not result in a lowering of the overall ambition of the Project. Consequently, a split rating is not undertaken in the ICRR.

For the ICRR, the PDO is parsed as follows:

**Objective 1:** To improve regional integrated water resource management in the Lower Mekong Basin.

**Objective 2:** To improve national and subnational water resource management in the Lao Peoples' Democratic Republic.

**Objective 3:** To improve river basin and fisheries management in the Lao Peoples' Democratic Republic".

The concept of sustainability is already embedded in the definition of Integrated Water Resources Management as stated in the 1995 Mekong Agreement, hence there is no need to repeat it in the PDOs as parsed above. Specific examples of the Project's increased ambition are discussed below in the Efficacy Section (Section 4).

**b. Were the project objectives/key associated outcome targets revised during implementation?**

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

Yes

**Date of Board Approval**

27-Jul-2017

**c. Will a split evaluation be undertaken?**

No

**d. Components**

(Reference PAD paras. 37 to 39 and ICR paras. 12 to 14).

The project components at appraisal are indicated below. Any changes in these components during project implementation are discussed later in Section 2 under the respective restructurings.



**Component 1: Regional Water Resources Management** (estimated cost at appraisal US\$8 million; actual cost at closing US\$7.5 million): This component was to promote integrated water resources management (IWRM) at the regional level. It consisted of four sub-components: Subcomponent 1.1: facilitating transboundary dialogue on critical water resources and fisheries management issues among the Lower Mekong Basin (LMB) countries to promote regionally harmonized solutions. Subcomponent 1.2: establishing a regional approach on environmental and disaster risk management; Subcomponent 1.3: promoting understanding of regional IWRM principles to a broad range of stakeholders; and Subcomponent 1.4: facilitating implementation of the project activities at the national level, supporting integration of the entire set of project activities under the Lao People's Democratic Republic (Lao PDR) Phase 1 of the Mekong Program, and providing technical assistance (TA) for the preparation of Phase II (Cambodia and Vietnam) of the Mekong Program.

**Component 2: National Water Resources Management** (estimated cost at appraisal US\$6.01 million; Additional Financing USD\$12.0 million; actual cost at closing US\$17.9 million): At appraisal, this component was to support legal, institutional, and human resources strengthening to implement IWRM and improve water resources planning in Lao PDR. It consisted of two sub-components: Subcomponent 2.1: developing a new Water Resources Law (WRL) governing the regional implementation of the IWRM in the Mekong River; and Subcomponent 2.2: installing essential institutional capacity for water quality monitoring (WQM), hydrological and meteorological (hydro-met) modeling, and collection and analysis of the hydro-met networks. Although implemented at the national level, the component was aimed to benefit all the LMB countries given that the Lao PDR accounts for more than one-third of the flow of the Mekong River. Therefore, strong and accountable systems at the national level were considered to be key to sound water management at the regional level, considering upstream and downstream impacts. The component was revised at restructuring resulting in a total of five sub-components. (See Changes to Components under the Second Restructuring below).

**Component 3: Improved Floodplain and Aquatic Resources Management** (estimated cost at appraisal US\$12.58 million; Additional Financing US\$13.0 million; actual cost at closing US\$23.1 million): This component was to pilot a common approach among the LMB countries. It consisted of two sub-components: Subcomponent 3.1: sustainable floodplain management; balancing livelihood support for local communities with enhancing regional and local ecological and biodiversity values in wetlands which are of basin-wide significance; and Subcomponent 3.2: sustainable co-management of fisheries in key spawning and feeding habitats of regional significance. Under the Lao PDR phase of the Mekong Program, two wetlands on southern Lao PDR and regionally significant fishing grounds were selected as the project sites. (In the context of the Project, the term 'aquatic resources' referred principally to fisheries management).

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project Cost:** At appraisal, the project cost was estimated at US\$26.59 million. During project restructuring, including Additional Financing, the project cost was revised to US\$52.13 million. The increase in project cost was due to cost overruns for some components and additional costs resulting from the expansion of scope and activities under the Additional Financing in July 2017. At project completion, the actual project cost was estimated at US\$48.50 million. (ICR Annex 3). However, there are some discrepancies in the figures of costs and financing between the Data Sheet and Annex 3. The ICR's Data Sheet indicates a total cost of US\$50.13 million.



**Financing:** At appraisal, the Project was financed by two IDA grants totaling US\$26 million. This was increased in July 2017 by Additional Financing of US\$26.13 million through an additional IDA grant of US\$25 million and three Trust Fund grants totaling US\$1.132 million. Out of the total amount of US\$51 million committed under the IDA grants, US\$47.95 million was disbursed and the balance of US\$3.05 million was cancelled. Out of the total amount of US\$1.132 million financed under the Trust Funds, US\$1.087 million was disbursed and the remaining balance was cancelled.

**Borrower Contribution:** At appraisal, the planned contribution from the Borrower was US\$0.59 million. During restructurings, the planned contribution was eliminated.

**Dates:** The Project was approved on March 3, 2012. The planned effectiveness date was April 15, 2012, and the actual effectiveness date was May 15, 2012. The original closing date was March 31, 2018. The closing date was extended twice, and the actual closing date was February 28, 2022. The extensions of the closing date were to allow adequate time for completion of activities added under the Additional Financing in 2017 as well those delayed during project implementation, including by the impacts of the COVID pandemic in 2020 to 2021.

**Mid-Term Review (MTR):** An MTR was carried out in January 2016. Findings of the MTR were utilized in the Level 1 restructuring in July 2017 (discussed below under Restructurings).

**Restructurings:** (Reference ICR paras.15 to 26): The Project underwent five restructurings as follows:

**First Restructuring:** (March 18, 2014 - disbursed amount US\$4.31 million): This was to amend the Financing Agreement for the IDA grant to the Mekong River Commission (MRC). The amendment was to enable the provision of facilitation and coordination support for the preparation of the Cambodia and Vietnam phases of the overall Mekong Program.

**Second Restructuring:** (July 6, 2017 - disbursed amount US\$21.88 million): This was a Level 1 restructuring, including Additional Financing of US\$25 million. The restructuring included a revision of the PDO and expansion of the scope of Components 2 and 3 required to strengthen the institutional and implementation capacity of the Ministry of Natural Resources and Environment (MONRE) and associated agencies to deal with the increased responsibilities placed on them by the decentralization of activities from the Mekong River Commission (MRC) to the individual country level.

**Change in the PDO:** The PDO was revised "to improve water resource and fisheries management in selected areas of the Lower Mekong Basin". The change in the PDO was to set a higher level of outcome for the project without changing its substance, and for the Project to hold itself accountable for actual improvements in WRM rather than just establishing examples of WRM. Fisheries management was to be measured explicitly given the role of fisheries in overall WRM. WRM practices were to continue to be applied at the regional, national, and subnational levels. (ICR para. 26).

**Changes in PDO Indicators:** PDO Indicator 1 was changed to clarify that the Project will support the formulation and approval of Joint Action Plans by the respective countries. The actual implementation of the plans will be undertaken by the respective countries with support from the separate national projects under the Mekong Program. PDO Indicator 2 was corrected to measure the number of WRM instruments applied rather than the number of river basins where they were applied. The definition of "applied" was changed to approval of the instruments by the Minister of MONRE (Ministry of Natural Resources and Environment) rather than by the River Basin Coordinating Committee given the decision of the Government of Lao PDR (GoLPDR) to drop the establishment of River Basin Coordinating Committees in the River Basin Decree. A



new PDO Indicator 3 was added (reflecting an upgrade of existing Intermediate Results Indicator) to measure the number of new or upgraded hydro-met stations that produce information that is applied for WRM. For PDO Indicator 4, the indicator was made core and the target area was increased due to the expansion of scope from 40 rehabilitated irrigation schemes covering 5,415 hectares(ha) to 59 irrigation schemes covering 7,815 ha. A new PDO Indicator 5 was added (reflecting an upgrade of the original Intermediate Results Indicator 3) to reflect the importance of fisheries management in the PDO. A new PDO Indicator 6 was added (reflecting an upgrading of Intermediate Results Indicator 8) to reflect the importance of flood protection.

Changes in Intermediate Results Indicators (IRIs): IRI 1 (number of approved proposals) was changed to "number of Joint Issues Papers prepared" to focus on agreement on issues (rather than proposals as originally formulated) for the three core transboundary projects. For IRIs 2 and 4, changes were made for greater clarity and precision. IRIs 3,5 and 6 remained unchanged but the target was increased for IRI 6. Five new IRIs (Nos. 7 to 11) were added to measure (i) number of regulations piloted at the basin level; (ii) area (ha) provided with improved flood protection; (iii) number of farmers reached with agricultural assets or services (a core indicator); (iv) number of functioning Irrigation Water Users Associations (WUAs); (iv) number of people engaged in the formulation of Fisheries Management Plans (FMPs); (v) number of villages receiving livelihood support under the fisheries component (a core indicator). Revisions were made to IRIs 12 and 13 for greater clarity.

Changes in Components: (Reference Project Paper dated July 2017, paras. 17 and 19 to 22). The scope of the existing Components 2 and 3 was increased with activities financed under the Additional Financing. The changes were necessitated, in part, by the reorganization of the MRC and the consequent decentralization of functions such as hydro-meteorological metering, water quality monitoring, and fisheries monitoring to the member countries. For Component 2, these included additional technical assistance and equipment financing to support improvement of (i) the legal and regulatory regime on WRM; (ii) water quality and aquatic ecosystem modeling; (iii) water resources analytics; (iv) hydrological and meteorological services; and (v) project management support. For Component 3, these included additional technical assistance and financing for improved planning and upgrading of infrastructure required for (i) river basin management; (ii) sustainable irrigation and flood management, and (iii) fisheries management.

Other changes: The closing date was extended by three years from March 31,2018 to March 31,2021 to allow adequate time for completion of the activities, including those added under the Additional Financing. Other changes included reallocations, procurement, and revised implementation schedule.

**Third Restructuring** (January 14, 2018 - disbursed amount US\$26.04 million): Changes included reallocations and updated implementation schedule.

**Fourth Restructuring:** (March 18, 2021 - disbursed amount US\$41.59 million): Changes included upgrading of IRI 8 (improved flood protection) to a PDO Indicator and dropping of IRI 6 (number of functioning River Basin Coordinating Committees - RBCCs) due to the GoLPDR's decision to remove the establishment of RBCCs under the River Basin Decree. Other changes included reallocations between components. The closing date was extended by 11 months from March 31,2021 to February 28,2022 to allow for completion of activities affected by implementation delays, including the impact of the COVID19 pandemic.



**Fifth Restructuring:** (February 28, 2022 - disbursed amount US\$47.57 million): This was to reallocate amounts and cancel the unutilized balance under the IDA grants.

### 3. Relevance of Objectives

#### Rationale

(Reference PAD paras. 1 to 7 and ICR paras. 1 to 7).

**Regional Context:** At the time of appraisal in 2012, protecting the Mekong River Basin's rich ecosystem and significant socioeconomic and cultural value, while exploiting its hydropower potential, was one of the key challenges facing the Mekong Countries. The river basin was of great importance for fisheries and local communities, especially in the Lower Mekong Basin (LMB) countries of Lao PDR, Cambodia, and Vietnam, which were highly dependent on fish catch for food security. At the same time, hydropower development was taking place at a rapid pace throughout the basin, creating competing demand for water resources. The Mekong River was facing hydrological challenges, including highly seasonal discharge patterns, upstream development, and increasing climatic events. These challenges were disproportionately affecting poor rural communities. Fisheries were identified as a key resource among LMB countries and capture fisheries were of particular importance in providing food and animal protein. Climate change was recognized as a key challenge to water resource management in the LMB countries. Improved forecasting of weather patterns, including floods and droughts, and longer-term climate forecasting, were critical requirements. Given the hydrological connectivity and significant upstream and downstream effects along the Mekong River, the governments of the LMB countries recognized that it was critical to establish greater transboundary coordination, along with leadership by national-level institutions. The countries had entered into a Mekong Agreement in 1995 under which a Mekong River Commission (MRC), an intergovernmental organization, was established to foster regional dialogue and cooperation in the LMB. The MRC started a regional analysis of climate change impacts on the hydrology of the Mekong, but the available data and information collection systems were inadequate to capture the complexities of the LMB. At the same time, the LMB countries recognized the need to upgrade their own hydrometeorological (hydromet) networks to address the risks posed by both present and future weather events, share information among the riparian countries, and develop regional and improved national systems for flood and drought forecasting and warning. To address these issues, it was assessed that it was essential to establish an effective regional framework for integrated water resource management (IWRM) that would: (i) establish regional procedures for water utilization; and (ii) set up hydrological models to help develop water resources investments, considering upstream and downstream impacts. In the early 2000s, the World Bank, along with the Australian Aid Agency, supported capacity-building in the MRC through a Mekong Water Utilization Program (WUP). However, it was later recognized that achievements were being constrained by the limited WRM capacity in the MRC member countries. This led to the development of a Mekong Integrated Water Resources Management Program (MIWRMP) which made a strategic shift to support the member countries. The Program was to be implemented in two phases with Phase 1 to cover the Laos PDR and Phase 2 Cambodia and Vietnam. (This was modified later - Phase 2 was to cover Vietnam and Phase 3 Cambodia. All three phases have now been completed and the respective Implementation Completion and Results Reports - ICRs - have been prepared). An innovative feature of the Program was that it would integrate three pillars: (i) a regional pillar to finalize water utilization procedures; upgrade trans-boundary



hydrological models; and improve communication among stakeholders; (ii) a national pillar to support implementation of IWRM and contribute to capacity-building; and (iii) a third pillar to address emerging IWRM issues in border areas through the MRC and facilitation of bilateral dialogue. (ICR paras. 1 to 3 and 5 to 7).

**Country Context:** The Lao PDR and Cambodia are of particular importance in the LMB since almost two-thirds of the Mekong River flow originates in these countries. The LMB is of special importance for the Lao PDR since an estimated 96% of the population lives in the LMB. In Lao PDR, water resources were also facing pressure from rapidly growing urban population and from overall economic growth. The Law on Water and Water Resources (approved in 1996) provided the basis for the planning, developing, utilizing, and protecting water resources in the Lao PDR. A Ministry of Natural Resources and Environment (MONRE) was established in 2013 and natural resources management was consolidated under a single ministry. Under MONRE, preliminary river basin plans included the creation of river basin committees aimed at coordinating the needs of different water users. However, the intended outcomes were not realized. The GoLPDR recognized the need to update the legal and regulatory framework to address these challenges. With the decentralization of implementation responsibilities to the national level, there was need to expand, rehabilitate, and upgrade existing infrastructure and facilities. This was to be addressed under the Project. (ICR paras. 4 and 5).

**Alignment with Regional/National Priorities:** The Project Development Objective (PDO) was aligned with the regional and national priorities prevailing at the time of appraisal and continue to be aligned with the currently prevailing priorities. At the regional level, the PDO and the project activities are well aligned with the current Basin Development Strategy 2021-2030 and the MRC Strategic Plan 2021-2025. The Project contributed to more interactive regional planning, coordination of basin management operations, modernization of data and information acquisition/sharing. as a part of more integrated river basin management. The PDO is also directly relevant to the sustainable development opportunities identified in the Basin Development Strategy 2021 and the MRC Strategic Plan 2021-2025 as they relate to fisheries and aquatic resources, flood and drought mitigation, and irrigation and climate-smart agriculture development. (ICR para. 28). At the national level, the PDO is well aligned with the overall goal of the Lao PDR 8th National Socio-Economic Development Plan (NSED - 2016-2020) - "green growth development, effective natural resources management, and regional and international integration", contributing to Outcome 3 of the NSED "Protection of Natural Resources and Environment". The PDO is also well aligned with the current Lao PDR 9th NSED (2021-2025), contributing to Outcome 4 of the NSED "Environmental Protection and Disaster Risk Reduced". (ICR para. 29).

**Alignment with Country Assistance Strategy/Country Partnership Framework:** The PDO was aligned, and continue to remain aligned, with the Mekong Program and the World Bank Group (WBG) Country Partnership Frameworks. The Strategy Note on World Bank Regional Support for the Greater Mekong Sub-Region prioritized the Mekong Program. The Project was an integral part of the broader Mekong Program, and the transboundary activities of the Project were directly related to the outcomes of Phase 2 and 3 of the Program. The PDO was also well aligned with the Country Partnership Framework (CPF) for 2017-2021. The Project was specifically listed as part of the WBG program, contributing to the CPF's Focus Area 3: Protecting the Environment and to Objective 3.1: Promoting Environmental protection and sustainable natural resources management. The CPF (para. 98) recognizes that "Lao PDR's key asset is the Mekong River and its tributaries. The CPF Indicator 19 (at least three river basin plans approved by MONRE) is directly linked to the PDO indicator under the Project. The revised PDO raised further the ambition of the Project in regard to the expected outcomes. (ICR para. 27).



**Prior Bank Experience:** The World Bank (WB) has been engaged for several years in supporting the LMB countries in planning and institutional capacity creation for carrying out WRM related activities in the Mekong River Basin. In 2006, the WB, in cooperation with the Asian Development Bank (ADB) supported the preparation of a Mekong Water Resources Assistance Strategy (MWRAS) for the LMB. Following this, the WB was engaged with the LMB governments in policy dialogue on WRM issues in the LMB. In 2009, the WB, with GEF financing, supported a Mekong Water Utilization Project (MWUP), which provided technical assistance and financing for institutional capacity building, particularly in the MRC. The WB has also financed WRM projects in Vietnam and Cambodia.

**Relevance of Project Development Objectives:** Given the context described above, the PDO was consistent, and remained consistent, with the priorities in the Lao PDR's national programs and the WBG Country Partnership Frameworks. However, as discussed earlier in Section 2, the original PDO had certain weaknesses in terms of clarity and outcome orientation, which were addressed by revising the PDO under a restructuring in 2017. The revisions included modifying a PDO indicator that referred to preparation and implementation of Joint Action Plans to formulation and approval of Joint Action Plans since implementation of joint plans was beyond the purview of the Lao PDR alone. Overall, although the revision was delayed (five years into project implementation), the revised PDO is relevant and consistent with the prevailing national and WBG CPF priorities. The changes to the PDO and associated indicators did not result in a reduction in the overall ambition of the Project other than in respect of implementation of Joint Action Plans which was beyond the purview of the Lao PDR alone.

The relevance of objectives is rated Substantial while noting the important shortcoming that the objective related to IWRM improvement at the regional level proved over-ambitious since it was known at entry that the Lao PDR on its own could not enforce implementation of the Joint Action Plans involving other countries in the LMB.

## Rating

Substantial

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

To improve regional integrated water resource management in the Lower Mekong Basin.

#### Rationale

**Theory of Change:** The ICR provides a diagrammatic presentation of the theory of change (TOC) and the causal results chain. Regarding Objective 1, given the hydrological connectivity of the Mekong River, with its upstream and downstream implications, decisions concerning water resources utilization and management of natural and environmental resources need to be made in a cooperative manner between the countries involved (Lao PDR, Cambodia, Vietnam and Thailand). Increasing demand for water resources utilization, and the economic importance of the LMB natural and aquatic resources, including fisheries, required that





integrated water resources management (IWRM) be made a high priority. Effective IWRM required inter-country cooperation in agreeing on joint action plans as basis for planning, implementation and monitoring of IWRM activities. At the regional level, this required the preparation of joint action plans for establishing the overall framework for IWRM, and preparation and implementation of arrangements for IWRM planning, data collection and monitoring, and information sharing among the member countries. The MRC had the primary responsibility for carrying out these functions. At the national level, it required the concerned country to plan, implement, and monitor the carrying out of IWRM within their territories. Issues of transboundary significance were to be resolved by the concerned countries through bilateral discussion and negotiations. To achieve the objective of effective IWRM, the four countries established a joint Mekong Program. to be carried out in phases. Phase 1 would include a regional component (with the MRC as the prime agency) and a national component for the Lao PDR (under the overall responsibility of the Ministry of Natural Resources and Environment - MONRE). Phase 2 would cover Cambodia and Phase 3 Vietnam. (All three phases have been completed). The MRC was the inter-governmental agency responsible for the regional component. The Project would provide inputs for financing of technical assistance, equipment and facilities, including capacity building in the MRC to facilitate transboundary inter-country dialogue; establish approaches for management of environmental impacts and disaster risks; provide technical assistance for implementation of national level IWRM activities; and develop a communications outreach. These inputs would enable the MRC to develop key outputs including Joint Action Plans to deal with critical cross-boundary issues; a harmonized environmental and disaster risk assessment methodology; greater sharing and utilization of data and knowledge in the LMB; Joint Issues Papers regarding identified priority transboundary IWRM issues in the Mekong Basin; and preparation and dissemination of various communication products related to IWRM in the LMB. The outcome would be improved regional IWRM in the LMB. The longer-term outcome would be sustainable river basin development in the LMB with the associated social and economic benefits.

The causal links and full results chain in the TOC in regard to Objective 1 were adequate. To measure the achievement of Objective 1, one PDO indicator and two IR indicators were used. The original PDO, PDO indicators and Intermediate Results Indicators (IRIs) had some weaknesses. The original PDO was not adequately outcome oriented, referring to establishing examples of IWRM in the LMB rather than the specific objective of improvement of regional and national IWRM in the LMB. The original PDO indicator in regard to Joint Action Plans referred to preparation and implementation of the Plans although implementation of the Joint Plans was in the purview of the individual countries concerned (and not within the control of the Lao PDR alone). During a restructuring in 2017, the PDO was revised to clarify that the Project would support the formulation and approval of the Joint Action Plans. The original two IRIs associated with Objective 1 were also modified to provide greater clarity. The changes did not result in a reduction in the ambition of the Project as regards achievement of results realistically within the purview of the Phase 1 Project.

Key assumptions in the result chain were that (i) the countries involved would continue to be committed to timely and effective preparation and implementation of the jointly agreed plans and actions; and (ii) there would be adequate willingness and ability at the national level to implement the agreed IWRM actions within their own territories.

**Outputs and Intermediate Results Indicators (IRIs)**: (as reported in the ICR - Annex 1 Results Framework and paras. 35 to 40).

Results were measured by two IRIs the targets for which were achieved as follows:



IRI 1-1: Number of Joint Issues Papers prepared and endorsed for identified transboundary IWRM issues in the Mekong Basin (baseline 0; target 3; actual 3; target achieved).

As targeted, three issues papers and corresponding Joint Action Plans were developed under the Project. (1) Cambodia and Vietnam - IWRM in Sesan and Srepok. The Cambodia National Mekong Committee and the Vietnam National Mekong Committee endorsed the Joint Transboundary Action Plan for the Sesan Srepok River Basins and Mekong Delta in May 2019. A Joint Issues Paper was published for the Sesan Srepok River Basins which outlines the priority transboundary water resources issues along with identified solutions. Additionally, a framework for joint transboundary cooperation and a joint cooperation mechanism were developed for the Sesan Srepok River Basins and Mekong Delta. This resulted in a Joint Transboundary Action Plan that was made part of the Joint Project of Cambodia and Vietnam 2021-2025 (Phases 2 and 3 of the Mekong Program, now completed). However, the transboundary activities under the Plan have not been implemented as yet due to a lack of funds. (ICR para. 36 subpara a). (2) Cambodia and Lao PDR: The Mekong-Sekong Transboundary Fisheries Management Plan (TFMP) between Cambodia and the Lao PDR was developed to improve fisheries management in the bordering provinces of Stung Teng and Kratie in Cambodia and Champasak and Attapeu in the Lao PDR. The TFMP was based on a joint issues paper developed under the Project and was endorsed by both Cambodia and Vietnam in December 2019. A fish catch and abundance monitoring program was implemented to monitor and evaluate the performance of the TFMP, along with an awareness plan to raise awareness at the local levels. However, other activities were not completed since a funding source remained to be identified. (ICR para. 36 subpara b). (3) Cambodia and Vietnam: A Joint Issues Paper was developed which identified that transboundary IWRM of the border rivers was very complex due to extreme variations in natural conditions. However, due to activities under this component, both parties identified a framework for Joint Transboundary Cooperation along with the development of a Joint Cooperation Mechanism Paper for IWRM in Sesan-Srepok and the Mekong Delta. The cooperation mechanisms were included within the Joint Transboundary Action Plan.

IRI 1-2: Number of communication products produced and disseminated by MRC in relation to IWRM (baseline 0; target 22; actual 27; target exceeded).

The key outputs (ICR paras. 37 to 40) included:

- Preparation of guidelines on Transboundary Environmental Impact Assessment (TEIA) and Environmental Impact Assessments (EIA) in transboundary contexts.
- Joint recommendations for identification of mutually agreed transboundary cooperation issues.
- Establishment of procedures for Data, Information Exchange and Sharing; Water Use Monitoring; Maintenance of Flows; and Water Quality.

Some community outreach activities were initiated as a part of exchange visits between Cambodia and Thailand, along with carrying out of a communications program. This contributed to making the decision-making processes for development within the LMB more transparent.

**PDO Indicators:** (ICR Annex 1 Results Framework and para. 34).

**PDOI 1-1:** Joint Action Plans for addressing priority transboundary IWRM issues in the Mekong Basin (baseline 0; target 3; actual 3; target achieved).

**Outcomes:**



The original PDO indicator referred to preparation and implementation of the Plans which was modified to formulation and approval of the Plans under the revised PDO indicator. The revised PDO indicator targets were achieved. Three Joint Action Plans were formulated and approved, namely, one for Cambodia-Lao PDR and two for Cambodia-Vietnam. The Plans were based on the underlying preparation of Joint Issues Papers (an IR indicator) setting out the principal issues, modalities for addressing them, and arrangements for cooperation and information sharing. Communication products were established including procedures and guidelines for key activities including transboundary and national environmental and disaster risk assessments; data and information sharing, water use monitoring; maintenance of flows; and water quality monitoring. However, the original PDO indicator referred to preparation and implementation of the Plans which was modified to formulation and approval of the Plans under the revised PDO indicator. Beyond the Results Framework achievements, the regional component also contributed to the preparation of the IWRM-based Basin Development Strategy which later translated into the MRC Strategic Plan and respective national indicative plans. (ICR para. 35). These achievements contributed to establishing an IWRM approach in the Lao PDR and other LMB countries. The ICR reports (para. 36) that the MRC is consolidating the joint projects from the four LMB countries with finalization expected by end-2022. The Joint Transboundary Action Plans under this regional component will be included in the consolidated Joint Implementation Plans involving the countries concerned. (ICR para. 35).

While the Project achieved the revised target in regard to formulation and approval of Joint Action Plans, this in itself does not achieve the outcome of improved IWRM in a regional context unless there is some assurance in regard to implementation of the agreed actions. In this regard, the ICR (para. 36) indicates that the Plans could not be implemented because of a lack of funds. Moreover, the ICR does not provide any indication of the prospects for their implementation in the near future. Consequently, the ICRR rates the efficacy of Objective 1 as Modest.

**Rating**  
Modest

## **OBJECTIVE 2**

### **Objective**

To improve national and subnational IWRM in the Lao Peoples' Democratic Republic.

### **Rationale**

**Theory of Change:** The overall TOC was provided above under Objective 1. Regarding Objective 2, the TOC was that, for improved IWRM at the national and subnational level in the Lao PDR, it was necessary to improve the legal and regulatory framework; strengthen institutional capacity; and rehabilitate/upgrade critical infrastructure and facilities, particularly in view of the added responsibility placed at the national level by the decentralization of responsibilities following the reorganization of the MRC. The Project would provide inputs for financing technical assistance and infrastructure/facilities improvement. These inputs would support the carrying out of key activities including: (i) development of a new Water Resources Law (WRL); installation of water quality and aquatic ecosystem monitoring equipment; development of water resources analytics capabilities; strengthening of hydrological and meteorological (hydromet) services including construction of hydromet stations, installation of early warning systems; and systems for data sharing between LMB



countries. The resulting outputs would include (i) strengthened regulatory frameworks; and (ii) implementation of a comprehensive monitoring system for IWRM. These outputs would contribute to the outcomes of (i) improved IWRM for the Lao PDR and (ii) improved river basin and fisheries management in the LMB. The longer-term outcome would be sustainable river basin development in the LMB with associated social and economic benefits.

The causal links and results chain in regard to Objective 2 were generally clear. To measure the achievement of the PDOs, originally one PDO indicator and two IR indicators were used. During the 2017 restructuring, following the decision by the GoLPDR to drop the establishment of River Basin Coordinating Committees under the River Basin Decree, revisions were made to the original PDO indicator to drop the reference to number of river basins and emphasize instead the number of water resource management instruments applied by MONRE in priority basins located in the Lao PDR. Given the importance of timely and effective forecasting for IWRM, a new PDO indicator was added regarding the number of new/upgraded hydromet stations under the Project. The revised PDO indicators and IR indicators were relevant and appropriate. The changes did not result in a reduction in the overall ambition of the Project.

Key assumptions were that MONRE would continue to have the financial and capacity related resources required to effectively carry out its responsibilities.

**Outputs and Intermediate Results Indicators (IRIs):** (ICR Annex 1 - Results Framework and paras. 40 to 44).

Key outputs were the establishment of the following facilities:

- new and upgraded DMH hydromet stations
- national early warning center
- center for modelling development and water resources research

Following the 2017 restructuring, four IRIs were used. Achievements were as follows:

IRI 2-1: Submission of the revised Water Law to the National Assembly: (baseline - not submitted; target - submitted; actual - submitted; target achieved). The Lao PDR National Assembly approved the revised Water Resources Law (WRL) in May 2017. The revised WRL is aligned with international agreements relating to natural resources protection and climate change, including the Ramsar Convention; the Paris Agreement on Climate Change; and the Vientiane Declaration on International Cooperation. Following its adoption, several decrees and regulations were enacted in regard to IWRM in the Lao PDR. A National Water Resources Management Strategy is expected to be approved by the National Assembly in late 2022. (ICR para. 41).

IRI 2-2: Number of sites in priority water basins where NRERI (Natural Resources and Environment Research Institute) conducts water quality monitoring, and the information is applied for river basin management: (baseline 0; target 15; actual 0; target not achieved). NRERI has conducted water quality monitoring in 21 sites located in seven priority sites in the Lao PDR and developed 33 guidelines/manuals to improve analytics and assessments for water quality management. Water quality monitoring (WQM) is carried out four times a year. In regard to achievement of the target, the ICR (para. 42) indicates that, although WQM is being carried out at the targeted sites, and the generated data are being used and shared, this indicator has been considered to be only partially achieved because, at the time, NRERI had not yet obtained the required full ISO accreditation in regard to the specified 12 WQM parameters related to this indicator. This was



because NRERI's planned full ISO accreditation was delayed, in part due to COVID pandemic in 2020 to 2022. As a result, the ICR conservatively reports this indicator as not being achieved (ICR para. 42).

IRI 2-3: Number of priority river basins where MONRE has applied water resource model packages: (baseline 0; target 7; actual 8, target exceeded). The packages included water modeling and water resource assessments (WRAs) and were used in the development of River Basin Management Plans (RBMPs) in the selected basins. Inputs from the WRAs were used to develop 11 RBMPs. (ICR para. 41).

IRI 2-4: Number of regulations piloted at the basin level: (baseline 0; target 2; actual 2; target achieved).

**PDO Indicators:** (ICR Annex 1 - Results Framework and paras. 40 to 44).

PDOI 2-1: Number of water resource management instruments applied by MONRE in priority basins located in Lao PDR: (baseline 0; target 8; actual 15; target exceeded). Resources obtained under the Additional Financing enabled MONRE to develop 15 WRM instruments (water modeling and water resource assessments - WRAs) and applied in priority basins in the Lao PDR. (ICR para. 41)

PDOI 2-2: Number of new or upgrade DMH hydromet stations that produce information that is applied for water resources management: (baseline 0; target 50; actual 89; target exceeded). The increase in number of hydromet stations was enabled by the reallocation of cost savings realized from cost savings in consultancy contracts following the project restructuring. (ICR para. 44).

### **Outcomes:**

The Project achieved the objective of improving IWRM at the national and subnational levels in the Lao PDR. Targets for the two PDO indicators were exceeded. The Water Resources Law (WRL) and supporting regulations were modified to better support IWRM activities. The capacity for producing relevant and timely information for WRM for dealing with environmental and disaster risk was enhanced by establishing or upgrading DMH hydromet stations; and WRM capacity was strengthened in priority river basins through application of improved water modeling and water resources assessments. In regard to water quality monitoring (WQM), while the monitoring activities were carried out by the designated institute (NRERI), the target set could not be achieved as NRERI had not received the required ISO accreditation at the time.

### **Rating**

Substantial

## **OBJECTIVE 3**

### **Objective**

To improve river basin and fisheries management in the Lao Peoples' Democratic Republic.

### **Rationale**

**Theory of Change:** The overall TOC was provided under Objective 1. Regarding Objective 3, the TOC was that river basin and fisheries management in an integrated manner were critical for sustainable development



of the river basin and protection of livelihoods of the population who were highly dependent on fisheries. The Project would provide inputs by financing for technical assistance and infrastructure improvement to support activities including: (i) provide livelihood support to local communities; (ii) improve and upgrade fisheries; (iii) develop documents to assist with river basin and fisheries management; (iv) develop water user associations; and (v) restore flood protection and irrigation infrastructure. The resulting outputs would be: (i) River Basin Plans implemented by the Ministry of Agriculture and Fisheries (MAF); (ii) irrigation and flood protection infrastructure installed and made operational; and (iii) institutional and technical capacity strengthened, including for fisheries management. The outcome would be improved management of river basins and fisheries. The longer-term outcome would be sustainable river basin development in the LMB.

The causal links and results chain in regard to Objective 3 were generally clear. To measure the achievement of the PDO, originally two PDO indicators and two IR indicators were used. During project restructuring, one more PDO indicator was added to reflect the importance of flood plain protection. Definitions of the two IR indicators were modified for clarity. Three new IR indicators were added to measure outputs relevant to achieving the objective. The revised PDO indicators and IR indicators were relevant and appropriate. The changes did not result in a reduction in the overall ambition of the Project.

**Outputs and Intermediate Results Indicators (IRIs):** (ICR Annex 1 - Results Framework and paras. 45 to 48).

IRI 3-1: Number of farmers reached with agricultural assets and services: (baseline 0; target 126,500; actual 251,145; target exceeded). The increase in the number of farmers supported was made possible by the additional area covered by irrigation services (six more villages than targeted).

IRI 3-2: Number of functioning irrigation Water User Associations (WUAS): (baseline 0; target 59; actual 65; target exceeded): The ICR reports (para. 45) that the irrigation WUAs were able to improve their operations by successfully collecting increased revenues from the users which were used for operations and maintenance of the irrigation infrastructure. This enabled the WUAs to improve the efficiency of their operations.

IRI 3-3: Number of people engaged in the formulation of Fisheries Management Plans (FMPs): (baseline 0; target 165; actual 165; target achieved). To increase citizens' engagement, a total of 165 people were involved in the preparation of Fisheries Management Plans (FMPs) for a cluster of 5 villages involving 20,000 households. To improve fisheries management, community-based fisheries was established in the Mekong and Xe Kong Rivers, with 110,816 beneficiaries (out of the total of 251,145 beneficiaries under the Project). (ICR para. 47).

IRI 3-4: Number of villages receiving livelihood support under the Fisheries component: (baseline 0; target 100; actual 117; target exceeded): Each village received approximately US\$2,000 worth of livelihood support in the form of supplies of livestock, poultry, farming materials, and seed. Each Fisheries Management Committee (FMC) received materials worth approximately US\$40,000 to construct small-scale infrastructure for the community. (ICR para. 48).

IRI 3-5: Number of new or rehabilitated functioning fishery hatcheries: (baseline 0; target 4; actual 3; target underachieved). Four hatcheries were rehabilitated under the Project of which three were functioning as of project closing. One was completed in February 2022 and was not fully functional at project closing. (ICR para. 48).



**PDO Indicators** (ICR Annex 1 - Results Framework and para. 44).

PDOI 3-1: Areas provided with irrigation and drainage services: (baseline 0; target 7,815 ha; actual 7,993 ha; target achieved). Irrigation and flood infrastructure were improved for two river basins (XBF- Xebangfai and XBH - Xebanghieng) benefiting 140,429 fishers and farmers. (ICR para. 45).

PDOI 3-2: Area provided with improved flood protection: (baseline 0; target 14,500 ha; actual 17,097 ha; target exceeded). Targets for floodgates and irrigation schemes were exceeded, partly due to the improved operations of the WUAs. (ICR para. 45).

PDOI 3-3: Number of functional Fisheries Management Committees (FMCs): (baseline 0; target 10; actual 12; target exceeded). FMCs were set up for 12 communities, exceeding the target of 10. The MAF reported that the FMCs are now managing their fisheries in accordance with the FMPs, including monitoring and reporting compliance with rules and regulations. (ICR para. 47).

**Outcomes:**

The Project achieved its objective of improving river basin and aquatic resources management in selected river basins in the Lao PDR. The adopted PDO indicator targets were achieved or exceeded in regard to: (i) increasing the areas provided with improved irrigation and drainage services, and flood protection, in part due to the improved working of the WUAs; (ii) strengthening fisheries and aquatic resources management with the preparation of Fisheries Management Plans (FMPs) and the creation of FMCs that are carrying out FMPs in line with rules and regulations; (iii) provision of livelihood support through provision of livestock and materials to villages.

**Rating**  
High

**OVERALL EFFICACY**

**Rationale**

As discussed above, the efficacy of Objective 1 (to improve regional IWRM in the LMB) is rated Modest; the efficacy of Objective 2 (to improve IWRM at the national and subnational levels in the Lao PDR) is rated Substantial; and the efficacy of Objective 3 (to improve river basin and fisheries management in the Lao PDR) is rated High. Based thereon, the overall efficacy of the Project is rated Substantial.

**Overall Efficacy Rating**

Substantial



## 5. Efficiency

(Reference ICR paras. 50 to 53 and Annex 4).

### Economic Efficiency

**Appraisal Estimates:** a cost-benefit analysis was carried out for two components: (i) irrigation and (ii) floodgates. The economic efficiency indicators used were the Economic Rate of Return (ERR) and the Economic Net Present Value (ENPV). For the irrigation component, the estimates were ERR 37% and ENPV US\$3.4 million. At the Additional Financing, the estimates for the increased components were: ERR 29% and ENPV US\$3.79 million. For the floodgates component, the appraisal estimates were ERR 35% and ENPV US\$1.35 million and the Additional Financing estimates ERR 32% and ENPV US\$1.31 million. For the two components together, the combined ERR was 33% and the ENPV US\$9.89 million. (ICR Annex 4).

**Post-Completion Estimates:** The ICR reports (para. 50) that the post-completion estimation was carried out in line with the key assumptions and methodology used at appraisal. For the irrigation component, the ERR was 33% and for the floodgates component 34% with a combined ERR of 33%.

**Rating:** Based on the above, the Project's economic efficiency is rated Substantial.

### Implementation Efficiency

**Project Cost:** At appraisal, the project cost was estimated at US\$26.59 million. Under the Additional Financing in 2017, the project cost was increased to US\$50 million to cover cost overruns for some components and due to the expanded scope of some activities. At project completion, the actual cost (as reported in the ICR Annex 3) was US\$48.51 million. However, there are some discrepancies in the ICR in this regard (the Data Sheet indicates a total cost of US\$50.13 million).

**Project Duration:** The implementation period estimated at appraisal was 70 months (5.9 years). With two extensions of the closing date, the actual implementation period was 117 months (9.8 years). The first extension of the closing date was to allow for completion of the activities added under the Additional Financing in 2017. The second extension was to allow for the implementation delays caused by the COVID pandemic.

**Rating:** Based on the foregoing, the Project's implementation efficiency is rated Substantial.

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

Rate Available?	Point value (%)	*Coverage/Scope (%)
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Appraisal	✓	33.00	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	33.00	0 <input type="checkbox"/> Not Applicable

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

The Project's outcome is rated on the basis of (i) Relevance of Objectives, (ii) Efficacy, and (iii) Efficiency.

As discussed in Section 3, the Relevance of Objectives is rated Substantial.

As discussed in Section 4, the Project's Efficacy is rated Substantial.

As discussed in Section 5, the Project's Efficiency is rated Substantial.

### a. Outcome Rating

Satisfactory

## 7. Risk to Development Outcome

**Technical risks:** These are rated Moderate. While the hydromet stations in the Lao PDR have been provided upgraded systems for timely and reliable weather forecasting, efficient maintenance and operations of these systems will require timely and adequate funding to be provided to the agencies operating these systems. The funding for these activities is provided through the government's budgetary resources. While the funding has been adequate during project implementation, there is a risk that a shortage of budgetary funds in future could lead to shortfalls in the required financing which could adversely affect the technical efficiency of operations.

**Financial Risks:** These are rated Moderate. For sustaining the gains made under the Project, the institutions and agencies (MRC, MONRE, WUAs, FMCs) responsible for implementing essential policies and facilities will need adequate resources, financial and technical support, to carry out their functions effectively. For the government agencies (MRC, MONRE), there is a risk that the degree of required support could be influenced by changing political and fiscal circumstances. For the beneficiaries' agencies (WUAs, FMCs), there is a risk that the degree of members' commitment and support could diminish unless positive results and benefits can be maintained over time.

**Institutional Risks:** These are rated Moderate. Continued commitment from the key institutions and agencies will be required for sustaining the capacity and will to carry out their functions effectively. There is a risk that their ability to do so may be constrained by uncertainty and delays in obtaining the required financial and technical resources.



**Implementation Risks:** These are rated Moderate. Successful implementation of the Joint Action Plans will require continued inter-country commitment and cooperation. As reported in the ICR (para. 36), a lack of the required funding has affected implementation of the Plans. This remains a risk in future.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

#### Quality-at-Entry

(Reference ICR paras. 90 and 91).

The strategic relevance was well-aligned, and continued to be well-aligned, with the priorities in the jointly agreed regional Mekong Program, the national programs of the Lao PDR, and WBG's Country Assistance Frameworks (CPFs) for Laos PDR. The project design was built on an adequate theory of change, but there were some shortcomings. The PDO was not adequately outcome-oriented, referring to examples of IWRM practices rather than measurable outcomes in regard to improvement of IWRM. The PDO Indicator regarding Joint Action Plans (JAPs) referred to preparation and implementation of the JAPs whereas implementation involved more than one country and was out of the purview of the Lao PDR alone. Some of the other PDO indicators and Intermediate Results (IRIs) lacked clarity and needed to be revised under the project restructurings. Implementation arrangements were adequately addressed. Safeguards aspects (environmental and social) and fiduciary aspects (procurement and financial management) aspects were well covered. The risk assessments and mitigation measures were generally adequate.

#### Quality-at-Entry Rating

Moderately Satisfactory

### b. Quality of supervision

#### Quality of Supervision

(Reference ICR para. 92 and 93).

The Bank supervision team was focused on development and was generally pro-active in identifying emerging or anticipated issues and seeking solutions with counterparts. However, weaknesses in the original PDO and associated Results Framework were not addressed until the second restructuring in 2017



(five years into project implementation). The revisions and modifications carried out at the 2017 restructuring contributed to maintaining the ambition of the Project. The team provided capacity-building technical assistance, through staff and consultants, to the implementing agencies including MRC and MONRE.

During the implementation period of nearly 10 years, the Bank supervision team carried out a total of 21 missions. The missions were adequately supported by specialists as required, including safeguards and fiduciary specialists. Implementation progress, issues, guidance, and action plans agreed with the counterparts were recorded in Aide Memoires and Implementation Status Reports (ISRs) which were regularly filed. The Back-to-Office reporting was generally candid and highlighted issues for the attention of the management.

Overall, the Bank's supervision performance contributed to the Project's implementation efficiency which is rated Substantial (in Section 5 above).

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Moderately Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

(Reference ICR paras. 82 to 85).

As designed, the Project's M&E system had some significant shortcomings which had to be addressed during project implementation. In The Results Framework, the formulation of the PDO was not adequately outcome-oriented, referring to examples of IWRM practice rather than to measurable improvements in IWRM. The associated PDO indicator regarding Joint Action Plans (JAPs) referred to preparation and implementation of the JAPs where implementation of the JAPs was beyond the purview of the Lao PDR alone. Some other PDO indicators and IR indicators lacked clarity and needed to be revised under the project restructurings.

### **b. M&E Implementation**

During implementation, the weaknesses in the Results Framework were addressed during the 2017 restructuring. As discussed in Section 2 under Restructurings, some PDO indicators and IR indicators were revised, targets were increased, and additional indicators added to enable better assessment of results. The overall ambition of the Project was maintained or increased.



### c. M&E Utilization

The M&E system was used for monitoring implementation progress, including procurement activities. The information was used to flag or anticipate implementation issues that needed to be addressed in joint discussions between the implementing agencies and the Bank supervision team.

Rating: M&E quality is rated Substantial with some shortcomings.

### M&E Quality Rating

Substantial

## 10. Other Issues

### a. Safeguards

(Reference ICR paras. 86 to 87).

#### Environmental and Social Safeguards

At appraisal, the Project was classified as Category -B, Partial Assessment. The policies triggered were Environmental Assessment (EA) - OP 4.01; Natural Habitats (NH) - OP 4.04; Pest Management (PM) - OP 4.09; Indigenous Peoples - (IP) - OP 4.10; Involuntary Resettlement (IR) - OP 4.12; and Projects on International Waterways (PIW) - OP 7.50).

**Environmental:** The Project was implemented in compliance with the World Bank's and the Lao PDR's policies and procedures regarding environmental, occupational health, and safety. Environmental and Social Management Framework (ESMF), Ethnic Group Development Framework (EGDF), and Compensation and Resettlement Policy Framework (CRPF) documents were prepared, disclosed, and publicly discussed. The ICR reports (para. 86) that there were no exceptions to the World Bank's safeguard policies. (ICR para. 86).

**Social:** In regard to Involuntary Resettlement (OP 4.12), a CRPF was prepared for the Lao PDR to mitigate possible impacts due to small scale land acquisition, land donations, and/or resource use restrictions. The CRPF was successfully implemented throughout the life of the Project (ICR para. 87). Implementation of construction activities was carried out in compliance with the social and environmental safeguard guidelines. There were no outstanding grievance cases at project closing. (ICR para. 87).

### b. Fiduciary Compliance

(Reference ICR paras. 88 and 89).



**Financial Management:** After some initial delays, financial management performance was satisfactory. The quarterly financial reports were submitted on time and were of satisfactory quality. Audit reports were issued timely, and the auditors provided clean opinions. (ICR para. 88).

**Procurement:** The procurement was carried out in accordance with the Bank's guidelines and the provisions of the Loan Agreement. (ICR para. 89). The ICR does not report any non-compliance or mis-procurement issues.

**c. Unintended impacts (Positive or Negative)**

There were no significant impacts.

**d. Other**

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**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	IEG rates Quality-at-Entry as Moderately Satisfactory, leading to the overall rating of Moderately Satisfactory for Bank performance.
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

(Reference ICR paras. 96 to 99).

The ICR (paras. 96 to 99) lists a number of lessons and recommendations derived from the Project's experience. From these, IEG derives the following lessons relevant for similar projects carried out in comparable environments.

**Coordination of transboundary agendas is critical for the sustainable development of a region.** The regional agenda is critical for the Lao PDR as it sits almost entirely in the LMB and contributes the largest flow to the lower stages of the Mekong River. Through the Mekong Program and activities within each member country, the combination of basin-related dialogue processes,



underpinned by analytical work, enabled the member countries to engage in a collaborative manner, leading to the preparation of joint action plans.

**Regional outcomes in IWRM, along with a robust outcomes-based Results Framework, are challenging to develop.** The Project faced the challenge of setting outcome-based indicators with results that would be directly attributable to project activities. Also, the achievement of some outcomes takes time to complete after project completion, such as the ongoing implementation of Fisheries Management Plans and River Basin Management Plans in the Lao PDR. Adequate attention should be given in future projects to designing methodologies to address these issues.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR is generally well-written, candid, and follows the OPCS guidelines (except with regard to length - 40 pages compared to the recommended 15 pages). The ICR provides an adequate theory of change in regard to the causal links and the results chain. The reporting is generally outcome-focused but constrained in some cases by weaknesses in the M&E system. The ICR provides a number of lessons that are drawn from the Project's experience and are relevant for similar projects carried out in comparable environments. The ICR does have some shortcomings. There are inconsistencies in the reporting of project costs and financing between the ICR's Data Sheet and Annex 3.

Rating: Substantial with minor shortcomings.

- a. **Quality of ICR Rating**  
Substantial

