



## 1. Project Data

**Project ID**  
P125961

**Project Name**  
Afghanistan Rural Access Project

**Country**  
Afghanistan

**Practice Area(Lead)**  
Transport

**L/C/TF Number(s)**  
IDA-H7920,TF-13093

**Closing Date (Original)**  
31-Mar-2018

**Total Project Cost (USD)**  
395,998,233.30

**Bank Approval Date**  
26-Jun-2012

**Closing Date (Actual)**  
31-Dec-2020

	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	125,000,000.00	312,000,000.00
Revised Commitment	407,000,000.00	282,000,000.00
Actual	395,998,233.30	274,576,225.19

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**Project ID**  
P149597

**Project Name**  
Additional Financing of ARAP ( P149597 )

**L/C/TF Number(s)**

**Closing Date (Original)**

**Total Project Cost (USD)**  
0

**Bank Approval Date**  
13-Jun-2017

**Closing Date (Actual)**



	IBRD/IDA (USD)	Grants (USD)
Original Commitment	0.00	0.00
Revised Commitment	0.00	0.00
Actual	0.00	0.00

## 2. Project Objectives and Components

### a. Objectives

According to the Financing Agreement (p.7) dated July 22, 2012 and the Emergency Project Paper (EPP, p.4), the project objective was “to enable rural communities to benefit from all-season road access to basic services and facilities,” where “all-season road access” was defined as a road that is accessible to motorized traffic all year round except for an interruption of up to 10 days in any given year.

At the time of Additional Financing in May 2017, the project objective was revised to accommodate the addition of an emergency mechanism to the project scope. The revised project objective was “to enable: (a) rural communities to benefit from all-season road access to basic services and facilities, and (b) an early emergency response in the event of an eligible crisis or emergency.”

The emergency response mechanism was not triggered during project implementation. Therefore, this review will not undertake a split evaluation of the project outcome although the project objective was revised.

*\*The achievement of the project development objectives in Afghanistan is assessed following the same methodological approach. This applies to all projects closed by June 30, 2021.*

### 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**

17-May-2017

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

No

### d. Components



According to the financing agreement (p.4) the project consisted of three components:

**A. Improvement and Maintenance of Secondary Roads.** (*Appraisal cost: US\$186.00 million; after additional financing: US\$291.00 million; actual cost: US\$243.00 million*)

This component included road investments for the improvement of unpaved secondary roads to paved standards, upgrading of paved secondary roads to asphalt surface, construction of bridges on secondary roads, and periodic, routine, and emergency maintenance of paved and unpaved secondary roads. This component was to support the project implementation unit (PIU) within the Ministry of Public Works (MPW) in project implementation through capacity strengthening.

**B. Improvement and Maintenance of Tertiary Roads.** (*Appraisal cost: US\$128.00 million; after additional financing: US\$168.00 million; actual cost: US\$143.00 million*)

This component included road investments for the rehabilitation of tertiary roads, construction of bridges on tertiary roads, and periodic, routine, and emergency maintenance of tertiary roads. This component was to support the PIU within the Ministry of Rural Rehabilitation and Development (MRRD) in project implementation through capacity strengthening.

**C. Program Planning and Development, Institutional Strengthening and Program Coordination Support.** (*Appraisal cost: US\$18.00 million; after additional financing: US\$28.00 million; actual cost: US\$21.00 million*)

This component consisted of three sub-components:

- 1. Setting up a rural roads planning and management system:** This sub-component was to finance (a) the establishment of a rural roads network inventory system and the carrying out of the first cycle inventory; (b) development of a comprehensive set of rural roads design; and (c) the establishment of a network planning, development, and management system, a system for the short, medium, and long-term road maintenance, and a system for the preparation of a rolling five-year investment plan for rural roads.
- 2. Institutional strengthening and capacity building in the rural road sector:** This sub-component was to finance (a) a study of the laws, regulations, organization structure and the human resource capacity of the rural road sector, and a proposal of necessary changes; (b) preparation and implementation of a comprehensive capacity development plan for public sector staff responsible for National Rural Access Program; (c) provision of six-month on-the-job-training for 50 engineering and social science graduates; (d) provision of incentives to the research and practical period of 140 engineering and social science interns; (e) sponsoring of the master's degree programs for 20 program staff; (f) activities to build the capacity of domestic construction industry; and (g) the construction of regional functional buildings and material laboratories in eight regions.
- 3. Program coordination support:** This sub-component was to finance (a) the operating costs of the National Coordination Unit; (b) the monitoring and evaluation, baseline and follow-up survey, technical support for the mid-term review, technical and financial audits, and fiduciary and safeguard control measures for MPW MRRD; (c) preparation and implementation of a public relations program; and (d) the establishment of a road agency, study tours, and sector studies.



## Revised Components

At the additional financing in May 2017, the scope of the first component increased by up to 100 kilometers (km) of asphalt roads and 700 meters (m) of bridges. Similarly, the scope of the second component increased by up to 300 km of roads for rehabilitation, 600 m of bridges and 1,800 km of roads for maintenance. The main purpose of this increase in the scope of the project through additional financing was to fill the secondary road network's basic connectivity gaps, sustain proper service levels by upgrading secondary roads with large traffic volumes, and extend the tertiary road network coverage to isolated villages. Additionally, the road designs were revised to include all-weather resilience that increased the estimated project costs by US\$72 million. Under the third component, an expressway feasibility study and local road network planning was added to the first subcomponent, and vocational training and sector reform and public-private partnership studies to the second sub-component. An additional US\$3 million was also added to the third subcomponent to cover the financial loss due to the Special Drawing Rights (SDR) and US dollar exchange rate changes. On the other hand, the preparation of a road sector organizational study was dropped from project scope because the Afghan government decided to utilize USAID funds to finance this study.

At the additional financing, a zero-dollar contingency emergency response component was added to the project to enable a quick response to natural and man-made disasters.

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

**Project Cost:** The total project cost was originally estimated at US\$332.00 million. At the time of additional financing in May 2017, the estimated total project cost was revised up to US\$487.00 million. In December 2020, the project closed with a total cost of US\$407.00 million.

**Financing:** At appraisal, the International Development Association (IDA) grant was estimated at US\$125 million (equivalent of 82.8 million Special Drawing Rights-SDR), and the Afghanistan Emergency Trust Fund (ARTF) grant at US\$207.00 million. In May 2017, an additional IDA grant of US\$105.00 million was approved to cover the financing gap because of a cost increase of US\$69.00 million that resulted from the difference between the original cost estimates at the appraisal stage and the revised costs from detailed design (including climate resilience measures), US\$3.00 million due to the depreciation of SDR against US dollar about, and US\$83.00 million that was required because of the scaling-up of activities to increase all-season road access coverage. According to the information in the restructuring paper dated May 19, 2017, while the total financing needs amounted to US\$155 million, only US\$105 million was available at the time of additional financing. Therefore, there was a financing gap of US\$50 million that was to be financed later if funding became available either through IDA or the ARTF. That funding was contingent on good project performance, and clarification from the government on the tertiary road activities of the Citizen's Charter Project—a new agreement between the government and citizens to ensure citizen's development rights. This US\$50 million was not approved, because the funds were available to finance the project activities under increased project scope because of the depreciation of the local currency of Afghani against the US dollar—all contracts were in Afghani.

**Borrower's contribution:** At appraisal, no borrower's contribution was estimated, and none materialized at project closing.



**Restructurings:** There were three project restructurings:

- **First Restructuring and Additional Financing (Level 1 – May 19, 2017):** An additional US\$105 million from the Afghanistan Reconstruction Trust Fund (ARTF) was approved to cover a financing gap (see sub-section Financing above). The closing date of the original ARTF grant was extended by 23 and half months from March 31, 2018 to March 15, 2020 to allow time for the completion of the works under the new design that included climate resilience and also the works added to the project scope. A zero-dollar contingency emergency response component was added to enable a quick response to potential major natural and man-made disasters. Hence, the project objective was revised to include language for the emergency response goal of the project. The Physical Cultural Heritage (OP/BP 4.11) safeguard policy was triggered at this restructuring. Two objective-level indicators were revised to include gender disaggregated data, and the target value of the beneficiaries was increased because of the increased project scope.
- **Second Restructuring (Level 2 – March 4, 2018):** The closing date of the original ARTF grant was extended by 23 months at the time of the additional financing. In this restructuring, the closing data of the original IDA grant was also extended by 23 and half months from March 31, 2018 to March 15, 2020 to match the revised closing data of the original ARTF grant.
- **Third Restructuring (Level 2 – March 6, 2020):** The project closing date was extended by nine and half months from March 15, 2020 to December 31, 2020 to allow time for the completion of the construction of gravel roads under the first component and the rehabilitation of tertiary roads under the second component. An uncommitted amount of US\$30 million was cancelled from project funds that resulted because of the depreciation of the Afghani against the US dollar.

**Dates:** The project was approved on June 26, 2012. The Financing Agreement was signed on July 22, 2012, and the project became effective on August 12, 2012. The Mid-Term Review was conducted in September 2015. The original closing date was March 31, 2018. It was extended by two years and nine months, and the project closed on December 31, 2020. The reasons for closing date extensions have been outlined in the project restructuring entries above.

### 3. Relevance of Objectives

#### Rationale

The project objectives were highly relevant to the country context. Inadequate and poor road infrastructure was a major barrier for the connectivity of communities to district and provincial centers. The project objective was in line with the objectives of the National Rural Access Program of the Government of Afghanistan that focused on provision of year-round rural access to basic social services. Aiming at improving the rural communities' access to basic services and facilities through all-season roads, the project's objective was outcome-oriented and appropriately pitched for the development status of the country. While the fragility of the political and security situation in the country and the low capacity in the construction sector were major risks in the operational context, given the experience of the country in the development of the rural roads under previous and ongoing World Bank and other donor-funded projects, it was reasonable to expect that the objective could be achieved.



The project objectives were fully aligned with the World Bank's strategy as defined in the Country Partnership Framework (CPF) for Afghanistan, FY2017-20. The project sought to address the development problem of insufficient rural road access to basic services and facilities in district and provincial centers, such as health services, education, and markets, and connectivity among regions to increase economic activities. Hence, the project objective corresponds to the CPF's (p.22) Objective 2.2 to "support improved transport and [information and communication technologies] both within the country and with regional neighbors to facilitate communication, trade, and access to services." The Bank strategy defined the rehabilitation of rural roads with a greater focus on their sustainable maintenance as one of the interventions the World Bank will finance to achieve this strategic objective.

The World Bank had been a development partner of Afghanistan in the rehabilitation and maintenance of rural roads and the strengthening of institutional capacity since its re-engagement with the country in 2002. Under four IDA and ARTF-funded projects, 10,000 km of roads had already been rehabilitated or built, and technical assistance was provided to MPW and MRRD to strengthen their institutional capacity in road network management. This project was designed to scale up the then on-going IDA and ARTF-funded National Emergency Rural Access Project (NERAP) and benefited from the experience gained and lessons learned during NERAP's implementation. Given the World Bank's prior presence and experience in the country and the sector, the outcomes expected from the project was consistent with progress over time, and the project objective was adequately challenging.

Overall, the relevance of the objectives is rated High.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### **OBJECTIVE 1**

#### **Objective**

To enable rural communities to benefit from all-season road to access basic services and facilities.

#### **Rationale**

##### **Theory of Change for Objective 1**

The project's theory of change indicates that the project's inputs, i.e., IDA and ARTF grants, were to be used to finance the civil works for the rehabilitation of secondary and tertiary rural roads and construction of bridges, and routine and periodic maintenance of roads involving local communities. Technical assistance was to be provided to strengthen the technical and institutional capacity of the ministries responsible for road management through the creation of a GIS-based road inventory and a road management system, and provision of training to public sector employees. These activities would be expected to directly lead to the achievement of project outputs of secondary and tertiary roads rehabilitated and upgraded, and bridges constructed with sufficient technical and institutional capacity to manage these roads. In turn, these outputs



would be expected to result in the project outcomes of an increase in the percentage of the rural population with access to all-season roads, reduction in travel times to basic services and facilities located at district and provincial centers, and sustainable management and maintenance of these roads by relevant government entities in cooperation with local communities. These would be expected to lead to the achievement of the project objective to enable rural communities to benefit from all-season road access to basic services and facilities. Overall, the causal pathways from inputs to expected results were valid and direct, and the results achieved could be attributed to the project's intervention. However, the project's theory of change was built on the critical assumption of the sustainability of political and security situation in the country, which was a major risk for the achievement and the sustainability of the project development outcomes.

## **Outputs**

The project's results framework captured the following outputs (the achievements are compared to the target values at the time of additional financing):

### **Secondary Roads:**

- **Km of gravel surfaced secondary roads rehabilitated:** The project financed the rehabilitation of 890 km of gravel surfaced secondary roads, which was lower than the target of 1,000 km.
- **Km of asphalt surface secondary roads rehabilitated:** The project financed the rehabilitation of 298 km of asphalt surface secondary roads against the target of 250 km.
- **Construction of bridges on secondary roads (meters):** The project financed the construction of 1,480 m of bridges. The target was 1,351 m.
- **Km of secondary roads under routine and periodic maintenance:** At project closing, the maintenance of 2,150 km of roads was contracted out to local communities against the target of 1,870 km. Additionally, the government concluded 43 emergency and post-disaster maintenance contracts to ensure all-weather serviceability of the network.

### **Tertiary Roads:**

- **Km of gravel surface tertiary roads rehabilitated:** The project financed the rehabilitation of 1,550 km of gravel surfaced tertiary roads against the target of 1,420 km.
- **Construction of bridges on tertiary roads (meters):** The project financed the construction of 1,980 m of bridges. The target was 1,800 m.
- **Km of tertiary roads under routine and periodic maintenance:** At project closing, the maintenance of 5,635 km of roads was contracted out to local communities against the target of 3,750 km. Additionally, the government concluded 895 emergency and post-disaster maintenance contracts to ensure all-weather serviceability of the network.

### **Technical Assistance:**

- **Complete road inventory:** At the start of the project implementation, an inventory was available but was outdated and did not provide essential information. The target was to update the inventory for 100 per cent of roads under central government mandate including major highways, secondary roads, and tertiary roads under National Rural Access Program. At project closing, 95 percent of the geographic information system-based inventory was completed as planned—33 provinces out of 34. The



remaining five percent could not be completed because of deteriorating security situation in certain parts of the country.

- **Improved network management system in place:** The project financed the establishment of an improved network management system as planned that did not exist before the project.
- **Design standards developed and adopted:** The project financed the development and adoption of design standards as planned that were incomplete at project appraisal.
- **Cost estimation system developed and fully functional:** The project financed the development of a cost estimation system as planned that did not exist before the project. At project closing, the system was functional.
- **Financial management system in MRRD and MPW developed and functional:** A financial management system was developed as planned and was functional at project closing.
- **Road sector organizational study prepared:** This output was not achieved. The preparation of a road sector organizational study was dropped from project scope because the Afghan Government decided to work with the USAID on the sector reform.

The ICR also reports that the project financed the training of 500 members of staff of the PIUs and offered internships to 2,000 fresh graduates including 20 women. The target for internships was defined as 140 in the financing agreement (FA, p.5). The project also sponsored 11 members of staff for a master's degree against the target of 20 (FA, p.5). The project provided training to local contractors on environment and other safeguard policies, gender, health, and safety (ICR, p.25). However, the ICR does not report the other activities listed under the third component in the financing agreement: (a) preparation and implementation of a comprehensive capacity development plan for public sector staff responsible for NRAP; and (b) construction of regional functional buildings and material laboratories in eight regions, and enhancement of the program library and archive consolidation.

## Outcomes

In the results framework, three indicators were defined to measure the outcomes of the project on increasing the access of rural population to all-season roads, reducing the travel time on improved roads under the project, and increasing the frequency of the trips to essential services, such as town markets, schools, and health facilities.

- **Percent of rural population living within 2 km of all-season roads in the project area:** The survey conducted at the start of the project determined the baseline as 58 percent. The target was set at 65 percent. At project closing, 89 percent of the rural population in the project area was living within 2 km of all-season roads.
- **Percent reduction in travel time by a four-wheel drive vehicle along improved roads under the project:** The target set at appraisal was to reduce the travel time by 30 percent. According to the surveys conducted, travel time to a public clinic decreased from 1 hour to 30 minutes (50 percent reduction), to a public hospital from 2 hours to 1 hour 24 minutes (30 percent reduction), to district centers from 1 hour 48 minutes to 1 hour 24 minutes (22 percent reduction), to provincial centers from 6 hours 24 minutes to 2 hours 6 minutes (67 percent reduction), and to the closest market from 1 hour 24 minutes to 1 hour 15 minutes (11 percent reduction). The data show that the project had a major impact on reducing long-distance travel time (i.e., to provincial centers) that can be directly attributable to the project. The project was also successful in reducing the travel times to health centers and hospitals as targeted. However, the project's impact on reducing travel times to district centers and closest markets was lower than estimated.



- **Increased frequency of trips to nearest essential services (including town markets, schools, and health facilities) connected by the roads improved under the project:** At appraisal, the target was set as an increase by at least 15 percent. At the time of the additional financing, gender-disaggregated baselines were established. The baselines for men were 42 percent of them traveled daily to and from village district centers and 39 percent to and from provincial and other locations within the province. At project closing, these increased to 63.1 percent and 60.8 percent, respectively, which indicate increased trip frequencies of more than 50 percent compared to the target of 15 percent. On the other hand, the percentage of women who traveled daily to and from village district centers dropped from 20 percent to 17.2 percent (a 14 percent reduction), whereas the percentage of women who travelled to and from provincial and other locations within the province increased from 16 percent to 20.6 percent (a 29 percent increase). The project team commented that there was no data to explain the drop in the former frequency rate, but worsening security situation and the availability of goods closer to houses because of improved goods delivery could have had an impact on the decrease in the travel frequency. Although improved road conditions are expected to have an impact on increasing the travel frequency, there are other factors that impact the travel frequency. For example, the frequency of trips to health centers would be mainly affected by the frequency of sickness. Similarly, frequency of trips to town centers would be affected by the necessity to go to the town centers more than the road conditions. Even the cost of gas can play a major role in determining the frequency of trips to such places. Therefore, although this indicator gives an idea about the improved road conditions, it does not fully capture the impact of the project on increasing and improving access to basic services and facilities.

The project was mostly successful in achieving the output targets related to the road works and delivering the main technical assistance outputs, but the ICR does not report whether some technical assistance activities were implemented or not. The project team later confirmed that all technical assistance activities had been completed as identified in the Project Appraisal Document, except the road strategy report, and the Financing Agreement. It should be expected that the establishment of the road inventory and the improved network management system would contribute to the sustainability of the roads rehabilitated under the project. Furthermore, the routine and periodic maintenance arrangements were in place at project closing involving rural communities that were supported by the project through capacity building, community consultations, and mobilizing rural workforce. However, the timely availability of funds to finance the maintenance of the roads rehabilitated and bridges conducted under the project was uncertain because of the changing political environment in Afghanistan (ICR, p.25). As a result of these outputs and arrangements, the project had a substantial impact on increasing the share of the rural population with access to all-season roads and in reducing the travel time to health centers and long-distance travel time to provincial centers as targeted, while the reduction in the travel times to district centers and closest markets was lower than the target. Overall, the project's efficacy in enabling rural communities to benefit from all-season road access to basic services and facilities is rated Substantial with moderate shortcomings because of the uncertainty about the availability funds to maintain roads and bridges after project closing\*.

\* This review assesses the project's achievements at the time of the project closing in December 2020 based on the information in the ICR, incorporating the information provided in the client's project closure report dated June 2020. At the time of this review, the impact of the recent political developments in Afghanistan on the project's outcomes was not known. Therefore, they are not taken into consideration in assessing the project's efficacy in achieving the project objective. The political events of recent months are assessed as a major risk in the Risk to Development section below.



**Rating**  
Substantial

## **OVERALL EFFICACY**

### **Rationale**

The project was substantially successful in achieving the expected project outcomes of increasing rural populations access to all-season roads, reduction in travel times to provincial centers, and basic services and facilities, and sustainable management of these roads by relevant government entities in cooperation with local communities. However, reduction in travel times to district centers and closest markets was lower than the than the target. Overall, the project's efficacy in achieving the project objective to enable rural communities to benefit from all-season road access to basic services and facilities is rated Substantial with moderate shortcomings because of the uncertainty about the availability funds to maintain roads and bridges after project closing (please see the footnote in the previous section about how this review assesses the recent political developments in Afghanistan).

### **Overall Efficacy Rating**

Substantial

## **5. Efficiency**

### **Economic Analysis**

As the primary purpose of the project was social, i.e., to give the inhabitants of remote villages and communities reliable access to essential services as part of recovery from an emergency, a formal cost-benefit analysis was not conducted at appraisal for unpaved secondary and paved and unpaved tertiary roads rehabilitated and bridges constructed under the project. These roads did not have sufficient motorized traffic to conduct an economic analysis (ICR, p.15). Instead, the economic viability, and hence the prioritization, of these investments was evaluated based on the cost per beneficiary index (CBI), which is calculated by dividing the estimated cost by the estimated number of beneficiaries served. The CBI calculated for unpaved secondary roads at appraisal was US\$207 and for the paved and unpaved tertiary roads and bridges US\$ 94 per beneficiary. At project closing, the CBI calculations at US\$108 and US\$44 per beneficiary, respectively, were much lower than the estimates at appraisal. The main reasons for these much lower CBIs were the appreciation of the US dollar against the local currency of Afghani (the contracts were made in this currency) and the reduction in costs because of lower site requirements (ICR, p.16). There are no well-established criteria for ranking based on CBI, but the CBIs calculated for these secondary and tertiary roads were lower than the US\$490 per beneficiary set as the threshold in a World Bank-funded project in Morocco in 2006 (ICR, p.16).

For paved secondary roads that would be upgraded to a higher standard and with a traffic volume of at least 300 vehicles per day, the Highway Development and Management Model was used to evaluate their economic viability (AF, p.54). The assumptions used to calculate economic benefits were appropriate: (a) value of time



savings; (b) reduction in vehicle operating costs; and (c) reduction in GHG emissions. The calculations were made for a 15-year period of economic benefits. The cost-benefit analysis, excluding GHG reduction benefits, resulted in a minimum economic internal rate of return (EIRR) of 18.3 percent at appraisal. Using the same methodology, the minimum EIRR calculated at project closing was 27 percent (ICR, p.16), which was higher than the hurdle rate of 12 percent set for Afghanistan. The overall reduction in contract costs because of the depreciation of Afghani against the US dollar was the main reason for higher EIRRs at project closing.

**Operational and Administrative Efficiency**

The project became effective within three months following the signing of the financing agreement. Because of the lack of reliable information at appraisal, the project cost was underestimated. An additional financing was needed to cover the financing gap, and the cost increase due to the design change to include climate resilience measures and scaling up of the project scope. The project closing date was extended by two years and nine months mostly because of the increased project scope following the approval of the additional financing. At project closing, US\$30 million of uncommitted funds were cancelled because of the savings as a result of the depreciation of the local currency of Afghani against the US dollar.

Delays in the finalization of designs and procurement of civil works resulted in delays in project implementation at the start of the project. The procurement of consultants for the preparation of the feasibility study for the Kabul-Peshawar expressway could not be finalized resulting in the dropping of this activity from the project scope. The high turnover of project staff and delays in the appointment of replacements adversely affected the project implementation units’ performance, which was addressed by capacity development of the staff under the project. High number of contracts because of the large scope and wide geographic spread of the project increased the workload of the PIUs in procurement, implementation, and monitoring.

Overall, while there were some moderate shortcomings in the operational and administrative efficiency of the project, taking the political fragility and conflict situation in the country, the project’s efficiency in achieving the project objective 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 (%)
Appraisal	✓	18.30	0 <input checked="" type="checkbox"/> Not Applicable
ICR Estimate	✓	27.00	0 <input checked="" type="checkbox"/> Not Applicable

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



## 6. Outcome

The project objective was highly relevant to country context and World Bank's country strategy. The project was to address the development problem of insufficient road access of rural communities to basic facilities and services and lack of regional interconnectivity. While some expected outcomes, such as reduction in travel time to district centers and markets, fell short of the targets, the project successfully completed the road works and technical assistance activities that led to the achievement of the outcomes. Hence, the project's efficacy in achieving the project objective to enable rural communities to benefit from all-season road access to basic services and facilities is rated Substantial. While there were some moderate shortcomings in the administrative and operational efficiency of the project, the project was efficiently implemented with all cost per benefit indices calculated for different classes of roads being lower than the estimates at appraisal and the economic rates or return calculated for paved secondary roads being higher than those calculated at appraisal in a politically fragile and conflict prone environment. Hence, the project's efficiency in achieving the project objective is rated Substantial. Overall, the project's Outcome is rated Satisfactory.

### a. Outcome Rating

Satisfactory

## 7. Risk to Development Outcome

Following the regime change in August 2021, the economic crisis in Afghanistan has worsened. It is expected that the economy will be faced with a major contraction resulting in macroeconomic instability and increased poverty because of rapid reduction in international grant support, loss of access to offshore assets, and disruption to financial linkages (World Bank, Afghanistan Country Context, [worldbank.org/en/country/Afghanistan/overview#1](https://www.worldbank.org/en/country/Afghanistan/overview#1)). The population of the country is faced with hunger due to the collapse of the economic activities and drought that affected agricultural production. The political situation is severely uncertain. It is unknown whether the MPW and MRRD are operational or have financial means and sufficiently trained staff to manage the road network in the country. Worsening security and increasing conflict situation can lead to the destruction of roads rehabilitated and bridges constructed under the project. Given the rapidly worsening political, economic, and social situation in the country, the risk to the sustainability of the development outcomes is assessed as high.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The project was processed under the Rapid Response to Crises and Emergencies (OP/BP 8.00) policy of the World Bank to provide rapid response to rebuild, restore and expand rural road network in Afghanistan, which was a transition country after coming out of a two-decade long conflict (EPP, p.7). At project entry, the goal to address "the vulnerability of the rural poor through integrating it to the market and other economic opportunities in the adjacent districts, provinces and regions" was in accordance with



national strategies and of high strategic importance (EPP, p.2). The project's approach to investment activities was straightforward. The project was to finance civil works for the rehabilitation of secondary and tertiary roads, construction of bridges, and maintenance activities, along with technical assistance to strengthen institutional capacity for sustainable management of these roads and bridges. The activities to be funded by the project were appropriate to achieve the project objective. The PIUs under the MPW and MRRD had experience gained from the implementation of the previous and then ongoing IDA and ARTF-funded projects, and the project was to further provide support to the PIUs in project implementation. The fiduciary and safeguards aspects of the project were adequate. The monitoring and evaluation design was sufficient to measure the project's outputs and expected outcomes but had moderate shortcomings in capturing the outcomes expected from technical assistance activities and the sustainability of the outcomes. Lessons learned in relevant prior projects in Afghanistan were utilized in the preparation of the project, such as a good understanding of the ever-changing situation on the ground, a higher flexibility in project implementation in a fragile country context, the challenge caused by the rapid rotation of the staff in the PIUs, and simple project design. However, the large project scope, its geographic spread, and limitation on contract sizes resulted in hundreds of contracts that increased the workload of the PIUs (ICR, p.26). Risks were adequately assessed, and mitigation measures were identified. The mitigation of the security risk was correctly identified as "outside the Bank's scope" (EPP, p.16). While the economic aspects of the project were sound and economic analysis was based on appropriate assumptions, the project cost was underestimated because of the absence of reliable field data, which was addressed by additional financing and project restructuring (ICR, p.24).

Overall, the World Bank's performance in identification, preparation, and appraisal of the project to be implemented in a conflict and fragile country was satisfactory.

### **Quality-at-Entry Rating** Satisfactory

#### **b. Quality of supervision**

Supervision missions were regularly held every six months until the onset of COVID-19 in March 2020 after which the project team supervised project implementation based on scanned documents. Supervision of fiduciary and procurement aspects of the project was adequate. When there were cases of non-compliance with fiduciary and safeguards policies, the project team closely monitored the resolution of those issues based on the action plans agreed with the Afghan government (see Section 10. Other Issues below). The project team's focus on project implementation and the development impact of the project was sufficient. Despite the project team's efforts at the government level to ensure the availability of funding for maintenance and the sustainability of project outcomes, this issue was unresolved at project closing mostly due to the uncertainties in the political environment in the country. The project team was proactive in processing an additional financing and restructuring the project to achieve the project objective. While the M&E findings were utilized to inform the strategic redirection of project implementation, moderate shortcomings in the M&E design in capturing the outcomes of the technical assistance activities and the sustainability of project outcomes were not sufficiently corrected during implementation (see Section 9. M&E Design, Implementation, and Utilization below).



The quality of supervision is rated Satisfactory.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

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

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

The project objective was outcome-oriented and clearly defined. The project's theory of change documenting how key activities and outputs were expected to lead to outcomes were adequately explained and mostly reflected in the results framework. The intermediate results indicators sufficiently captured the contribution of the project's investment activities and outputs towards the achievement of project outcomes. However, the casual chain from technical assistance activities to expected outputs and outcomes were not adequately captured by the results framework. The objective level indicators, i.e., increased access to rural roads and reduction in travel times, sufficiently encompassed the project outcomes of increased access to basic services and facilities, but the indicators were insufficient to capture the sustainability of the project outcomes. The indicators were specific, measurable, achievable, relevant, and time-bound. Targets were available for all indicators; baselines were to be determined by a survey within the first two years of project implementation. The M&E design and arrangements were adequately embedded institutionally. PIUs within the MWP and MRRD had the experience and capacity from the implementation of the NERAP and were to monitor project progress based on the contractors' progress reports. A third party monitoring company was to be utilized to measure the objective level indicators.

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

Baseline data for project objective level indicators were collected via video surveys or user surveys as planned. While there were some delays in data collection for the measurement and reporting of the indicators in the Results Framework because of the worsening security situation, both PIUs submitted project progress reports regularly based on the data collected by the supervision consultants and the third party monitoring consultants. At the time of the additional financing, two intermediate indicators were added to the Results Framework, i.e., job opportunities created and number of people trained. The first indicator was not relevant to capture project outputs or outcomes that would lead to the achievement of the project objective. The second indicator was not sufficient to address the Results Framework's weakness in capturing the impact of technical activities on the achievement of the project outcomes and objective. The target values of the indicators were revised upward following the scaling up of the project scope at additional financing. Two beneficiary satisfaction surveys were conducted, one in January 2015 and the other in December 2020.



### c. M&E Utilization

M&E findings were communicated to the government and the World Bank project staff regularly. The processing of the additional financing can be fully attributed to the M&E findings that determined the financing gap caused by detailed designs and the changes in the project scope (ICR, p.22). The strategic decision to shift some secondary road rehabilitation works from the MPW to the MRRD was taken by the government officials and the World Bank project team based on the information in the M&E reports of the third party monitoring company. It was reported that the MPW would not be able to complete those works on time because of the heavy workload of the ministry in implementing other projects and the procurement of the contracts through National Competitive Bids, which required a minimum six-month processing period (ICR, footnote 49, p.22). As a result of this shift, works on secondary roads were completed on time. The M&E findings were adequately used to provide evidence of the achievement of the project outcomes. Due to the changing political situation in the country, the M&E findings are not expected to lead to subsequent interventions in the near future.

Overall, while there were moderate shortcomings in the M&E design in capturing the project's technical activities' impact on the achievement of the project objectives and the sustainability of the outcomes after project closing, and in the M&E implementation because of the worsening security situation in the country, the M&E system as designed and implemented was sufficient to assess the achievement of the project objectives and test the links in the results chain, and M&E findings were utilized to inform strategic redirection and processing of additional financing. Hence, the project's M&E quality is rated Substantial.

### M&E Quality Rating

Substantial

## 10. Other Issues

### a. Safeguards

The project was classified as Category B under Environmental Assessment (OP/BP 4.01) and triggered the Natural Habitats (OP/BP 4.04) and the Involuntary Settlement (OP/BP 4.12) safeguard policies. At the additional financing, the project also triggered the Physical Cultural Resources (OP/BP 4.11).

**Environmental Assessment (OP/BP 4.01):** Because the location of the specific road works and detailed designs were not known at appraisal, an Environmental and Social Management Framework (ESMF) was prepared outlining the expected effects of the project activities on environment and local communities and potential mitigation measures based on the experience gained at the then ongoing National Emergency Rural Access Project. The ESMF was disclosed in the Dari and Pashto languages in the project areas, and the websites of MPW and MMRD. An English version of the ESMF was published on the World Bank's Infoshop. Some potential adverse effects of the project activities on environment were listed as soil erosion, clearing of vegetation, landslides, slope instability, contamination of water, air and sound pollution, operation of quarries and borrow pits, discharge of sewage and other fluid waste from construction camps, and spillage of pollutants. It was also expected that the project could have an adverse impact on traffic safety and occupational health and safeguard (OHS) of workers. Environmental and Social Management



Plans (ESMPs) were to be prepared once the project locations were identified after the start of the project implementation.

The PIUs had the capacity and staff to implement the environmental safeguards policy. However, there were shortcomings in the occupational health and safety arrangements in project sites, and ESMPs were not prepared for some project sites. There were also two fatalities, one because of an insurgent activity and another because of the lack of adequate safety measures in one of the project sites. Both incidents were formally notified to the World Bank. Upon the training of the members of staff responsible from the implementation of safeguard policies, the implementation of the occupational health and safety arrangements improved (ICR, p.23).

**Involuntary Settlement (OP/BP 4.12):** The project triggered this policy because of the possibility that road widening activities could require acquisition of land and asset. The general guidelines of how this safeguard policy was to be implemented were included in the EMSF, such as road works that were to affect more than 200 people or land acquisition of more than 10 percent of total land holdings were not be financed under the project. During implementation, the project switched from the implementation of land donation approach, because of its negative socioeconomic impacts, to a community-based compensation approach, under which project beneficiaries contributed to the compensation project-affected persons. The project was compliant with the requirements of the Involuntary Resettlement Safeguard policy.

**Natural Habitats (OP/BP 4.04):** This safeguard was triggered because the project was spread over different parts of the country and subject to the National Biodiversity Strategy Act 36 of the Afghanistan Environmental Law particularly in the Bamyan Valley, one of the project sites. This law was in line with the requirements of the Natural Habitats safeguard policy. The ESMF included procedures to mitigate the project's negative impact on biodiversity in the valley. While the ICR does not provide information about how this safeguard policy was implemented, the project team stated that the main road construction activity in the Bamyan Valley had been designed but not implemented because the engineering design was not cleared and approved by UNESCO and the Ministry of Culture in time.

**Physical Cultural Resources (OP/BP 4.11):** This policy was triggered at the time of additional financing because of the presence of rich cultural heritage resources in the Bamyan Valley, one of the project sites. The ESMF was reviewed and revised to include the measures for the implementation of this safeguard policy. However, the ICR does not provide information about how this safeguard policy was implemented. The project team stated that the road project that had triggered this safeguard policy--the same road project that triggered the Physical Cultural Resources safeguard policy-- had not been approved in time by UNESCO and the Ministry of Culture; hence, the safeguard policy was not implemented.

**Grievance Redress Mechanism:** A grievance redress mechanism was in place. A total of 947 complaints were received, mostly about employment issues, late payment of wages, contractor operations, land/asset disputes, and design issues. By the time of project closing, all complaints were resolved.

## **b. Fiduciary Compliance**

### **Financial Management**



At appraisal, the PIUs under the MPW an MRRD had already been implementing the NRAP and had capacity and staff to implement financial management. The project supported the financial management capacity of both PIUs under the project. PIUs submitted unaudited interim financial reports mostly on time. External audit reports of the project did not note any significant issues. However, the audit reports of the last three years of project implementation were submitted with an average delay of four months due to delays on the part of the government auditors. The internal audit arrangements were not sufficient. There were some cases of ineligible expenditures. MPW hired some members of staff without following the recruitment processes of the project. Later, MPW refunded the salaries that were paid to these members of staff from the project funds. Issues related to ineligible staff allowances and expenditure documentation that were reported by the third party monitoring were resolved before project closing. No issues of corruption are reported in the ICR. At project financial closing on June 30, 2021, all project funds were accounted for.

**Procurement**

The PIUs had capacity and staff to implement procurement under the project. But because of high staff turnover, the World Bank project team provided close support to the PIUs and regular trainings to the staff in charge of procurement. The other main issues with procurement were absence of proper documentation and weak contract management. The procurement workload was heavy with hundreds of contracts because of the large project scope, wide geographic spread of the project activities, and limitation on contract sizes. Procurement was adversely affected by the delay in the finalization of project designs. The preparation of the Kabul-Peshawar expressway feasibility study was dropped from project scope because consultants could not be procured (ICR, p.20). MPW’s procurement was through National Competitive Bids, which required a minimum of six months to process bids. Coupled with the MPW’s responsibility to implement other projects, this increased the ministry’s workload and, consequently, some secondary road rehabilitation works had to be transferred to MRRD so that they could be completed on time. At project completion, there were no outstanding procurement related issues.

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

None.

**d. Other**

None.

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	



Quality of M&E	Substantial	Substantial
Quality of ICR	---	Substantial

## 12. Lessons

This review has drawn two lessons based on the information in the ICR.

**Large scope and wide geographic spread of a project can complicate procurement and contract monitoring in a fragile and conflict country.** The project had a simple design consisting of rehabilitation of secondary and tertiary roads and construction of bridges, along with technical assistance in capacity strengthening for the sustainability of project outcomes, but the project scope was large covering all 34 provinces in the country. Coupled with the limitation on contract sizes, this resulted in hundreds of contracts overwhelming the procurement and contract management capacity of the PIUs, especially that in the MPW. The ICR (p.26) states that increasing the size of contracts to the extent possible in a fragile and conflict context by geographic clustering could be considered for more efficient project management and to optimize resources for monitoring.

**In fragile or conflict countries, where project sites cannot be visited due to security concerns, utilization of third party monitoring (TPM) can improve project monitoring and evaluation.** The project team was not able to visit certain project areas because of worsening security situation. After the onset of the Covid pandemic, the project team could not visit the country. The project hired a TPM for conducting visits to project sites to observe and report project implementation. This TPM helped the project team to carry out effective supervision. The reports of the TPM company resulted in identifying non-compliant issues with fiduciary and safeguards policies, and in shifting some road works from MPW to MRRD, due to the heavy workload of the former, so that those works could be completed on time (see Section 9.c M&E Utilization above).

**Involvement of local communities in rural road projects in fragile and conflict countries can critically affect project outcomes.** The rural communities were consulted in the selection of roads to be rehabilitated under the project. Regular engagement with local communities and elders ensured successful implementation of project activities in an increasingly unstable political situation. The project provided technical assistance support to the communities in building local capacity to maintain the roads after project closure. The capacity built under the project should be sufficient to maintain the roads to ensure sustained access of rural communities to these roads in the absence of a functioning government in the country and insufficient funds.

## 13. Assessment Recommended?

No

## 14. Comments on Quality of ICR



The ICR provides a detailed overview of the project. It is concise and candid. Including its annexes, the ICR presents an appropriate base to support the achievements reported. The M&E data are used to provide evidence of achievement of both outputs and outcomes. The report is focused on what happened as a consequence of the project. The narrative supports the ratings and available evidence. The ICR is internally consistent; the logical linking and integration of the various parts of the report is sufficient.

However, while the lessons respond to the specific experiences and findings of the project, they are not sufficiently linked to the narrative of the ICR. The ICR does not report the implementation of the Natural Habitats and Physical Cultural Resources safeguard policies.

Overall, the quality of the ICR is rated Substantial.

**a. Quality of ICR Rating**  
Substantial