



1. Project Data:		Date Posted : 02/14/2003	
PROJ ID: P007318		Appraisal	Actual
Project Name: Road Maintenance and Rehabilitation Project	Project Costs (US\$M)	125.0	116.82
Country: Haiti	Loan/Credit (US\$M)	50.0	25.12
Sector(s): Board: TR - Roads and highways (90%), Central government administration (10%)	Cofinancing (US\$M)	70.0	91.70
L/C Number: C2691; CP652			
	Board Approval (FY)		95
Partners involved : Inter-American Development Bank (IDB), European Union (EU) and Kreditanstalt fur Wiederaufbau (KfW)	Closing Date	12/31/2001	12/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives
The project objectives were to:

- (i) assist the Government in implementing a comprehensive five -year maintenance and rehabilitation program on the intercity road network and in Port au Prince;
- (ii) strengthen road subsector management within a comprehensive restructuring program of the Ministry;
- (iii) foster private sector and community participation in road works; and
- (iv) assist the Government in increasing its financing of road maintenance .

b. Components
There were four main components financed by the Government, IDB, EU and KfW in support of the five -year Road Program.

- (i) Bridge and rehabilitation works to be contracted out (US\$77.3 million);
- (ii) Periodic and routine maintenance works to be carried out by local firms, local communities, and (where necessary) the Ministry of Public Works, Transport and Communications (MTPTC), (US\$25.0 million);
- (iii) Limited procurement of traffic control and road maintenance equipment and tools (US\$2.2 million); and
- (iv) Institutional strengthening (restructuring MTPTC; improving transport planning and sector policy; training MTPTC staff to prepare projects for private sector implementation and to manage contracts; and studies to resolve sector/subsector issues)

Revised Components .
There were four amendments to project components : The **First Amendment** (July 12, 1995) financed the retention of professional accountants and a procurement advisory service firm to assist the Ministry in complying with the financial covenants of the Credit Agreement and the bidding process . The **Second Amendment** (February 26, 1997) was to reallocate approximately US\$20.00 million equivalent to help finance small infrastructure works, and allocate US\$0.7 million to finance the expenditure of the Highly Labor Intensive (HIMO) unit and to simplify disbursement procedures. The **Third Amendment** (May 29, 1997) was to lower the limit for civil works carried out by pre -qualified local contractors; and increase the aggregate amounts for lumpsum fixed price contracts awarded to domestic contractors for maintenance of interurban roads and street works . The **Fourth Amendment** (March 14, 2000) increased the total amount of civil works to US\$ 31.58 million equivalent of which US\$ 14.74 million was for ongoing interurban road networks and US\$ 16.84 million equivalent for the rehabilitation of the Saint Marc to Gona ives road.

c. Comments on Project Cost, Financing and Dates

Actual project costs were US\$ 116.82 million with IDA financing SDR 18.2 million (US\$25.12 million equivalent), and the two co-financiers providing US\$91.70 million. Total appraised costs were US\$ 125.0 million. Government financial contributions for items in the Program were negligible. In January 2001, IDA suspended Haiti's rights of withdrawal under IDA credits due to failure to meet outstanding payment obligations. A total amount of SDR16.4 million was cancelled. The project closed on December 31, 2002 as originally planned.

3. Achievement of Relevant Objectives:

Project implementation was strongly affected by political events and uncertainty in Haiti. The project did not achieve most of its physical objectives, and made little progress in establishing a road fund and in restructuring MTPTC as a functional institution. The road network is in worse condition at project closing than it was at appraisal.

Physical:

- Inter-urban roads of 55 km were rehabilitated (22% of the 250 km appraisal target).
- Inter-city roads of 45 km were rehabilitated compared to 180 km targeted in the SAR (25%).
- Urban roads 14 km (45%) were rehabilitated compared to 31 km targeted in SAR.
- About 20% of the targeted 2000 km of inter-urban roads were maintained.
- Under 20% of the appraisal-targeted urban roads (200 km) were maintained.

Policy /Institutional:

- A study was undertaken to restructure MTPTC but recommendations were not implemented due to political unrest.
- About 110 staff received training in project management (119 targeted).

Private Sector Development:

- Significant participation of local contractors in the execution of urban road rehabilitations with IDA credit financing US\$14.15 million (13.2%) of the total actual costs of the civil works of US\$ 107.55 million.
- Estimated 2.5 million of person-days of employment created.

Road Fund:

- Road maintenance financing was not secured as the law creating the road fund was not approved by parliament.

4. Significant Outcomes/Impacts:

- Despite the difficult political, institutional and policy environment, the project fostered the participation of beneficiary communities, and mobilized small and medium sized enterprises which carried out maintenance and rehabilitation works on urban streets and related facilities.
- The project created 2.5 million person-days of employment, providing a safety net to the poor.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Poor quality studies, failure to comply with technical standards, and inadequate controls resulted in low quality civil works, cost increases, and implementation problems.
- The Borrower did not comply with IDA procurement guidelines, resulting in the Association formally declaring 19 contracts misprocured and the suspension of disbursements from the Credit.
- Completed studies under the project -- (i) Traffic Master Plan for Port-au-Prince; (ii) road fund creation; and (iii) MTPTC reorganization-- were generally not implemented.
- There were significant delays in the preparation and submission of project audits.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Highly Unsatisfactory	Highly Unsatisfactory	
Institutional Dev.:	Negligible	Negligible	
Sustainability:	Unlikely	Unlikely	
Bank Performance:	Unsatisfactory	Unsatisfactory	
Borrower Perf.:	Highly Unsatisfactory	Highly Unsatisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- In designing projects in post-conflict situations, there is a strong need for achieving a balance among implementation, sector objectives and social impact goals. These goals could be balanced through an integrated project design that focuses on efficient project implementation.
- Where governance and institutional capacities are very weak it may be expedient to rely on a well-defined implementation strategy that may bypass traditional government channels. This would be tailored to implementation capacities, and carried out within a strong accountability framework that nevertheless would permit early results.
- Lack of administrative capacity creates severe implementation difficulties and undermines the achievement of project objectives. In Haiti, lack of administrative capacity led to misprocurement, cost overruns, delays in implementation, and the achievement of less than 20% of the targeted civil works. In the road subsector, the focus should be on the adoption of appropriate managerial and administrative practices for road asset

management, ensuring greater transparency, and permitting tighter supervision and monitoring .

- Strong donor coordination is key to successful implementation . Such a coordination effort builds on common objectives, a shared strategy for the development of the institutional framework and basic capabilities, and a joint evaluation mechanism to track implementation progress . Prompt inter-institutional agreement is needed for mid-course corrections that respond to evolving issues . A multiplicity of donors with different rules and procurement guidelines may lead to improper application of procurement procedures at project implementation .

8. Assessment Recommended? Yes No

Why? The project experienced major compliance problems with respect to Bank procurement and resettlement policies and procedures .

9. Comments on Quality of ICR:

Over all, the quality of the ICR is satisfactory . A more accurate account of the road work completed, revised physical targets and quantitative estimates of the ERRs (instead of the qualitative statements made) would have provided a more convincing assessment of the project outcome .