Report Number : ICRR0020183

1. Project Data

Project ID	Project Name	
P064876	BI-Road Sec Dev SIM (FY04)	
Country	**Practice Area(Lead)**	**Additional Financing**
Burundi	Transport & ICT	P123119

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-38740,IDA-H6840	31-Dec-2009	73,540,000.00
Bank Approval Date	**Closing Date (Actual)**	
18-Mar-2004	31-Jan-2015	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	70,400,000.00	0.00
Revised Commitment	70,104,682.80	0.00
Actual	70,180,040.11	0.00

Sector(s)
Rural and Inter-Urban Roads and Highways(70%):Central government administration(14%):Flood protection(10%):Sub-national government administration(6%)

Theme(s)
Infrastructure services for private sector development(29%):Rural services and infrastructure(29%):Rural non-farm income generation(14%):HIV/AIDS(14%):Micro, Small and Medium Enterprise support(14%)

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

The objective of the project was to contribute to the post-conflict revival of the Borrower through restoration of part of the priority road network, generation of employment for the rural poor, and improvement of institutional capacity in the road sector (Development Credit Agreement dated April 2, 2004 (p.21); Project Appraisal Document p.2, 37).

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

05-Apr-2011

c. Components

1. Rehabilitation of Paved Classified Roads (appraisal US$29.17 million; additional financing US$10.4 million; actual US$ 42.39 million) included rehabilitation of paved classified roads that included 161.8 km of National Road (NR) 3, 4, and 10, linking major cities, production areas, and neighboring countries, and protection works on River Rusizi embankments, as well as spot repairs on NR 1, 5, and 7, linking Bujumbura with the rest of the country.

***2.* Rehabilitation of Unpaved Classified Roads** (appraisal US$9.44 million; additional financing US$3.7 million; actual US$8.12 million) included rehabilitation of 350 km of unpaved secondary and communal roads, principally in agricultural production areas.

3. Road Maintenance and Management (appraisal US$5.8 million; additional Government financing of US$ 3 million; actual US$4.5 million) was to support a new approach to road maintenance that involved road side communities. This included a three-year pilot program of labor-intensive routine road maintenance and management by Associations of Community Development (ACDs); a three-year program of mechanized routine road maintenance by local Small and Medium Enterprises (SMEs); provision of financial and technical support for routine road maintenance supervision as well as training of ACDs responsible for routine road maintenance and management on prevention of HIV/AIDS, including counseling for roadside communities and road workers.

4. Sector Management and Institutional Strengthening (appraisal US$2.2 million; additional financing US$2.1 million; actual US$11.1 million) included provision of financial and technical support to agencies involved in the road sector, in particular in establishment of a monitoring and evaluation (M&E) system, implementation of the Government's divestiture program involving the Road Equipment Leasing Agency (ALM) and the National Public Works and Building Laboratory (LNBTP) and preparation of performance contracts with the National Road Agency (OdR) and the National Road Fund (FRN); implementation of the national road sector policy and development of the regional transport sector dialogue; and training of sector staff in road planning and analysis, road works execution and management; and of SMEs in road contract management.

***5.* Project Preparation and Implementation Support** (appraisal US$4.7 million; additional financing US$2.8 million; actual US$4.1 million) included provision of financial and technical support to agencies involved in project preparation, implementation and M&E.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost: The total project cost was US$70.3 million equivalent that increased by 37% from the appraisal estimate of US$51.4 million in conjunction with additional financing due to cost overruns and additional works required for deteriorating road conditions in the project area.

Financing: The Bank committed an IDA Credit in the amount of US$51.4 million at appraisal. In April 2011, an additional financing (AF) Grant was approved in the amount of US$19 million to cover a cost overrun of US$7.3 million and additional works required on the project road sections in the amount of US$11.7 million. By project closure, US$70.2 million were disbursed. There was no co-financing.

Borrower contribution: There was no commitment from the Borrower at appraisal. At the time of additional financing in 2011, the Government contributed US$3 million to finance maintenance activities under Component 3. The ICR does not include this contribution into the total project cost calculations.

***Dates*:** There were five extensions for a total of 61 months to complete the project activities under the original and AF due to delays. This included the 2nd extension to process the AF in 2010, and the fifth one to complete road works on the national road NR1 that were damaged due to heavy flooding in 2014. The project duration doubled from the original five years to more than ten years.

3. Relevance of Objectives & Design

a. Relevance of Objectives

Burundi is a small land-locked country dependent on the road network for its economic activities. At the time of appraisal, after more than a decade of war, the government adopted a road strategy placing high priority on restoring and maintaining the road network as well as establishing a framework for road sector planning and management that eliminates dispersion, integrates all interventions in the sector, and enhances efficiency and synergy. The project was an integral part of the Bank's Transitional Support Strategy for Burundi, which aimed to reduce poverty and improve living standards by stimulating rural employment through road infrastructure programs. The objectives remained relevant to the World Bank Group's Country Assistance Strategy for fiscal years 2013 to 2016, which aimed to improve competitiveness through reducing infrastructure related bottlenecks. The objectives were also relevant for Burundi as a Landlocked Developing Country (LLDC) in the context of the United Nations Programme of Action for LLDCs for the Decade 2014–2024, which pays particular attention to the development and expansion of efficient transit systems and transport development for the LLDCs.

Rating	Revised Rating
High	Not Rated/Not Applicable

b. Relevance of Design

The statement of the objectives was clear. The project was designed to help a post-conflict country to restore its critically damaged sections of the road network, provide employment to the rural poor, and improve institutional efficiency through provision of financial and technical support to the road agencies, training of SMEs in road contract management, and other activities. The link between the outputs and outcomes related to the attainment of the development objectives was set out in Annex 1 of the PAD. The project result framework put a heavy emphasis on the institutional strengthening outcomes and the increases in the annual expenditures on road maintenance, without capturing the benefits from the physical investment in road restoration that represented 86% of the project cost. Overall, the project design was overly complex for a post-conflict and fragile country; for example, some of the institutional strengthening activities included re-organization of the sector and privatization of two road sector agencies.

Rating	Revised Rating
Modest	Not Rated/Not Applicable

4. Achievement of Objectives (Efficacy)

Objective 1

Objective
To contribute to the post-conflict revival of the Borrower through restoration of part of the priority road network.

Rationale
Outputs

- Rehabilitation works were carried out on about 40km of paved roads (NR 3 and NR 4) and periodic maintenance on 122 km of NR10 (the NR10 works were downsized due to delays and cost overruns). A total of 41 critical spots were treated under AF on NR 1,3,7, and 10.
- A total of 355 or 14% of the 2,500 km of unpaved secondary and communal roads were rehabilitated through periodic maintenance works.
- Annual routine maintenance was carried out on 1,070.5 km of paved roads (target 1,100km) and 430 km of unpaved roads.

Outcomes

- Rehabilitation and maintenance works on paved roads helped achieve the related target of 56% of paved roads in good and fair condition that was set at the time of AF for 2013. By project end, 69.9% of the national paved roads were in good and fair condition, up from 16% in 2003 and 49% in 2010 (the share of the paved classified network of Burundi was 1,100 km or about 30% of the total classified network of 3,600km in 2010). The ICR (p.24) notes that the works on the NR1 road deviated heavy traffic causing significant damage to roads, including N10 supported under the project.

- The share of earth roads in good and fair condition of the total classified network increased from 7% to 28.5%, beyond the target of 14% set at the AF. 40% or 741,406 persons out of the total targeted population of 1,853,517 are reported to have access to all-weather road, with an average of 2,075 persons per km and a minimum of 1,319 persons per km compared to the national average of 710 persons per km. The ICR p.16 mentions that the common benefits from rehabilitated roads include decreased travel time and vehicle operating cost for road users, including farmers who export their products to markets, however it does not provide the related evidence with regard to this project. As mentioned earlier, the ICR (p.24) notes that deviation of traffic from NR1 also caused significant damage to the unpaved provincial roads PR101 and 109 where the works were finalized in 2013 under Component 2. It also adds on p.25 that the project-supported unpaved roads are being poorly maintained, and they are not included in the regular maintenance planning, contrary to what was foreseen in the project. This fact undermines the sustainability of benefits from the project intervention.

- The ICR (p.25) reports that the progress on routine maintenance reversed in 2013-2014, resulting in 32% decrease in the total length maintained and a sharp decrease by 65% in maintenance of earth roads. This was mainly due to delays in processing and signing the maintenance works contracts. As subsequently clarified by the project team, this was due to the removal of NR5 and 4 from the maintenance program, as the Road Authority (OdR) decided to include these roads in the rehabilitation programs financed by the project, and complemented by the African Development Bank, and the European Union. The roads were re-introduced in the regular maintenance program in 2015.

Under the original and revised indicators, the achievement of this objective is assessed as modest. While the targets set at the time of AF for increasing the shares of paved and earth roads in good and fair condition in the classified road network were achieved, the roads continue to rapidly deteriorate and significant damage was reported on the several project road sections during the ICR mission (ICR, p.24-25). In addition, the project-supported unpaved roads were not included into regular maintenance planning as envisaged, so the results are not sustainable. With regard to the original outcome indicator, while the annual expenditure on road maintenance increased, the Government was expected to progressively increase fuel levy for road maintenance which reached US$0.8 per liter by end of project, while projected to reach this level in 2008, six years earlier.

Rating
Modest

Revised Objective

Revised Rationale

Revised Rating
Not Rated/Not Applicable

Objective 2

Objective
Generation of employment for the rural poor.

Rationale
65,721 persons were employed on road works, up from 48,000 in 2010 and above the target of 56,000 set during AF in 2011. The benchmark for rural employment was set at appraisal as 60% of major road works under execution (the indicator was dropped). 113 rural Community Development Associations (ACDs) were created under the project to group rural poor people living along roads to benefit from daily job activities in recurrent maintenance works; Routine road maintenance works contracts are signed between the FRN and local Small or Medium Enterprises (SME) who, in turn, subcontract the labors from the ACDs. To guarantee payment to the workers, each is paid directly by the FRN on their respective accounts open at micro-finance organizations. As for the female participation in the labor, the original target set at appraisal was to achieve 30% of ACD membership for women (PAD, p.37). The ICR reports that 50% were female; as per clarifications of the project team, this was the number observed during the field visit and ICR missions. The ACD systems continue to be used by FNR beyond the project closure, however, as pointed out by the ICR (p.26), their sustainability is at risk due to delays in payments, including ACD wages, and working conditions being deemed unsatisfactory.

Rating
Substantial

Revised Objective

Revised Rationale

Revised Rating

Objective 3

Objective
Improvement of institutional capacity in the road sector.

Rationale
Outputs

- Training was carried out for 22 OdR staff in the related field. The target of 35% was added in 2012 and was achieved only at 22.4% in 2014, due to high staff turnover as a result of frequent changes at the management level. 22 SMEs were trained in civil works management. HIV/AIDS prevention counseling was provided to 34,123 ACD members (target 27,000), of which 50% were female, as reported by the ICR.
- An institutional audit/comprehensive diagnostic study was carried out for the four main road agencies (OdR, NRF, LNBTP, and Road Equipment Leasing Agency (ALM)) to identify options for the privatization of ALM and LNBTP and identify measures for capacity

improvement, however most of the recommendations were not implemented. Performance contracts were only introduced after December 2012, three years after the original closing date, and the proposal for improved organization of OdR were not taken into account; the training program was abandoned due to GoB's decision requesting such training outside the country for the cabinet of ministers. The intended privatization of ALM and LNBTP did not take place as planned (ICR, p.27).

- The road database for unpaved and paved roads was not established at the National Roads Agency (OdR) as planned, due to frequent changes at the OdR top management level, lack of ownership of the initiative, and appointment of trained staff to other departments.
- A computerized monitoring and evaluation system was not established at MTTPE and OdR, as planned at appraisal.
- Statistics system was not completed in MTTPE as planned, due to lack of ownership of the reform process at the MTTPE and OdR.
- The study of road and inland transport strategy for Burundi was prepared with a detailed analysis but no concrete recommendations and was not acted upon.

Outcomes

- While a fuel levy for road maintenance was increased from US$0.02 in 2003 per liter to US$0.08 in 2014; this increase was significantly delayed, as it was projected to be reached by 2008, six years earlier (PAD, p.37). The National Roads Fund (FRN) revenues increased from US$1.2 million in 2003 to US$9.5 million in 2014. The share of the annual road maintenance budget was up from 43% in 2003 to 67.7% in 2015, however it did not reach the targeted 80%, due to low capacity of the OdR in planning and implementing road maintenance program.
- While the equipment supplies, studies, and consultant services were carried out, there was no significant improvement in the sector management and institutional strengthening during a 10-year project (ICR, p.27.) Albeit the project met its objectives in making procurement more efficient by the special procurement commission at OdR and at the PMU (Indicators 3 and 4), these were limited to the project implementation. On balance, the institutional strengthening objective is assessed as modestly achieved due to progress with regard to the increase in maintenance allocation, and introduction of such approaches as Output- and Performance-based Road Contracts and involvement of local communities through creation of ACDs for manual routine road maintenance works.

Rating
Modest

Revised Objective

Revised Rationale

Revised Rating
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5. Efficiency

At appraisal, the ex-ante economic analyses were carried out for NR 3,4, and 10 under Component 1. The traffic counts were not done due to insecurity, and 1992 traffic counts were used for NR 3 and 4. Based on the Highway Development and Management (HDM) model, the net present value (NPV) for these roads was estimated at BIF 5.2 billion (US$3.3 million) and BIF 1.1 billion respectively discounted at 12%. As the road conditions varied on NR 10, the NPV was positive only on one NR10 road section with the highest traffic. The economic analyses were not carried out as planned for road works under Component 2.

During AF, an economic analysis took into account the total cost of works completed under the original project and planned under AF and compared annual vehicle operating costs (VOCs) on each road with an alternative road in good condition to which traffic would most likely deviate in case of disruption on the project road. The difference between the two values was taken as benefits of having an all-year road without traffic disruption (AF Project Paper, p.9-10).

At closure, the ICR (p.30) reports that the ex-ante economic analyses performed at appraisal could not be retrieved, and there were no systematic and comprehensive traffic counts done for the project roads. An ex-post economic analysis was done for roads under Component 1 using the assumptions made in PAD, which included (a) the actual project cost, (b) costs of routine or periodic maintenance with a 5% annual increase, and (c) the benefits from VOCs considering inflation of 5% per year, traffic growth of 5% per year and the traffic count carried out by the Borrower on 13 points on NR1,3,4,7, and 10 in January 2015. The results of the ex-post economic analyses for NR 3,4, and 10 showed positive NPVs (ICR, Annex 3). The ICR (p.15) adds that the significant cost overruns (mainly due to lack of reliable feasibility studies at preparation, external shocks caused by the 2008 global economic crisis, and subsequent commodities price increases) were partially offset by higher than projected traffic levels. No analysis was done for the unpaved roads under Component 2.
The project duration was substantially extended- it doubled to 10 years mainly to carry out the original scope of works, along with 41 critical spot improvement added with AF in 2011. The weak implementation capacity, poor performance, procurement delays, and insecurity in some project areas resulted in implementation delays and cost overruns. Additional funds were required to cover cost overruns and new works (spot improvement) on the road sections due to their deterioration. The project actual cost increased by 37% at project closure. Also, the funds allocated for the institutional strengthening activities under Component 4 increased almost six fold from US$ 2 million to US$11 million, while only a fraction of the related planned outputs were delivered with modest gains in the road sector management and institutional capacity.

Efficiency Rating
Modest

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		0	0 ☐Not Applicable
ICR Estimate		0	0 ☐Not Applicable

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

6. Outcome

The project objectives were highly relevant to the post-conflict country's priorities. The relevance of design was, however, modest as it was overambitious in light of the weak country commitment and inadequate local capacity to implement the project. The project objectives of restoring part of the priority road network and improving institutional capacity in the road sector were modestly achieved. The objective of the employment generation for the rural poor was rated substantial. Efficiency is rated modest due to substantial delays as a result of administrative and operational inefficiencies.

a. Outcome Rating
Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating

- The political turmoil and unrest in the country are likely to have adverse effects on sector development and the government's commitment.

- The project achievements that will be difficult to sustain are: (a) the FRN's financial autonomy; and (b) the creation of well functioning ACDs that could be discouraged by late payments if they continue to happen as during the last months of the project.

- There is a continued massive overloading by truckers, as legislation on vehicles' maximum weights and axle load control is not enforced, due to absence of the equipment for such controls as well as vested interests.

- The weak maintenance management system, partly due to the OdR's lack of planning and implementing capacity, may result in deterioration of some of the roads. The unpaved project roads were not included into the regular maintenance planning as envisaged by the project.

a. Risk to Development Outcome Rating
High

8. Assessment of Bank Performance

a. Quality-at-Entry

The project design was built on lessons from the experience in the road sector in Sub-Saharan Africa, in particular (a) the establishment of new generation road funds (with sound financial and administrative autonomy in relation to the supervising ministries to efficiently ensure maintenance of the road network) as well as (b) the state's withdrawal from force account practice in road works. The ICR (p. 18) identifies the following factors that characterize the Bank's quality at entry: (a) an over-estimation of the implementation capacity of the GoB at the ministry and OdR levels, as well as the transport sector's ambitious restructuring agenda; (b) overly optimistic cost estimates required to properly fund the scheduled works, despite lack of security and safety during the preparation stage and uncertainties of the Burundi road contracting markets; (c) the assumption that works would start immediately after credit effectiveness whereas the readiness conditions (including implementing agencies and the procurement process) were not in place; (d) poor design of the project's indicators, which were difficult to measure and to monitor; and (e) political and security issues, such as armed conflicts in some project zones, which were not adequately factored.

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

There were 28 implementation support missions carried out during the project duration of ten and a half years. Throughout the project's life, the Bank team consistently worked with the GoB to develop action plans for compliance purposes. The World Bank processed an AF to cover cost overruns and carry out additional works to keep the roads in a maintainable condition, working closely with GoB to optimize the spot improvement process under the project. The ICR (p.19) indicates that the reporting under the original project duration was not adequate, in particular with respect to the effects of various risk factors such as price increases, low capacity of contracting leading to delays, political influences, and adverse climate. The Bank team however equally underestimated the implementation capacity of the road agencies and the GoB's commitment to the reform agenda during AF processing. While many issues were raised in the AF Project Paper, the measures turned out to be inadequate to address them.

Quality of Supervision Rating
Moderately Unsatisfactory

Overall Bank Performance Rating
Moderately Unsatisfactory

9. Assessment of Borrower Performance

a. Government Performance

While political instability negatively affected the preparation and implementation of the project, several factors were under the government's control and contributed to delays project implementation. For example, a high turnover of ministers and director generals caused frequent changes in direction and strategy for the transport sector as well as unnecessary disruptions within the Project Management Unit (PMU). Albeit the Government supported the project through financing of maintenance activities under Component 3 with funding though the FRN, it did not show adequate ownership of the transport sector reform agenda and the scheduled sector reforms supported by the project; there was no progress on the institutional agenda. Also, due to inadequate support by GoB for the establishment of the Planning Unit at the MTTPE, several related activities were not carried out by project closure.

Government Performance Rating
Moderately Unsatisfactory

b. Implementing Agency Performance

The implementing agencies were the National Roads Agency (*Office des Routes*, OdR) for overall implementation and oversight, and the Ministry of Transport, Public Works, and Equipment (MTTPE) Planning Unit for two sector management and institutional strengthening sub-components: (i) consolidation of the functionality of data management and planning systems in OdR and MTTPE; and (ii) implementation of the Road Sector Policy Action Plan. The ICR (p.9) points to low implementation capacity of the OdR and lack of proficiency in procurement procedures. There was a high staff turnover within the OdR and the PMU, including frequent dismissal and reinstatement of the fiduciary staff at the Project Management Unit (PMU). Overall, the ICR (p.20) finds that mainly due to the increasing effectiveness of the PMU within the OdR during the last years of project implementation, the project activities were largely completed. It took however more than 10 years for to complete the original project scope and additional spot improvements, with modest progress on the sector management strengthening benchmarks. Neither road database, M&E system, or statistics system were established as planned. The weak performance, procurement issues and delays, and inefficiencies were persistent throughout the project implementation (ICR, Annex 2; AF Project Paper).

Implementing Agency Performance Rating
Moderately Unsatisfactory

Overall Borrower Performance Rating
Moderately Unsatisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

There were six outcome indicators identified at project appraisal that related to infrastructure development (increase in annual expenditures on road maintenance), income and employment generation (active population employed under the project: 30% for ACDs and 60% for major road contracts); institutional efficiency (maximum time spent on ICB and QCBS procurement and number of days between reception of invoice and payment); gender empowerment/social inclusion (at least 30% of ACD membership is female), and HIV/AIDS prevention (95% of ACD members received counseling) (PAD, Annex 1). There was no outcome indicator that was linked with the first sub-objective of restoring part of the priority road network that was to contribute to Burundi's post-war revival.

b. M&E Implementation

During the additional financing in 2011, the results framework was revised, in particular two indicators related to institutional efficiency were continued and the other four indicators were revised, while adding one to measure the share of roads in good and fair condition. The gender-related indicators were substituted for the Bank's core indicators, which were adopted during the project implementation, in particular the share of rural population with access to an all season road (of which female %) and number of persons employed on road works (of which female %) (AF Project Paper of March 11, 2011) The ICR (p.10) reports that there was frequent rephrasing and change of values of many indicators during the AF preparation and the project's implementation phase without formal restructuring. The entities in charge of the indicators' data collection and monitoring lacked both capacity and incentives to closely monitor the indicators.

c. M&E Utilization

The M&E was used for the assessment of the achievement of project development objectives in the ICR. The ICR (p.10) notes that M&E is not likely to be maintained.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

This was a Category B project that triggered one safeguard policy, Environmental Assessment OP4.1, as the expected environmental and social impacts were minimal and site-specific. Environmental and social impact assessments for NR 3, 10, 1, and 7 and unpaved roads were prepared and disclosed. Local communities were consulted during the preparation of the environmental and social impact assessments for the planned road works and before the commencement of works. Project beneficiaries were also involved in project implementation under the fee-for-service contracts that were put in place by the local non-governmental organizations under the Community Road Maintenance and Management (CRMM) activities. The ICR (p.10) reports that there were no issues during the implementation of road works, and no long-term adverse impacts on the environment. On p.26 the report, however, mentions that during the ICR mission, the working conditions of SMEs and ACDs were deemed unsatisfactory.

b. Fiduciary Compliance

Procurement: During the early stages of project implementation, procurement was slow, delaying the implementation of civil works. Staffing at the MTTPE Planning Unit was inadequate, with no procurement specialist for one year. A new project manager arbitrarily dismissed the procurement and accounting staff of the PMU who were all re-hired three months later. The ICR (p.25) notes that the technical terms of bid documents did not define with sufficient precision the different tasks to perform, thus leading to mismatches between the estimated and actual costs. The ICR (p.11) finds that the procurement activities were executed in a relatively efficient manner for works under the AF.

Financial management: The ICR (p.11) reports that the Financial Monitoring Reports were received regularly and were compliant with the agreed format. Audits were done annually, on time and were unqualified, with one exception that led to a downgrading of the financial management rating to moderately satisfactory. The first financial statement was prepared for 2013 by the OdR's financial and accountant staff owing to training under the project.

c. Unintended impacts (Positive or Negative)

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d. Other
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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Unsatisfactory	The project objectives were highly relevant to the post-conflict country's priorities. The relevance of design was, however, modest as it was overambitious in light of the weak country commitment and inadequate local capacity to implement the project. The project objectives of restoring part of the priority road network and improving institutional capacity in the road sector were modestly achieved. The objective of the employment generation for the rural poor was rated substantial. Efficiency is rated modest due to significant delays as a result of administrative and operational inefficiencies.
Risk to Development Outcome	High	High	---
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Borrower Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Quality of ICR		Substantial	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

IEG selected a number of lessons from the ICR, with some adaptation:

- **For post-conflict affected countries, project objectives, designs, implementation arrangements, and M&E should be simple and implementable.** In post-conflict situations, helping the government to generate employment and rebuild infrastructure is generally among the key priorities. As the governments' capacity to rebuild the nation is usually low, the design and scope should focus on quick and easy implementation, with rapid and visible outputs.

- **In post-conflict situations, substantive contingency funds should be included together with conservative cost assumptions.** Under this project, costs were underestimated, which together with delays led to significant cost overruns.

- **An adequate time frame should be given to implement institutional strengthening agenda in post-conflict countries**. Institutional reforms should be modest and realistic. This project duration doubled from five to more than ten years, however, without much accomplished in improving the sector management and institutional capacity, as envisaged at appraisal.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is concise; it clearly presents the issues that affected the project preparation and implementation. The ICR's Annex 2 is particularly insightful. The efficacy section could have provided more details and in-depth discussion. Also, more insights are warranted into the project experience and challenges related to the involvement of small and medium enterprises and local community associations in civil works in rural areas. The lesson related to cooperation between these groups is not clear and not supported by text in the ICR. The safeguards section should have discussed mitigation measures and such issues as working conditions, as this was briefly mentioned in Annex 2. The reporting on the number of females does not seem to be plausible for employment under road works contracts, which is indicated as 50%. In the Data sheet, the ICR reports 'yes' for privatization of the ALM , and then explains that the decision was never implemented. It's not clear why the ICR does a split rating for one outcome indicator on 'the maximum number of days between reception of invoice and payment' and rates it as highly satisfactory' (p.15). Overall, the ICR quality is rated substantial for the quality of analysis, due diligence on presentation of the original and revised indicators, and an insightful narrative in Annex 2- Outputs.

a. Quality of ICR Rating
Substantial