



1. Project Data:		Date Posted : 06/30/2003	
PROJ ID: P008210		Appraisal	Actual
Project Name: Venezuela Urban Transport	Project Costs (US\$M)	219.6	114.6
Country: Venezuela	Loan/Credit (US\$M)	100	67.8
Sector(s): Board: TR - General transportation sector (71%), Central government administration (19%), Sub-national government administration (10%)	Cofinancing (US\$M)	0	0
L/C Number: L3657			
	Board Approval (FY)		94
Partners involved :	Closing Date	06/30/1999	06/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The primary objective of the project was to improve and strengthen national and local institutions engaged in the planning, financing, design, and operation of urban transport systems. Secondary objectives included (i) increasing the efficiency of traffic and transport operations; (ii) preserving the urban transport infrastructure through better maintenance, and reducing user costs. The project was also expected to contribute to poverty alleviation by facilitating access to public transport by the poor.

b. Components

The project consisted of two parts:

Part A – Institutional Development and Policy program

(i) an institutional strengthening program for the National Urban Transport Fund (FONTUR) (US\$7.9 million or 6.9% of the actual project cost);

(ii) an institutional strengthening program at the municipal level (US\$11.6 million or 10.1% of the actual project cost);

(iii) a national training program (US\$2.2 million or 1.9% of the actual project cost);

(iv) traffic police program (US\$0.37 million or 0.3% of the actual project cost);

(v) policy studies (US\$0 million or 0% of the actual project cost); and

(vi) Project preparation (US\$11.17 million or 9.7% of the actual project cost).

Part B – Infrastructure and Equipment investment program at the municipal level.

(i) Traffic and infrastructure (US\$65.4 million or 57.1% of the actual project cost); and

(ii) Deferred Maintenance (US\$15.97 million or 13.9% of the actual project cost).

c. Comments on Project Cost, Financing and Dates

The Loan Agreement was first amended on April 4, 1997 and US\$20 million was cancelled. The cancellation of the loan was in part due to the political changes during the early part of the project that led to budget problems. Bolivar experienced deep depreciation in 1995-96. Also, the initial size and scope of the project may have been large for FONTUR's capabilities. At project closing, another US\$11.3 million was cancelled because of depreciation of Bolivar. The Bank's share increased from 50% of the project cost at appraisal to 59% of the project cost at completion. The project closed three years after its original closing date.

3. Achievement of Relevant Objectives:

The first objective of improving and strengthening the national and local institutions engaged in the planning, financing, design, and operation of urban transport systems was achieved.

- Intensive training in urban transport economics, general management, transport engineering, procurement, supervision and monitoring, information systems and environmental management was provided to over 250 professionals from FONTUR, participating municipalities and the private sector through workshops, study tours and training courses.
- Technical Assistance was also provided to local governments in areas of institution building, monitoring and supervision. As a result, during implementation, municipal governments demonstrated adequate capacity to contract out and implement civil work projects.
- The project supported development of operational manual and the contracting of technical personnel to oversee and mitigate potential social and environmental impacts relating to the National Urban Transport Program.

The objective of increasing the efficiency of traffic and transport operations was achieved. The project implemented traffic management works including road signalization and road intersection improvements and these seemed to have reduced traffic congestion and improved traffic flow. Rationalization of existing bus routes have improved efficiency by providing wider coverage and using fewer overlapping routes. The ex-post economic internal rate of return (EIRR) with time savings is 29.5%, slightly lower than appraisal EIRR of 32%.

The project provided technical assistance and training to participating municipalities to strengthen their capacity to carry out planning and implementation of road maintenance activities. An estimated 360 km of roads were maintained under the project.

As low-income population are primary users of public transport, improvement in existing urban transit routes appears to have improved the access to public transport by the poor. Also, FONTUR made it a condition for financing civil works that all new routes had to include access to peripheral poor areas.

4. Significant Outcomes/Impacts:

1. The project enhanced the level of coordination between FONTUR and the participating municipalities. The International Technical Assistance program (ATI) and the National Urban Transport Program (PNTU) assisted in creating a nucleus of professional in the urban transport which previously did not exist..
2. The institutional capacity of FONTUR was substantially strengthened. At the end of the project, FONTUR had adequate institutional capacity to oversee an ongoing technical assistance program to the municipalities and supervise civil works in urban areas.

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

- Weak management and oversight during early stages of implementation.
- Inadequate institutional development of "mancomunidades" the coordinating entities that represent two or more municipalities.
- Project implementation lacked appropriate performance indicators (that were discussed in Annex 13 of the Staff Appraisal Report).

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
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:

- For projects facilitating decentralization, it is important to ensure adequate distribution of project resources. Municipalities that demonstrate the necessary institutional and managerial capacity at an early stage to manage and carry out investment subprojects invariably receive significant percentage of project resources. Therefore, there are fewer resources for the municipalities that need the most assistance.
- The Bank needs to develop adequate implementation mechanisms for urban transport projects that are implemented by more than one municipalities.
- It is important to better align allocation of budgetary resources with legal and regulatory framework to avoid

implementation mismatch.

8. Assessment Recommended? Yes No

Why? The ICR does not provide comprehensive performance indicators to substantiate the achievement of project objectives. A field assessment by OED can confirm the project ratings.

9. Comments on Quality of ICR:

The quality of the ICR is satisfactory overall. However, the main weakness of the ICR is that it lacks comprehensive performance indicators to substantiate the achievement of project objectives (admittedly, the SAR lacked specific M&E targets as well). The presentation of even partial actual data for the six representative subprojects on traffic and efficiency improvements (which was collected for the ERR calculation) would have been helpful in documenting the project's outcome.