Report Number : ICRR0020164

1. Project Data

Project ID	Project Name	
P112998	BI-Public Works and Urban Management	
Country	**Practice Area(Lead)**	**Additional Financing**
Burundi	Social, Urban, Rural and Resilience Global Practice	P127262

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-H4850,IDA-H7810	31-Dec-2014	61,400,000.00
Bank Approval Date	**Closing Date (Actual)**	
09-Jun-2009	30-Jun-2015	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	60,000,000.00	0.00
Revised Commitment	59,577,962.70	0.00
Actual	60,870,457.96	0.00

Sector(s)
Health(20%):General education sector(20%):Urban Transport(20%):General water, sanitation and flood protection sector(20%):Other social services(20%)

Theme(s)
Urban services and housing for the poor(86%):Municipal finance(11%):Municipal governance and institution building(3%)

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

a. Objectives

This project was a follow-up to the Public Works and Employment Creation Project (2001-2007) that provided improved access to basic services by funding, among others, the construction of markets of various modules and roads to some of the communes in selected provinces. The Public Works and Urban Management Project planned to expand these urban services in communes in all provinces, including those not covered in the first project.

Financial Agreement Development Objective
Both the Project Appraisal Document (PAD, p. 6) and Financing Agreement (FA, p.5) state the same project development objectives:

"(1) to increase access to basic socioeconomic services, and (2) increase short-term employment opportunities in target areas."

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

No

c. Components

(1) Infrastructure - (appraisal estimate US$ 33.00 million plus Additional Financing (AF) of US$ 14.00 million to bring the total to US$ 47.00 million; actual cost was US$ 59.85 million). This financed the rehabilitation and expansion of demand-driven communal and community driven infrastructure in all urban centers of the country (roads, markets, water supply and sanitation systems, communal buildings, schools, health and social centers, erosion control and environmental systems, quarries) and city-level trunk infrastructure (roads, central markets, bus stations, sanitation systems, and city halls) in the cities of Bujumbura, Gitega, and Ngozi. This component was scaled-up when AF became available in June 2012 to finance additional investments in the same budget categories.

(2) Municipal and Urban Management (appraisal estimate US$ 2.30 million, AF added US$ 1.00 million to bring the total to US$ 3.30 million; actual cost was US$ 5.08 million). This financed training, technical assistance, and equipment to improve capacity of the target cities - Bujumbura, Gitega, and Ngozi - in governance, municipal management, and fiscal performance. Activities included municipal planning and programming tools, technical training to develop and implement infrastructure and maintenance programs. Training and technical assistance were also designed to increase resource mobilization through better tax payer identification, improved collection procedures and better management of revenue generating facilities. This component also financed technical assistance to improve budget procedures, strengthen administrative and financial management and reporting. This component was scaled-up when AF became available in June 2012 to continue to support institutional reforms and municipal management practices and policies that affect the sustainability of the infrastructure investments. This included support for additional programs in resource mobilization in the three target cities and support for the intergovernmental fiscal transfer system.

(3) Institutional Strengthening and Monitoring and Evaluation (appraisal estimate US$ 3.00 million, actual cost US$ 2.64 million). This financed training and technical assistance to strengthen institutional partners in monitoring infrastructure development activities in the communes, strengthen the capacity of local private sector construction groups to deliver quality infrastructure, monitor and evaluate project results, support project management and train the staff of the Technical Secretariat and the Burundi Agency for the Execution of Public Works (ABUTIP - *Agence burundaise pour la realization des travaux d'interet public*).

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

Project Cost: Total project cost was US$ 67.57 million or 12% higher than the costs estimated at appraisal. Actual total costs were calculated by using the costs in local currency and converting to US$ equivalent. By project closure the Burundi Franc rate per US$ depreciated by 30% from 1,211 to 1,570.

Financing: Two IDA Grants totaling US$ 60.00 million were approved to finance the project. The first Grant of US$ 45.00 million was supplemented with an additional IDA Grant of US$ 15.00 million in June 2012. The Additional Financing (AF) was to support the momentum generated by the project's participatory approach, maintain a critical flow of small businesses and consolidate progress achieved in the areas of local resource mobilization and asset operation and maintenance at the city level. US$ 0.4 million was undisbursed (ICR, p. xi but reported as US 0.2 million on p.6 of the same document) but offset by exchange rate gains between the dollar and the Burundi Franc. Both grants were fully disbursed.

Borrower Contribution: The Borrower agreed to contribute US$ 1.40 million at appraisal; actual contribution was US$ 1.37 million. Municipalities provided US$ 0.6 million in counterpart funds as evidence of their readiness to participate in new subprojects as required by project design.

Dates: There were two Level 2 restructurings - the first one in April 2012 to provide AF. The second Level 2 restructuring of December 2014 extended the closing date by 6 months to enable completion of scaled-up subprojects funded under the AF and reallocate resources without any change to either objectives or indictors.

3. Relevance of Objectives & Design

a. Relevance of Objectives

Over the recent 2 decades and after 12 years of civil war, Burundi's 8 million people have experienced rapid urbanization with urban growth rate registering at 5.8% a year, one of the highest in the region. Today, 10% of its population are urban residents with 40,000 to 80,000 new entrants every year. The peace process also contributed to population growth as large numbers of internal and external refugees returned to the country. Its capital, Bujumbura, is home to 75% of the country's urban population while the rest are scattered in 68 urban centers including in the cities of Gitega and Ngozi. The country's infrastructure suffered during the war by the international embargo that quelled support and further deteriorated due to poor maintenance and diminished management capacity. Basic services in varying degrees exist in the major urban centers but required huge investments to adequately serve a burgeoning population. Included in this urban population are the unemployed, underemployed, and unskilled workers who looked to social safety nets and opportunities to contribute to social stability. The unemployment rate in urban areas was as high as 20.2% and the underemployed was high as 53.5% for the whole work force (PAD, p. 2). Employment opportunities for younger, unskilled workers remain acute.
The project development objectives are relevant to the Government's commitment to economic growth and social stability embodied in its Second Poverty Reduction Strategy (2011-2015) which, in turn, anchors the country's *Vision 2025*. The project objectives support three of its four pillars. The first pillar consolidates good governance and institutional performance by supporting the national decentralization policy framework, particularly the organization and operations of Bujumbura Mairie province which consists of the city of Bujumbura, one of the target cities under the project. The second pillar generates sustainable growth through its promotion of the private sector (small construction firms) and creating jobs (infrastructure related). The third pillar improves access to basic socio-economic services by improving capacity and performance in education, health care system, and access to drinking water, all of which the project supports for the urban communes.
The project objectives are highly relevant to both pillars of the Country Partnership Strategy for Burkina Faso for the FY 2013-2106. The CAS supports inclusive growth and poverty reduction and mitigating the risk of renewed instability by building trust between the state and its citizens (CAS, p. 1) . The first pillar focuses on inclusive growth by reducing infrastructure related bottlenecks, improving the business climate, and increasing private sector development (CAS, p. 21). The second pillar consolidates peace and stability by improving governance in delivering basic services through improved public financial management, increased access to health services, and continued use of labor-intensive public works.
The project activities contributed towards Burundi's efforts to achieve the Millennium Development Goals. Construction of schools and health centers in deprived areas support universal primary education (Goal 2) and improved child and maternal health (Goals 4 and 5). Living conditions caused by lack of access to water supply and sanitation services would be improved by delivering infrastructure services supported by the project and would help ensure environmental sustainability (Goal 7). In addition the project's support to employment generation would contribute to poverty reduction in the country.

Rating
Substantial

b. Relevance of Design

The planned activities are consistent with the stated objectives and the results framework represent the underlying logic linking 14 intermediate and 8 final outcome indicators to the objectives.
Three components contributed to achieving the desired outcomes. First, like the earlier Public Works and Employment Creation project, this follow-on project asked beneficiaries to participate in Local Development Planning, target infrastructure investments and provide 2-5% of the total contract cost of the project as their contribution to signal project ownership. For trunk infrastructure investments, an urban audit identified these investments for the target cities. At appraisal, the first set of proposed investments underwent cost-effectiveness assessments to fine- tune the method that would apply to select economically-viable projects (PAD, p. 18). Second, training and technical assistance in municipal management and resource mobilization for the three target economic growth pole cities of Bujumbura, Gitega, and Ngozi contributed to their capacity to invest, operate, and maintain the trunk infrastructure investments. Design called for promoting the use of labor-intensive construction methods to increase employment opportunities for a young, unskilled labor force and foster private-sector participation in construction. The third component trained and provided technical assistance to the staff of the institutional partners to monitor and evaluate project results and assist private construction groups deliver quality infrastructure.
There were several shortcomings in design. In the case of municipal and urban management component, the technical assistance offered

appear to be insufficient as evidenced by the resulting low level of social and community capital. Municipal management tools suffered from limited training and lack of initial technical support. Community committees established to prepare municipal maintenance plans proved ineffective. Design of infrastructure for markets (that eventually accounted for a third of new infrastructure) did not take into account stall-holder's views and by the time this was recognized it was too late to apply to the project and avoid utilization problems. Among the problems listed in the ICR, for example, were lack drinking water in markets, schools, and health centers; distance to latrines and toilets in markets and for teachers in schools; availability of electricity in some health centers, width of alleys between shops for circulation of goods and customers. All these design shortcomings may be due to the quick and not too deep appraisal of this follow-on project.
Target values were adjusted during the 2012 AF due to poor quality of data at project preparation (ICR, p.v) and to better reflect actual project impact. These included three outcome indicators (number 5 - people in urban areas with access to improved water sources adjusted from 0 to 20,000; number 6 - people in target areas protected from periodic flooding adjusted from 20,000 to 99,000; and number 8 - total number of beneficiaries adjusted from 0 to 2.5 million, of which 51% were female). One intermediate outcome indicator -- number of health facilities constructed and equipped -- was adjusted from a target of 0 to 10.

Rating
Modest

4. Achievement of Objectives (Efficacy)

Objective 1

Objective
To increase access to basic socio-economic services in target areas

Rationale
Outputs:
86 investment projects were completed along the following components:
In infrastructure:

- 71.5 km of roads were paved (target 44 km, exceeded), benefiting 181,000 residents (no original target value, revised to 99,000, target met);
- 27 modern markets were constructed in 14 provinces (original target 11, revised target 26, target exceeded) and serve 2.2 million residents exceeding the target of 2.01 million;
- 10 health care centers in seven provinces were constructed (original target, 0, revised target, 10, target met) benefiting 441,000 residents (original target 12,000, revised target 259,000, target exceeded);
- 16 schools with 127 classrooms constructed (original target, 18 schools with 114 rooms, revised target 117 rooms, target exceeded); and
- 4 water projects (target not provided) were completed providing 100 km of piped drinking water in 4 communes and benefiting about 22,000 residents.
- The Burundi Agency for the Execution of Public Works (ABUTIP) charged project management fees of less than 7% of contract (target less than 7%, met).

In municipal and urban management:

- The increase in municipal revenues from markets was reported at 32% but this figure referred to only one city and using 2014 data only. Other claims of increases were based on data that included markets that were completed during the previous project. In the case of own-source revenues from street addressing, this registered increasing trends using a 2015 surveys of plots (original targets for Bujumbura, 3.8%, Gitega, 16.6%,and Ngozi, 24.2%; revised targets for all 3 cities was 10%, and reported targets met were 21% in Bujumbura, 15% in Gitega, and 14% in Ngozi. (ICRR narrative says targets are unmet).
- There were fluctuations in the share of maintenance in annual budgets and no clear trend was established (original targets for Bujumbura 6%, Gitega 6%, Ngozi 8% and others,4%; revised targets for Bujumbura, Gitega and Ngozi were all at 10% and for others 7%; using only 2014 data, targets

achieved were 18% in Bujumbura and 5% in Ngozi. In Gitega, shares fluctuated from 5% in 2012, 1% in 2013 and 21% in 2014. There were no budget execution data from other municipalities, and on the whole targets were unmet).

- Cities produced annual administrative and management accounts in a timely manner (target 90%, partially met at 74%)

In institutional strengthening, monitoring and evaluation:

- 3 urban audits were completed (target 3, met),
- annual monitoring and evaluation reports disseminated (target 100%, unmet at reported 74%)
- 1 annual participatory assessment was conducted (target 4, unmet)
- *c*ommunes transmitted financial data to the National Directorate for Communal Development (target 90%, partially met at 74%).

<u>Outcome</u>:
A major problem is a dearth of reliable data, or ex-post surveys to support claimed outcomes because of increasing civil strife towards the end of the project.
All 17 provinces benefited from project investments, benefiting 2.8 million people, 51 % of whom were women (no original target because of poor data quality at preparation, the revised target 2.5 million was exceeded). The three target cities received more than half (52%) of the projects with Bujumbura Mairie receiving 29 projects, Gitega 12, and Ngozi 4 valued at 51%, 13%, and 4% of investments respectively. This does not meet the desired outcome of balanced urbanization by avoiding concentration of resources in the capital city (Bujumbura) and a few major urban centers (PAD, p. 33).
In Infrastructure, 98% of built infrastructure was reportedly in use within 6 months of its completion. 180,000 residents benefited from all-season roads and the ICR reports protection from flooding arising from drainage culverts. The new schools benefited 11,200 students (original target 1,908, revised to 12,402 students, target effectively met). Not all of the constructed markets are occupied, causing financial difficulties. Market management has been transferred to private operators but found to be ineffective in some municipalities because of low revenues or unfavorable contract conditions. Some markets have reverted to municipal management. It appears that technical assistance accompanying this component did not adequately provide implementation support of market management contracts. In the case of health services, a national government policy calls for the new facilities to offer free care to pregnant women and children under 5 years of age with government support. However, the Ministry of Health is delayed in releasing this support. A sample to determine outcomes used data from only 3 of the 10 centers built and the evidence is thin or anecdotal in places. There were no ex-post surveys to verify outcomes. The proportion of infrastructure constructed and reportedly maintained and operational 2 years after its completion was greater than the target of 95%.
In municipal and urban management, city management tools were delivered late. A few activities were not implemented because of political disturbance toward the end of the project - local resource mobilization and financial management, digitizing land titles and related equipment. The government committed to complete all these remaining activities with funds from the Beneficiary Contributions. Target cities had difficulty in allocating funds for operations and maintenance and Community Committees established to assist municipalities in infrastructure maintenance proved ineffective as well. Even so, the average annual growth rate in municipal revenues reached 21% in Bujumbura, 15% in Gitega and 14% in Ngozi (target 10% increase, revised at the time of AF to 12%, exceeded). In the case of revenues generated by markets for municipalities, the outcomes are unclear. In addition, data were derived from a subset of 26 markets that were funded under the first and follow-on projects. Of these 26 markets it appears that the share of revenues raised from markets refer to fees paid by private management companies to municipalities. It is unclear how many of these markets were funded under this project and actual contributions to local resource mobilization.

Rating
Modest

Objective 2

Objective
To increase short term employment opportunities in target areas (Bujumburi, Gitega, and Ngozi)

Rationale
<u>Outputs:</u>
Of the 3 target cities, information provided focused only on Bujumbura where 7 million (short-term employment) person days were created through labor-intensive public works (original target 3.3 million overall, revised to 4.9 million, exceeded). This represented over 5,600 jobs per

year in Bujumbura (ICR, p. 27) of which 23% were women. There were no employment data for the other 2 target cities.
Outcome:
Increased short-term employment opportunities were created. Increased short-term employment is assumed based on the construction method used (labor-intensive) and the distribution of the subprojects among the cities and municipalities with Bujumbura completing 29, Gitenga 12, and Ngozi 4 infrastructure investment projects or 51%, 13% and 2% of total investments, respectively (ICR, p. 21-22). In Bujumbura, women garnered about 18% of jobs at construction sites, 50% of jobs in quarries and 23% overall which potentially contributes to reducing poverty in those households. No other data were provided for the other two target cities. The ICR points out that the total impact is difficult to estimate because there was no information collected on individual profiles (ICR, p. 28). There are no data to support the claim that the private sector companies who benefited from contracts under the project hired new permanent staff.

Rating
Substantial

5. Efficiency

Economic and Financial Efficiency: Both at appraisal and completion, project documents highlighted cost-effectiveness assessments as the basis for undertaking project investments.
Most of the ICR's ex-post economic rate of return (ERR) of 19.8%- or 13.9% overall, are speculative and not based on robust project data. A lot of the benefits are assertions based on anecdotal evidence. There were no unit costs per infrastructure project to compare with national averages. Some sub projects, like the markets were stated to be not cost-effective
Administrative Efficiency: Some activities were delayed due to the country situation in April 2015: (I) adoption of the law defining the new Bujumbura urban area; (ii) support for mobilizing local tax resources and training tax officers in mastering tax bases; (iii) digitizing land titles; and (iv) equipment to be used in digitizing land titles. There were some sub-projects that were started but not yet completed by the time of project close.
The project benefited all 17 provinces of Burundi but the final distribution is not fully consistent with what was proposed at appraisal based on poverty and population. This reflects difficulties that some communities could not raise required contributions. Although some flexibility was introduced by the end of the subproject selection process, by allowing participation if only 60% of the contribution was raised, this proved insufficient to address the systemic issue of poverty among participant communes.

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	✓	19.80	90.00 ☐Not Applicable

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

6. Outcome

There were moderate shortcomings in the operation's achievements of its objectives. The relevance of objectives is substantial as the project addresses the country's strategy for inclusive economic growth and social stability. However, relevance of design suffered from a few shortcomings and is rated modest. Access to basic socio-economic services was improved was there is a lack of robust evidence and its efficacy is rated modest. Short-term employment was generated and the efficacy of this objective is rated substantial. Efficiency is rated modest and much of the analysis is not supported by hard data.

a. Outcome Rating
Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

The risks to development outcome are substantial. Some activities have yet to be implemented because of political volatility in the country. Others were started but not yet completed by the time the project closed. The government promised to complete these activities with its own resources through the Beneficiary Contribution Fund but this Fund had outstanding collections and the rate of collection is only 85%. Political crisis could cause labor to leave, disrupt investments, weaken the nascent private sector, and negatively affect the revenues collected by cities.
Cities lack budget resources for continued operations and maintenance of completed infrastructure projects and infrastructure investments may not be sustained. In the case of the health centers, for example, there is the added risk that the national government may further delay in contributing resources. In the case of markets, continued low occupancy affects their attractiveness to private-sector management.
City contracts were prepared for all three cities but could not be implemented without adequate financial resources. Municipal management tools designed to strengthen the ability of municipal institutions to deliver basic services have not taken root and require more resources.

a. Risk to Development Outcome Rating
Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank drew upon the earlier PWECP design to expand the scope of the project and reach all the provinces of Burundi. This project used labor-intensive work project selection by municipalities and communes, and financial counterpart contributions by beneficiaries. Design was meant to prepare the country for eventual decentralization by showcasing municipal management improvements in three target cities of Bujumbura, Gitega, and Ngozi. However, project design had several shortcomings. Appraisal underestimated the difficulty of local capacity building and was too optimistic about government's willingness to move on decentralization. The redistributive intent for allocating funds, one lesson pointed out from the previous operation, was supposed to have been addressed by an Inter-ministerial Technical Committee approving proposed projects and requiring beneficiary contributions. The results show that the required beneficiary contributions handicapped poorer communities and did not result in equitable distribution of resources. To protect infrastructure assets funded by the project required institutionalizing operations and maintenance at the local level. But starting capacities were limited and supporting systems were only going to be introduced with this project. Even if the target cities were limited to three, hindsight suggests one may have been more realistic to begin with. The indicators and the manner of collecting data sets to support outcomes were insufficient. Perhaps an expanded appraisal period (more than 2 missions) would have helped iron out kinks in the incentives systems embedded in the project design.
Fiduciary, environmental, and social aspects of the project were comprehensive but did not address the lack of transparency in the use of beneficiary contributions, and lacked grievance procedures as reflected in the problems raised in the beneficiary assessment.
Arrangements for monitoring compliance were lacking particularly in the area of assessing the abilities of the implementing entities to monitor compliance of safeguards at the sub-project level and the capacity of local contractors to implement such safeguards.
Project preparation funds were used for sector studies, conduct economic analysis and social and environmental impact assessments of the first project portfolio, and formulate an institutional framework to make the project operational after effectiveness. Following the earlier experience in Burundi, the Bank continued to separate design of subprojects from approval to avoid conflicts of interest. There were no QAG assessments of either quality of entry or supervision

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

Semi-annual supervision missions were conducted but proved inadequate because it resulted in poorly applied criteria to select sub-projects. A few issues were identified early - for example, infrastructure maintenance needs and problems that may arise from lack of incentives to privately manage markets - but sustainable solutions could not be guaranteed by the time the project closed because of limited beneficiary capacity and lack of government movement on intergovernmental transfers. Even so, supervision of safeguard policy was thorough and fiduciary arrangements and safeguard compliance by the private contractors were identified and addressed early.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

In the beginning, the government set the stage for an enabling environment to support this project by having in place a National Decentralization and Community Development Policy Letter (2007) to accompany a Communal Law (2005), organized General Councils for Decentralization throughout the country, a National Housing and Urbanization Policy Letter (2008) and the completion of the Public Works and Employment Creation (PWECP) project. Consultations with beneficiaries were captured from the over-subscribed projects under PWECP. Readiness for implementation was supplemented by the government's use of the Project Preparation Facility to assist in assessing the viability of the initial projects to be funded under this project.
During implementation, the government chipped away this support in a number of ways. It enforced a national policy for free health services for pregnant women, vulnerable people, and children below 5 years of age in all health care facilities funded under the project - straining the operations of these centers. The government promised to help resource the health care centers but this has been delayed even as the project was winding down. In another instance, the government has a policy that transferred market management to private operators even though the strategy is proving to be not efficient for all. In another, city contracts for the 3 target cities have been prepared but, one year later, the government has not mobilized resources for these investment plans. Government continued to endorse acceptance of sub-project proposals and contributory deposits from beneficiaries when it did not have matching resources and did not address transparency and consultation in the use of beneficiary contributions. Beneficiaries questioned the use of their contributions when subprojects they identified in their Local Development Plans remained unimplemented, and government did not heed requests for a forum where beneficiary comments or proposals during implementation (not just planning) would be considered, for example, in the choice of sites for markets.
By project close, the government further showed declining support for sustaining the outcomes of the project by not acting on measures such as the law for the new perimeter of the municipality of Bujumbura and concrete mechanisms for intergovernmental budget transfers to support infrastructure operations and maintenance. Three months before project close in 2015, a political crisis hit the country which affected project activities, and several sub-projects were not be completed or not even started,

Government Performance Rating
Moderately Unsatisfactory

b. Implementing Agency Performance

The Burundi public works agency (ABUTIP) was the dedicated project implementation unit for the infrastructure component. The Technical Secretariat (TS) to the Inter agency technical committee managed the other components, overall coordination, and carried out the monitoring and evaluation component of the project. Shortcomings in implementing component B such as delayed procurement leading to delayed delivery of management tools, delayed procurement in the street addresses subproject led to implementation delays.

These actions affected outputs at closing and heightened risks for sustaining project outcomes. The M&E system was carried out as planned but lacked robust data sets, systematic ex-post surveys covering all target cities, not just Bujumbura, to support results. Training and technical assistance addressed issues of safeguards compliance. Fiduciary covenants were complied with.

Implementing Agency Performance Rating
Moderately Satisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The Technical Secretariat was tasked with implementing the overall M&E system, in coordination with the national government, the Burundi public works agency (ABUTIP) and the communes (PAD, p. 13). The Burundi public works agency would monitor physical and financial data to monitor progress of component A. Municipal fiscal data was to be integrated into national data system to be developed at the Directorate of Communal Finance. Design at appraisal provided core indicators that were adequate to monitor the general results framework although not all activities or subprojects were clearly identified at appraisal. There were shortcomings in the M&E design, particularly in the area of whether or not maintenance budgets were executed by municipalities and cities. The second objective on employment generation in the 3 target cities was not supported by any specific indicators. Sampling of data was not specified. Baseline data were missing because of the poor quality during preparation. Target values were adjusted in the Results Framework during AF. Planned evaluations were provided in the PAD, including a beneficiary assessment in Year 2 (PAD, p. 14).

b. M&E Implementation

For the most part, M&E design was widely implemented and used by the Technical Secretariat, the Burundi public works agency (ABUTIP) and by the World Bank during missions (ICR, p. 7). Data on physical and financial aspects of the project were reported but most of the information was from the capital city, Bujumbura. For example, no reports were provided on employment generated in the other 2 target cities. Urban audits were reportedly completed for all three target cities. Data provided in the ICR however appear mostly anecdotal and did not provide robust sets based on ex-post surveys. A mid-term review (MTR) was planned 30 months into implementation but was conducted only after approval of the 2012 AF. The ICR did not discuss the results of the MTR. Beneficiary assessment was undertaken toward the end of the project.

c. M&E Utilization

Use of the M&E to inform project progress was weak. This was reflected in sentiments expressed by beneficiary assessment respondents - unrealized subprojects even if contributions have been made, poor quality of pavement blocks in places, causing early deterioration of completed road infrastructure, lack of drinking water as part of delivering markets, toilets or latrines absent or distant from market areas, poor circulation design in market stalls, very uneven capacity of private managers to operate markets, and for that matter, ability to comply with operations and maintenance requirements to be part of regular municipal and city budgets. Weakness stemmed from lack of robust data, conduct of ex-post surveys and lack of feedback mechanisms.

M&E Quality Rating
Modest

11. Other Issues

a. Safeguards

Environmental Safeguard The project is a classified category 'B' under OP/BP 4.01 Environmental Assessment and triggered 2 additional safeguard policies - (1) Involuntary Resettlement, and (2) International Waterways. Two stand-alone safeguard instruments, the Environmental and Social Management Framework and the Resettlement Policy Framework were prepared, consulted upon, and publicly disclosed. Environmental and social safeguards were rated satisfactory throughout the project period although grievance procedures appear to have been lacking. Beneficiaries expressed dissatisfaction with unrealized sub-projects for which they have contributed and not having a forum to suggest improvements during implementation. Project contractors, unfamiliar with the Bank’s safeguard policies, did not have internal capacity to monitor environmental and social clauses compliance by local subcontractors. Focal points at the Burundi public works agency (ABUTIP) as well as the Technical Secretariat were trained on how to better monitor compliance with safeguards. Selected beneficiaries and local authorities were also trained in how to implement safeguards in the sub-projects. Each subproject was subsequently subject to an impact assessment in accordance with the approved framework. All civil works included a strong HIV/AIDS awareness-raising programs. The government and beneficiary communities took appropriate action when safety, security, and sanitation issues were raised in a few marketplaces.

b. Fiduciary Compliance

Financial Management. The ICR (p. 8) notes compliance with fiduciary covenants, internal controls, and disbursements. A detailed fiduciary report prepared in 2010 before the AF appraisal did not identify any major issues.

Procurement. Procurement of the street addressing sub project required contract amendments that led to implementation delays such that street addressing was not completed. However, the ICR reports that the Burundi Agency for the Execution of Public Works procured high value works contracts in a timely manner.

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	Satisfactory	Moderately Satisfactory	Lack of robust data to support outcomes for the first objective and .estimates of economic efficiency.
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Satisfactory	Moderately Satisfactory	Design features could have been tightened considering this was a follow up project. Supervision could have better addressed threats to achieving outcomes.
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
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

The ICR (p. 17-18) states 4 lessons that are summarized and slightly edited as follows:

- **Encouraging beneficiaries to participate in prioritizing infrastructure investments is useful when re-engaging constituents after a war while institutions are rebuilt.** Financial contributions from beneficiaries is also a good indicator of institutional accountability. Poorer communities who may not be able to raise adequate contributions could benefit from national government assistance. A leveraging strategy considering needs and redistributive aspects of available resources could be adopted to equitably reach target communities.
- **Introducing new responsibilities to nascent institutions, like private managers of markets, benefit from long term technical engagement not only when introducing new tools but also while implementing them.** For example, when markets were passed on to private contractors to manage, a phased or pilot approach may be useful to work out kinks in contract provisions and incentives. In another case, city governments now obligated to include operations and maintenance of completed infrastructure assets may benefit from support not only during the planning stage but also seeing them through the implementation of these new budget items.
- **Devolution and decentralization are complex policies that happen over a long period, and more so in a fragile environment.** Matching existing capacity with realistic targets can help build incremental foundations for future actions to take a hold.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is concise, internally consistent, and follows OPCS guidelines. Project implementation is described with results-orientation although not all claims were supported by robust data or ex-post surveys such as in the employment data for the target cities and the share of revenues generated by markets for the municipalities. Some anecdotal evidence supports the evaluation findings. Shortcomings and challenges faced are candidly outlined, particularly the over-subscription of projects even as the project was winding down; and the difficulties faced by the government in committing operations and maintenance funds to maintain infrastructure assets. Lessons learned are based on the evidence captured from the 12-year experience implementing the 2 sequential projects.
The rating is satisfactory but this selection is not available in the drop-down menu.

a. Quality of ICR Rating
Substantial