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| <b>1. Project Data:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              | <b>Date Posted :</b> 09/05/2003 |               |
| <b>PROJ ID :</b> P002865                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              | <b>Appraisal</b>                | <b>Actual</b> |
| <b>Project Name :</b> Lome Urban Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Project Costs (US\$M)</b> | 29.00                           | 25.48         |
| <b>Country :</b> Togo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Loan/Credit (US\$M)</b>   | 26.18                           | 24.01         |
| <b>Sector(s) :</b> Board: UD - Roads and highways (47%), General water sanitation and flood protection sec (28%), Sub-national government administration (18%), Other social services (4%), Central government administration (3%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Cofinancing (US\$M)</b>   | 0                               | 0             |
| <b>L/C Number :</b> C2620                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |                                 |               |
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| <b>Partners involved :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Closing Date</b>          | 06/30/1999                      | 12/31/2002    |
| <b>Prepared by :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Reviewed by :</b>         | <b>Group Manager :</b>          | <b>Group:</b> |
| Roy Gilbert                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Patrick G. Grasso            | Alain A. Barbu                  | OEDST         |
| <b>2. Project Objectives and Components</b><br><b>a. Objectives</b><br>(a) Help the Government of Togo to implement its urban development policy and to help reinstate economic growth hindered by the political turmoil.<br>(b) Strengthen the ability of local government to administer the city with better defined lines of authority, responsibility and sources of revenue .<br>(c) Lay the groundwork for innovations needed to reform the management of urban development in Togo .<br>(d) Bring about progressive and permanent improvement in urban environmental management .<br>(e) Contribute to urban poverty alleviation .<br><b>b. Components</b><br>(i) <u>Transport Infrastructure Rehabilitation</u> : support for a citywide program to improve transport and traffic conditions consisting of labor intensive works executed by small contractors . This covered preliminary and engineering designs for road rehabilitation, and construction and rehabilitation of five arterial roads in Lome . It also included an urban traffic and transport study for the city of Lome (final cost US\$11.38m).<br>(ii) <u>Environmental and Sanitation</u> : anti-erosion works to protect the northern banks of Be lagoon, improvements to the southern banks, partial dredging of the lagoon, drainage of two pilot zones in the old Be neighborhood and an audit of disposal and treatment of household and industrial waste (final cost US\$7.99m).<br>(iii) <u>Community Participation</u> : establish a program to support community development and community involvement in the Be neighborhood. This included public latrines, and other micro-projects to improve living conditions (final cost US\$3.18m).<br>(iv) <u>Urban Institution Building</u> : carry out studies to prepare an urban sector reform action plan, focused upon rationalizing urban management, and improving resource mobilization and local finances in general (final cost US\$2.2m).<br><b>c. Comments on Project Cost, Financing and Dates</b><br>Project costs were marginally less than at appraisal . Despite three country suspensions, 95% of the IDA credit was utilized by the project. The Borrower provided 50% of the contribution envisaged in the SAR and beneficiary contribution, which was partly in-kind, was paid in full. The project was closed three years behind schedule on 12/31/2002. |                              |                                 |               |
| <b>3. Achievement of Relevant Objectives:</b><br>(a) Partially achieved. Togo's economic growth did indeed resume in 2001, although the contribution of the project itself this result is not spelled out. (The ICR does not explicitly describe the borrower's urban policy that the project whose implementation the project was meant to help .)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                 |               |

(b) Partially achieved. Municipal services were reorganized and inefficient force-account maintenance of urban infrastructure was abandoned. Transparent, timely, and efficient contracting procedures were introduced. A new agency was created for market management and collection of market fees has improved. However, while a Code des Communes was drafted clarifying the role of municipal authorities, it has not yet been applied.

(c) Fully achieved, but this was only a modest objective. Improved collection procedures and penalties for nonpayment, computerized tax registry and transparent methods for evaluating property values were introduced under the project. We still do not know, however, by how much municipal revenues increased as a result of these efforts.

(d) Partially achieved. The Be lagoon area has been transformed by the creation of park areas, lagoon water quality has improved, and solid waste management operation has been extended to the entire city, but it is not clear if these improvements are permanent;

(e) Fully achieved through temporary creation of 1.2 million man-days of work for most unskilled construction workers, and through the support given to 89 SMEs through 312 contracts for road rehabilitation. Improvements in living conditions in the Be area can be assumed to benefit the poor but the achievement of this objective is not evaluable due to lack of measurable indicators.

#### 4. Significant Outcomes/Impacts:

- In spite of the suspension of project disbursements on three occasions --affecting all credits to Togo on account of the country's arrears--the PIU continued to function and communities continued to participate in the project. At closing, most of the project was implemented and 95% of the IDA credit was disbursed.
- Although among the lowest income groups in Lome, the Be community mobilized counterpart funds and provided in-kind participation and has effectively organized to maintain environmental and sanitation gains from the project.
- Savings on works procurement and exchange rate gains were used to finance additional urban works so that the actual total exceeded the target by 20%.
- The PIU, *Secretariat Technique du Comite de Coordination*, evolved over the life of the project from a public sector agency to a private urban planning consulting agency providing expertise and resources on urban development in Togo.

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

- Inconsistencies in the project's objective statement as formulated in the project appraisal document and the development credit agreement, that can lead to uncertainties and ambiguities during implementation about the project's purpose.
- Project objective to strengthen local government was undermined by the city of Lome regarding itself as a recipient of aid, rather than a full partner in this project. As a result, the city authorities were reluctant to adopt the proposed reforms.
- The project had an important poverty focus but failed to monitor and evaluate the project impact on the poor. The design assumes that project beneficiaries would mostly be the urban poor, without much compelling analysis.
- Project design was highly complex with many objectives, components and subcomponents, leading to confusion in implementation. The urban institutional building component, which disbursed less than 50% of appraisal estimate, was particularly affected.

| 6. Ratings:                | ICR            | OED Review     | Reason for Disagreement /Comments                                                                                                                                                  |
|----------------------------|----------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome:</b>            | Satisfactory   | Satisfactory   | The project achieved a lot, but the continuing lack of legal base for the communes remains a shortcoming (albeit insufficient alone to justify a downgrade of the project rating). |
| <b>Institutional Dev.:</b> | Modest         | Modest         |                                                                                                                                                                                    |
| <b>Sustainability:</b>     | Unlikely       | Unlikely       |                                                                                                                                                                                    |
| <b>Bank Performance:</b>   | Satisfactory   | Satisfactory   |                                                                                                                                                                                    |
| <b>Borrower Perf.:</b>     | Unsatisfactory | Unsatisfactory | Counterpart funding shortage was a key factor.                                                                                                                                     |
| <b>Quality of ICR:</b>     |                | 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:

The ICR identifies several lessons such as:

- Institutional strengthening measures should be tied to a specific investment activity to enhance learning by doing and prove the applicability of the tool or skill being transferred.
- Decentralization can be supported, even in a centralized governance structure, by involving local governments in project design and implementation and creating a link between local communities and local government.

- Use of outside implementing agencies, such as AGETIPs, while useful over the short and medium terms to ensure project implementation in the absence of government capacity, should not substitute for nor detract from the necessary and concomitant strengthening of government institutions .
- Project indicators should be developed before project effectiveness, and adapted as necessary during project implementation.

**8. Assessment Recommended?** ☒ Yes ☐ No

**Why?** This would be a first PPAR for an urban project in Togo . It would help to draw further lessons about the project's important achievements in a challenging context .

**9. Comments on Quality of ICR:**

The ICR provides a good discussion of the project's achievements and shortcomings and is satisfactory overall despite errors in reporting costs . Its overall assessment would have been stronger with a candid recognition of the inconsistencies in project objectives across project documentation, an explicit discussion of the borrower's urban policy that the project was designed to implement, and the inclusion of sub -components' ERR estimates reportedly made when the sub-components were approved, but which were subsequently lost .