



1. Project Data :
OEDID: C2415
Project ID: P002107
Project Name: Multi-State Roads Project
Country: Nigeria
Sector: Other Transportation
L/C Number: Credit 2415-UNI
Partners involved : None
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2. Project Objectives, Financing, Costs and Components :
Objectives : (i) Create a capacity for planning and management of the state road system, including strengthening of the State Ministries of Works and Transport (SMOWT); and (ii) Develop a road upgrading, rehabilitation and maintenance program, and increase the use of private contractors . **Components :** (a) Road maintenance, strengthening, and rehabilitation : an economically justified program to reduce the backlog of rehabilitation and strengthening works on about 830 km of priority state roads; (b) Road upgrading: paving about 220 km of selected high priority, heavily trafficked unpaved roads to appropriate design standards; (c) Vehicles and equipment: procurement of vehicles and equipment as an aid for better management of roads; and (d) Institutional development: development of staff capabilities for planning, design and supervision of construction maintenance of state roads; staff would be assisted to put this into practice by moving towards greater use of contractors and away from force account operations. **Costs:** The total project costs were estimated to be US\$91.8 million (SDR equivalent) for which a Bank loan of US\$68.0 million (SDR equivalent) was approved in 1992. An early misuse of money, later restored by the Federal Ministry of Finance, resulted in non-participation and cancelation of the Jigawa State component of US\$32.3 million (SDR equivalent), and only the Kano State component was implemented . The final project costs were US\$46.6 million with the IDA credit for US\$38.9 million; a balance of US\$1.1 million was canceled in January 1999. The project was closed in June 1998 as planned.

3. Achievement of Relevant Objectives :
The physical components were achieved and there was tangible progress on the institutional side . Specifically, the Kano State component was implemented on time and budget for rehabilitation and maintenance . However, because of inflation and increased scope of some rehabilitation works, only 75 percent of the target was achieved . The overall re-estimated ERR of the completed road sections was 33 percent vs. 48 percent at appraisal. The lower ERR is due to increased scope or cost of some rehabilitation works, using asphalt concrete instead of surface dressing technology, and lower than predicted traffic growth . Local consultants designed and supervised the works . The quality was good and the results satisfactory . In maintenance, the entire (Kano) state network was contracted out in four zones and implemented successfully in 1997/8. A 10-year plan for the future was prepared but its sustainability is uncertain. Staff was trained as planned and SMOWT became effective in program management and also prepared the ten-year maintenance program. Several other studies included in the project were also completed .

4. Significant Achievements :
The most significant achievements of the project were the completion of its physical works, and the training of the core SMOWT staff to procure competently and prepare future maintenance programs under very difficult circumstances. Finally, IDA's forthright handling of the misuse of funds, recovering them, and still pursuing the project objectives was also an achievement .

5. Significant Shortcomings :
The most significant shortcoming of the project was not achieving the 100 percent cost recovery from the road users as aspired (unrealistically) in the SAR to ensure future funding of the maintenance program . The loan covenant of requiring each state to provide in its budgets adequate funds for recurrent road costs was not complied with; other covenants were complied with.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	The project was implemented in very difficult circumstances. The civil works were completed, maintenance plans developed and contracted out, and there was progress institutionally.
Institutional Dev.:	Partial	Modest	A core staff in SMOWT was trained and became effective in program management.
Sustainability:	Uncertain	Uncertain	Sustainability depends on the government's ability to sustain funding and gradually improve the conditions of civil service engineers, and fundamentally restructure the road sector management and finance.
Bank Performance:	Satisfactory	Satisfactory	Bank was determined and results-oriented
Borrower Perf.:	Satisfactory	Satisfactory	Borrower performance refers only that of the KANO state, not of Jigawa State that decided not to participate in the project. The Kano state contribution to the ICR is commendable.
Quality of ICR:		Satisfactory	

7. Lessons of Broad Applicability :

Because of Nigeria's political circumstances there may not be any lessons of broad applicability. The experience in this project suggests two important lessons, at least for Bank's future engagement in Nigeria. First, provided there is predictable funding, incentive-motivated and well-trained management units can implement projects under difficult conditions, but their ability to sustain that performance without an increasing involvement of the sector civil service is doubtful. Second, domestic consultant and contractor capacity was the key for timely processing and completion of project components. This capacity can only be maintained if there is an institutionalized and stable funding mechanism for road management.

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR is an honest reflection on what happened in this project. It provides an easy monitoring of project progress and a realistic appraisal of what was achieved and what are the future challenges for Bank participation in Nigeria's road sector.