

1. Project Data:		Date Posted : 09/12/2012	
Country:	Yemen		
Project ID:	P005906	Appraisal	Actual
Project Name:	Yemen Rural Water Supply And Sanitation Project	Project Costs (US\$M):	29.4 53.6
L/C Number:	C3450; CH351	Loan/Credit (US\$M):	20 40
Sector Board :	Water	Cofinancing (US\$M):	0 0
Cofinanciers :		Board Approval Date :	12/22/2000
		Closing Date :	06/30/2006 12/31/2010
Sector(s):	Water supply (65%); Sub-national government administration (9%); Central government administration (9%); Other social services (9%); Health (8%)		
Theme(s):	Pollution management and environmental health (25% - P); Rural services and infrastructure (25% - P); Participation and civic engagement (25% - P); Decentralization (25% - P)		
Prepared by :	Reviewed by :	ICR Review Coordinator :	Group:
Kavita Mathur	Robert Mark Lacey	Soniya Carvalho	IEGPS1

2. Project Objectives and Components:

a. Objectives:

According to the Development Credit Agreement (DCA) the Project Development Objective (PDO) was to assist the Borrower in expanding sustainable water supply and sanitation service coverage in the project area.

The Project Appraisal Document (PAD) on page 26 states the objective as follows: sustainable improvement of rural water supply and sanitation services and hygiene habits.

For this review, the PAD objective is used because it is more specific.

In February 2008, the project was restructured and a further objective was added. The additional PDO was "A new RWSS [Rural Water Supply and Sanitation] strategy based on the Project's demand-driven and participatory approach is adopted by Government and under implementation in the Project area" (ICR page 3).

Additional Financing of US\$20 million was also approved at the time of restructuring. It was allocated among the three components (see Section 2c below)

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

Yes

If yes, did the Board approve the revised objectives /key associated outcome targets?

Yes

Date of Board Approval: 02/25/2008

c. Components:

Original Components

(a) Water Supply (appraisal estimate US\$19.1 million, actual US\$38.1 million). This component included the construction and rehabilitation of Rural Water Supply and Sanitation (RWSS) systems consisting of a range of technologies, i.e. hand dug wells and hand pumps, spring protection and gravity supply, rain water catchments, piped schemes from boreholes equipped with either diesel or electrical pumps, and supplying communal stand posts. Incremental costs for building metered, yard or house connections would be entirely borne by the beneficiaries.

(b) Environmental Sanitation (appraisal estimate US\$2.1 million, actual US\$5.0 million). This component included: (i) incentives to households for the construction of household systems, i.e. simple dry pit latrines, pour-flush latrines, flush toilet and septic tanks. Demonstration latrines would be constructed at village centers. Block latrines for schools and health centers would also be built. If justified by waste water flows and population density, one or two waste water treatment systems (communal septic tank and/or waste stabilization ponds) would be built as pilots. "Sanitation marts", where latrine components can be purchased, where technical advice can be sought and builders located, would be tested in one or two locations; and (ii) hygiene education would be provided by the Social Mobilization Teams (SMTs) through training of community based hygiene specialists and teachers, and by helping design simple hygiene education programs for schools.

(c) Institutional Strengthening, Project Management, Studies and Training (appraisal estimate US\$8.2 million, actual US\$10.5 million). This component included: (i) equipment and running costs, as well as technical support and training at Central/Governorate/Community levels; and (ii) Technical Assistance, sector review and studies to formulate a RWSS sector strategy, as well as training to support decentralized RWSS units at Governorate levels.

Revised Components

The original components were not revised. Additional Financing, together with further contributions from the Government and beneficiaries, increased the funds allocated to the three components as follows: US\$19.00 million equivalent for rural water supply, US\$2.9 million equivalent for rural sanitation and hygiene, and US\$2.3 million equivalent for project management support.

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

Project Cost: The actual total project cost was US\$53.6 million compared to the appraisal estimate of US\$29.4 million. The additional financing grant of US\$20.0 million, which was approved in February 2008, permitted some enlargement of the project's scope. However, unit costs also rose considerably due to higher material (GI pipes and fuel) prices, and some of the Additional Financing funded these higher costs. On the basis of the ICR's estimates of the number of beneficiaries (400,000 at appraisal and 619,000 at closure) and costs of water supply systems (US\$19.1 million at appraisal and US\$38.1 million at closure), the per capita cost of the services provided by the project rose from about \$48 per rural inhabitant at appraisal to about \$61 at closure. If costs include sanitation and health education, the per capita cost rose from US\$53 at appraisal to US\$70 at closure.

Financing: An IDA grant of US\$20.0 million was approved at appraisal. At the time the Additional Financing was proposed, the Government of Yemen, IDA and other donors were beginning to prepare a water sector SWAP. It was envisaged that the Additional Financing would also be 'bridging a financing gap' for RWSS until the SWAP was under implementation". At the end of the project in December 2010, the Government of Yemen requested cancellation of US\$1.1 million that had accrued from a further weakening of the US dollar exchange rate against the SDR.

The project included parallel financing of US\$1.0 million from the Netherlands Ministry of Foreign Affairs/Ministry of Development Cooperation.

Borrower Contribution: The actual Borrower contribution (including Local Governments) was US\$12.6 million compared to the appraisal estimate of US\$8.4 million.

Dates: The project was extended three times:

1. Due to delays in credit effectiveness (which was only achieved on 23 October 2001) and slow initial implementation progress, the closing date was extended on January 11, 2006 by 1½ years to 31 December 2007.
2. The second extension was granted on December 19, 2007 after the additional financing grant of US\$20 million was approved. The extension was to run through 31 December 2009.
3. The third extension was granted on December 8, 2009 to utilize funds accrued from exchange rate variations between the SDR and the US dollar. The closing date was extended to 31 December 2010.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Original objectives: High.

The project's objective "sustainable improvement of rural water supply and sanitation services and hygiene habits" was consistent with the fourth strategic objective of the Country Assistance Strategy (CAS) for the period FY 2010-2013 (current at closure): "Help manage natural resources scarcity and natural risks". The Bank's work would focus on: (a) reduction of groundwater abstraction to more sustainable levels, and (ii) expansion of water and sanitation coverage in rural as well as peri-urban areas.

Revised Objectives: High.

At restructuring, a second objective "adoption by Government of a new Rural Water Supply and Sanitation (RWSS) strategy based on the project's demand-driven and participatory approach" was included. The objective was in line with the Government's Rural Water and Sanitation program for 2009-2014, under the National Water Sector Strategy and Investment Program. A key element of the program is a demand-responsive approach in rural water.

b. Relevance of Design:

Original Design: Substantial.

The planned activities included in the three project components were designed to contribute to the achievement of the project objectives. The project's results framework (PAD, pp. 26-30) connected activities in each of the components to intermediate outcomes that would reasonably have been expected to result from those activities. Exogenous factors that could affect project outcome were appropriately identified and mitigation measures included. However, the Results Framework in the Project Appraisal Document did not consistently include baseline and target values.

Revised Design: Substantial.

All the features of the original design were kept. The new objective was an additional output.

4. Achievement of Objectives (Efficacy):

Original and Revised Objectives

Sustainable improvement of rural water supply services in the project area: **Substantial**

Outputs

- About 242 water supply schemes (against a target of 225 schemes) were constructed or rehabilitated under the Project, serving approximately 619,000 rural inhabitants. The original appraisal beneficiary target was 400,000, which was revised to 650,000 at project restructuring. There are inconsistencies between the Additional Financing project paper and the consolidated results framework. The Project Paper talks about serving a total of 300,000 additional people in the main text, but the results framework scales this back to about 233,000 (650,000 less 417,000 covered by the original project). In practice, the project under Additional Financing covered about 80 or so additional villages and increased unit costs (see Section 2d above).
- The project assisted in establishing and building up the technical, financial management and planning capabilities of the Water User Associations (WUAs). 248 WUA were established comprising in total 21,000 members.
- The precise number of water meters installed is not known as initially water meters were not included in the civil works contracts (only from 2007 onward they were provisionally included in construction contracts). The connections were the responsibility of the beneficiaries, and the project did not record the installation of house connections. Rough estimates, based on WUA tariff collection records, indicate that approximately 5,000 connections and meters were installed during the project.
- Capacity building of the General Authority for Rural Water Supply Projects (GARWSP) headquarter staff and Governorate level personnel was carried out through training in: investment plans and monitoring, procurement procedures, SMT development, environmental impact assessment and public relations. The total number of GARWSP participants in these training courses was not recorded.

Outcomes

- The ICR reports that 90% of the water systems were “functioning well” and 75% of the sub-projects had user charges to cover all operation and maintenance costs. It is not clear from the ICR what the criteria are for defining "functioning well" (e.g. reliability of service, the quality of the service or the financial sustainability of the service). The ICR (page 8) also notes that "comprehensive and reliable data on project performance measured against a baseline would have allowed for more precise assessment of project outputs and outcomes."
- However, the project team subsequently clarified that a beneficiary survey was carried out covering a sample of project communities in two of the six governorates in which the project was implemented. It assessed “well-functioning systems” based on three criteria: i) the continued functioning of Water User Associations, (ii) collection of tariffs by the Associations sufficient to cover at least operating and maintenance costs, and customer satisfaction surveys in three of the six governorates where the project was implemented. The end of project target was to have at least 75% of Associations financing operating and maintenance costs. Data collected indicated that more than 80% of Associations were functioning effectively to both carry out and finance basic operation and maintenance, 91 percent were collecting adequate tariffs, and over 91 percent of users rated the maintenance and functioning of their water supply as satisfactory or better.

Sustainable Improvement of Sanitation Services and Hygiene Habits in the Project Area. Modest.

Outputs

During the first two years, the project focused on water supply improvements, with limited attention to sanitation infrastructure and hygiene promotion. Therefore, the sanitation infrastructure and hygiene component did not begin until mid 2004 i.e. 2½ years after implementation, resulting in limited evidence that the project improved sanitation services and hygiene habits in the project areas. After the Mid-Term Review, the following outputs were achieved:

- Construction of 191 public latrines against a target of 150 were built at schools and mosques.
- Construction of 15,000 household latrines in about 40 communities.
- Construction of thirteen small sewer systems against the target of six. These systems were functioning at the time of project completion.
- The project provided hygiene and sanitation training to 1,209 health promoters who work at village and district levels. It is estimated that these promoters have in turn provided training to more than 400,000 (target 350,000) rural dwellers in the project Governorates. The impact of this training on actual behaviors was not monitored and no project-specific baseline data was developed against which to measure health or hygiene improvements or impacts as a result of the project interventions.
- The project did not pilot sanitation cost sharing arrangements.

Outcomes

- The ICR reports (page 13) that "the actual effectiveness of [the project's] approach was not monitored or evaluated, but national data suggest that access to improved sanitation in rural Yemen overall has increased from 21 percent in 2000 to 33 percent in 2009."
- The ICR also reports (page 13) that "the weak project monitoring system prevented accurate assessment of the achievement of the hygiene target...no project-specific baseline data were developed against which to measure health or hygiene improvements or impacts as a result of RWSSP interventions. However, national data show that infant and child mortality rates have declined over the past decade, with infant mortality dropping from 72.5 per 1000 in 2000 to 50.8 per 1000 in 2009, and under five mortality rates dropping slightly faster from 100.40 per 1000 in 2000 to 66.4 per 1000 in 2009."
-

Revised Objectives

Adoption by Government of a new Rural Water Supply and Sanitation (RWSS) strategy based on the project's demand-driven and participatory approach: Modest.

A RWSS strategy was formulated and integrated within the National Water Supply and Sanitation Investment Plan. The ICR lacks evidence on how the demand-driven and participatory approach was used in the formulation of the RWSS strategy. The ICR reports that the Strategy is progressively being adopted by GARWSP in the National Program through the Water Sector Support Project.

5. Efficiency:

At appraisal, the project's economic rate of return (ERR) was estimated at 17%. Using the same methodology, the ex-post analysis estimated an ERR of 23%. The ICR notes that in the absence of data on operation and maintenance costs, the ex-post analysis used the same data from the Project Appraisal Document with O&M costs assumed to range from 3 percent for hand pumps to 8 percent for boreholes. O&M costs were adjusted to reflect the type of schemes that were implemented, and since boreholes made up a large part of the total investment schemes, the average O&M cost was about 5.7 percent of investment costs. The benefits included: (i) the cost savings associated with a decrease in the use of the traditional source (water bought from vendors or time spent fetching water); and (ii) an increase in consumer surplus on the increased quantity of water used.

The Project invested a total of approximately US\$43 million in water supply and sanitation improvements. With this investment the project was able to serve nearly 619,000 people through completed sub-projects at an average per capita cost of roughly US\$70. The large majority of the water supply systems were piped networks with house connections, and the investment costs include health education and sanitation interventions. A small percentage of sub-projects involved only rehabilitation, the cost of which was significantly lower than completely new schemes.

The ICR (page 14) estimates the actual average per capita costs of investments for the six Governorates to vary between US\$56 in Ibb to US\$98 in Al Dhalea (overall average US\$70). The average per capita cost of sub-projects of US\$70 compares favorably with the estimate of per capita costs of US\$ 65 without boreholes (deep drilled wells) and US\$75 with boreholes for water supply systems alone (excluding sanitation) at the time of appraisal in 2000. The initial average per capita costs were substantially below the appraisal estimates, but increased by an average of less than 4% per year over the life of the project during a time of dramatic increases in materials costs, particularly the cost of pipes.

The ICR states that the per capita costs at closure compared favorably with average investment costs for similar service levels in developing countries, but does not provide any supporting evidence. The regions provided the following evidence "In Kyrgyz Republic, the average per capita cost in 2009 was \$72 for roughly similar demand-responsive design that involved a similar range of technologies in mostly mountainous areas (piped systems, mainly boreholes, with some spring catchments, and shallow wells".

An additional financing grant of US\$20.0 million was approved in February 2008. During the implementation period, the cost of materials rose considerably in both nominal and real terms as a result of fuel price increases and the global financial crisis.

The 4.5 year extension of the project includes the three years for additional financing and to allow continuity in implementing the RWSS program while the successor Water Sector Support Project was prepared and approved.

Efficiency is rated as **Substantial**.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	17%	65%
ICR estimate	Yes	23%	71%

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

6. Outcome:

Original project outcome: With the efficacy of one objective substantial and one modest, with substantial efficiency and design relevance, and high relevance of objectives, outcome is rated as Moderately Satisfactory.

Revised project outcome: Relevance of the revised objectives is rated High, relevance of design is Substantial. The efficacy of one objective is substantial and two are modest; efficiency is substantial. The outcome under the revised objectives is moderately satisfactory.

Overall project outcome: As the outcome ratings under both the original and revised objectives are moderately satisfactory, the overall project outcome is also moderately satisfactory.

a. Outcome Rating : Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

According to the beneficiary survey, more than 50 percent of users indicate that technical system problems were expeditiously repaired by their Water User Associations (WUAs). The survey indicates that there is a sense of empowerment among the beneficiaries and the communities have demonstrated their willingness and capacity to pay, including many of the poorer and vulnerable community groups. In a few isolated cases, tribal leaders have been found to be usurping water systems for self-serving

purposes, but in most cases social pressure through the WUAs seems to be limiting this “elite capture”. There is however a risk that communities will not be able to sustain revenues from tariffs and build up financial reserves sufficient to operate and maintain their systems adequately and to meet unanticipated cost requirements such as well deepening and major repairs over the long term.

The regions provided additional evidence on the sustainability of the water supply schemes - "The ICR team carried out a beneficiary survey covering a sample of project communities in two of the six Governorates in which the project was implemented. It assessed “well functioning systems” based on three criteria: i) the continued functioning of Water User Associations, collection of tariffs by the WUAs sufficient to cover at least O&M costs, and customer satisfaction surveys in three of the six Governorates where the project was implemented. The end of project target was to have at least 75% of WUAs financing O&M costs. Data collected indicated that more than 80% of WUAs were functioning effectively to both carry out and finance basic operation and maintenance, 91 percent of WUAs were collecting adequate tariffs, and over 91 percent of users rated the maintenance and functioning of their water supply as satisfactory or better".

The risk to development outcome rating is assessed as moderate.

a. Risk to Development Outcome Rating : Moderate

8. Assessment of Bank Performance:

a. Quality at entry:

The project was the first stand alone rural water supply and sanitation (RWSS) project in Yemen and was developed as a result of a sector study carried out by the Bank in July 1996. The Government had agreed to three key principles for RWSS: (i) demand responsiveness; (ii) decentralized community-based management and (iii) cost recovery. Project conceptualization and design was prepared during a period of reform and institutional uncertainty in the water and sanitation sector. Most risks were appropriately identified, with one exception, and mitigation measures were included. The Government of Yemen's policies and other requirements for employing consultants and staffing was a significant risk to the pace of project start-up that was not adequately assessed and mitigating measures were not sufficiently developed. The M&E design was very weak (see section 10 below). Safeguards assessment was adequate.

Quality-at-Entry Rating : Moderately Satisfactory

b. Quality of supervision:

Twenty six supervision missions were carried out, an average of more than two per year. Before the mid-term review in October, 2004, implementation progress and achievement of development objectives were not accurately reflected in Implementation Status Reports ratings. The Project was consistently rated satisfactory on both of these measures despite the long delays in achieving Effectiveness and the slow pace of implementation during the early years.

The mid-term review recommendations were successful in generating various changes that served to speed-up Project implementation considerably. However, earlier attention could have been given to rectifying the shortcomings in the Results Framework and the associated Performance Indicators (see section 10a). The Results Framework was improved only at the time of the Additional Financing Grant in 2008. No comprehensive M&E system was put into place during the course of the project.

During the early years, the Bank supervision did not effectively monitor the implementation of the sanitation and hygiene components which lagged considerably during the first two years of the project

implementation.

Quality of Supervision Rating : Moderately Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

- The Government formed an active oversight committee that reviewed the preparation process, made important contributions to the project's conceptual design and was designated to provide supervisory monitoring and control measures during the implementation of the project. However, the oversight committee became inactive as the Project progressed, offering limited stewardship during later years.
- The Project experienced extended delays in meeting effectiveness conditions, which included establishing and staffing the PMU and Governorate level PIUs. These decentralized project implementation arrangements were new to the Government of Yemen, and the mechanisms for Government recruitment of project staff were cumbersome and bureaucratic, involving clearances from both the Ministry of Planning and International Cooperation and the Ministry of Finance. To a certain extent, this delay was anticipated by the project team and 120 days rather than the standard 90 days were provided in the Credit Agreement to meet the Conditions, but this proved to be insufficient.
- There was also slow recruitment and appointment of key technical personnel, including a procurement specialists, sanitation specialist, and an M& E officer.
- During the first 2½ years of implementation, the focus of the project was on water supply improvements with limited attention given to sanitation infrastructure and hygiene promotion.
- Integrating the Project Management Units staff within national institutions after project closing remains a challenge in Yemen.

Government Performance Rating Moderately Unsatisfactory

b. Implementing Agency Performance:

The PMU in its early years suffered from high staff turn-over including the Project Director, financial management, and procurement personnel. As mentioned above, the Government was slow in recruiting replacement staff and filling key positions. Procurement planning and transaction procedures acceptable to the Bank were not met until mid 2004, causing slow disbursements during first phase implementation. Improvements in performance and results were made from year 2004 onwards, although financial management systems were consistently under-performing until the final two years of implementation. No comprehensive M&E system was put into place during the course of the project.

Implementing Agency Performance Rating : Moderately Unsatisfactory

Overall Borrower Performance Rating : Moderately Unsatisfactory

10. M&E Design, Implementation, & Utilization:

a. M&E Design:

The M&E design was very weak. The Results Framework included key performance indicators such as an increase in the number of people with access to safe water supply and sanitation, increase in number of girls attending school, and reduction in diarrhea incidence in children. However, no baseline data were provided and targets were not set. The Outcome Indicators in the original Results Framework included a set of impact indicators (school attendance of girls, diarrhea incidence in children) that are difficult to measure without specialized support or dedicated impact evaluations, and even harder to attribute to a specific intervention or project. This issue was resolved in the Consolidated Results Framework that was agreed at the time of the Additional Financing Grant, which excluded these indicators.

b. M&E Implementation:

During implementation, the supervision teams recommended hiring a dedicated M&E specialist to develop a participatory monitoring methodology. Terms of reference were prepared and as late as April 2007 there were plans for hiring a consultant to develop and guide the proposals for a fully operational M&E system. However, the plans were ultimately abandoned and no comprehensive M&E system was put into place during the course of the project.

c. M&E Utilization:

None.

M&E Quality Rating : Negligible

11. Other Issues

a. Safeguards:

The Project was assigned a Environmental Category "B." The ICR states that "the Project involved neither incursions nor related concerns involving: natural habitats, forestry, cultural property, indigenous people, involuntary resettlement, land acquisition or impact on international water ways".

Only one safeguards policy was therefore triggered, namely Environmental Assessment (OP 4.01). In order to combat any potentially negative impacts, an Environmental Review was carried out in the three Phase I Governorates of Abyan, Hajja and Ibb. A mitigation and monitoring plan was prepared. The ICR does not provide evidence that OP 4.01 was complied with during implementation. However, the Task Team subsequently informed IEG that OP4.01 was complied with.

b. Fiduciary Compliance:

Although a Financial Management Manual was developed, its guidelines were not immediately put into practice. The Project experienced a high turn-over in financial management personnel, and this was compounded by difficulties in recruiting capable replacement staff, particularly at the Project Management Unit level. At MTR (October 2004), the Project's financial management system was evaluated as unsatisfactory.

In early 2006, a financial manager and accountants were recruited leading to greater accuracy in project records keeping. However inadequacies were still noted, and recommendations were made to reduce (i) delays in reconciliation of bank statements that resulted in unknown monthly balances, (ii) over-extended and unresolved advances to the Project Implementation Unit, (iii) poor management of contractor letters of guarantee, and (iv) inconsistent back-up of accounting data. The Project's financial management system remained unsatisfactory to moderately unsatisfactory until may 2007.

The June-July 2007 supervision mission upgraded the financial management system to moderately satisfactory for the following reasons: (i) putting in place improved assets control, (ii) improved control of bank accounts, including more rigorous PMU monitoring of the PIUs activities, (iii) improved disbursement planning, (iv) improved on-hand cash management, (v) upgraded auditing procedures, and (vi) improved management of beneficiary contribution accounts. In June 2009, the financial management system was upgraded to satisfactory.

There is no discussion of external project audits in the ICR. The Task Team subsequently informed IEG that "the auditing requirements were fully complied with, at least in the latter years of the project. There were no overdue audits, and some qualified audits, but nothing major."

c. Unintended Impacts (positive or negative):

There were no unintended impacts identified in the ICR.

d. Other:

None.

12. Ratings:	ICR	IEG Review	Reason for Disagreement / Comments
Outcome:	Moderately Satisfactory	Moderately Satisfactory	
Risk to Development Outcome:	Moderate	Moderate	
Bank Performance :	Moderately Satisfactory	Moderately Satisfactory	
Borrower Performance :	Moderately Satisfactory	Moderately Unsatisfactory	Government performance had a number of significant weaknesses: the oversight committee became inactive, there were extended delays in meeting effectiveness conditions, and recruitment and appointment of key technical personnel for the PMU was slow. With regard to the implementing agency, procurement planning and transaction procedures were not met until mid 2004, financial management systems were consistently under-performing until the final two years of implementation, and no comprehensive M&E system was put into place during the course of the project. There were fiduciary problems up to 2007.
Quality of ICR :		Satisfactory	

NOTES:

- 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:

Adapted from the ICR:

- Strong Monitoring and Evaluation (M&E) systems that include outcome monitoring can better guide project decision-making and management. Because of the shortcomings in the project's M&E system there was no reliable assessment of the current status of service delivery in project schemes.
- During implementation, equal attention should be given to all project components unless the objectives indicate a hierarchy. During the first 2½ years of implementation the focus of the project was on water supply improvements with limited attention given to sanitation infrastructure and hygiene promotion both being vital components.
- Integrating the Project Management Units staff within national institutions after project closing is challenging. National institutions need to provide competitive employment conditions for qualified former project staff to retain expertise in technical design, procurement, and work supervision.

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The quality of the ICR is satisfactory. It is candid and realistic in its assessment of the project outcome. A significant shortcoming is the lack of evidence on compliance with OP 4.01 on Environmental Assessment and the absence of a clear statement that safeguards policies were complied with. There is no discussion of external project auditing.

a. Quality of ICR Rating : Satisfactory