Report Number : ICRR14617

IEG ICR Review
Independent Evaluation Group

1. Project Data:		**Date Posted :**	03/31/2015	
Country:	Sierra Leone			
Project ID :	P078389		**Appraisal**	**Actual**
Project Name :	SI Infrastructure Development Project (transport)	**Project Costs (US$M):**	49.79	55.36
L/C Number:	C4469; CH191; CH405	**Loan/Credit (US$M):**	44.00	55.36
Sector Board :	Transport	**Cofinancing (US$M):**		
Cofinanciers :		**Board Approval Date :**		12/06/2005
		Closing Date :	09/30/2011	09/13/2013
Sector(s):	Roads and highways (55%); Aviation (25%); Ports waterways and shipping (17%); Central government administration (3%)			
Theme(s):	State-owned enterprise restructuring and privatization (33% - P); Infrastructure services for private sector development (33% - P); Rural services and infrastructure (17% - S); Regulation and competition policy (17% - S)			

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

a. Objectives:

"To rehabilitate selected priority roads and port and airport facilities of the Recipient, and to support the regulatory and institutional reform and effective management of the Recipient's road, port and airport sectors ." Development Credit Agreement - DCA, (Schedule 2. page 19): Project Appraisal Document (PAD, page 10).

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: 09/21/2011

c. Components:

There were four components (PAD, page 3):

Component A : Road Infrastructure and management (estimated cost at appraisal US$ 21.05 million. estimated additional financing cost US$ 8.56 million, actual cost at closure US$ 26.28 million). Activities included rehabilitation of two segments of the primary core road network (Bo-Kenema 69 km and Makeni- Matotoka 37 km) to all weather standards, road rehabilitation of approximately 400 km of rural and feeder roads in the “access poor” districts of Kailahun, Kono and Koinadugu and other districts to be selected to all weather standards, and activities aimed at reforming and restructuring of the road sector (such as through providing technical assistance for a Road Sector Management Plan, establishing an Independent Road Maintenance Fund with an autonomous Board, reorganization of the Sierra Leone Roads Authority (SLRA) and review of the management structure of the Sierra Leone Road Transport Authority (SLRTA))..

Component B : Freetown Port Infrastructure and Management (estimated cost at appraisal US$ 9.60, estimated additional financing cost US$ 1.26 million, actual cost at closure US$ 9.67 million). Activities included Sierra Leone Port Authority's (SLPA) reorganization, financing the expansion of the paved container stacking area, purchase of specialized equipment to meet internationally recognized environmental and safety standards (particularly related to navigational aids, oil spills, waste management and safety and security management), rehabilitation of the quay, bollards, ladders and fenders, and providing institutional support for Sierra Leone Ports Authority 's (SLPA) management reform relating to its transition to a landlord port model (a system where the port authority is in charge of regulatory functions, while the cargo operations are managed by the private sector), privatization of core port sector activities, and a social mitigation strategy .

Component C : Freetown International Airport Infrastructure and Management (estimated cost at appraisal US$ 8.71, additional financing cost US$ 0.00 million: actual cost at closure US$ 16.76 million). Activities included rehabilitation and strengthening of the runway, upgrading the turning loops and taxi way entrances to safely accommodate modern aircraft, installation/ upgrading of water and electricity supplies for security, sanitation, fire - fighting and back-up supplies, provision of new automatic landing and ground /air communication systems, and support to the Sierra Leone Airports Authority through technical assistance and training .

Component D : Project Coordination, Technical Assistance Services and Training : (estimated cost at appraisal US$ 3.57 million, estimated additional financing cost US$ 0.30 million, actual cost at closing US$ 2.65 million). This component aimed at supporting the project Coordination and Monitoring Unit and support to the Sierra Leone Road Authority (SLRA), Sierra Leone Port Authority (SLPA) and Sierra Leone Airports Authority (SLAA) in the areas of financial management, procurement, environmental and social management, quality assurance, technical audit and monitoring and evaluation of the project, and assisting in the preparation of a Master Plan study for the International Airport.

The following main changes were made to the scope of the project activities during the implementation phase .

- The number of km of rural roads to be rehabilitated was revised downwards from 400 km to 270 km. The ICR (page v) reports that the original estimate was an approximate number, and the actual number of km of rural roads to be rehabilitated to all weather standards was identified when the cost /km of roads became available during the project implementation phase.
- Mandatory sector core indicators that were to be included in all Bank rural roads projects (share of rural population with access to an all season roads), were incorporated during the implementation phase in 2009 .

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

Project cost : At appraisal, the estimated baseline cost was US$ 42.93. In addition, there were costs associated with physical, price contingencies and Project Preparatory Facility (PPF) reimbursement of US$ 2.15 million, US$ 3.01 million and US$ 1.70 million respectively. The total appraised cost was US$ 49.79 million. The actual cost at completion was US$ 55.36 million. The ICR (page 9) notes the trunk road design and preparation of the bidding documents could not be completed due to the low procurement capacity at the Sierra Leone Road Authority and the Coordination Management Unit, and hence the PPF was cancelled when the project became effective . There were cost overruns on the core road network sub -component, due to a combination of factors including, increase in the price of basic construction materials between the time at appraisal and the bidding process, and bid amounts were higher than expected, in view of the risk premium associated with the security situation in the country (ICR, page 9)

Project Financing : The original approved IDA grant was for US$ 44.00 million. Additional Financing (AF) of US$ 11 million was approved on July 19, 2008. AF consisted of an Additional Grant of US$ 5.1 million and an Additional IDA Credit of US$ 5.9 million. The ICR (page 9) notes that the AF was intended for: (i) for meeting the cost overruns associated with the core road network sub -component of Component A activities. and (ii) and supporting the institutional reform of the road, port and airport sectors . The PAD (page 9) notes that there was parallel financing for other complementary road sector activities from the European Union (EU), the Islamic Development Bank, the Kuwait Fund, the Department for International Development (DFID), and the African Development Bank (AfDB). The ICR however, provides no information on the extent of their contribution .

Borrower's Contribution : At appraisal, the Borrower's contribution was estimated at US $ 5.79 million. It is not clear from the ICR whether the counterpart funding was paid in but and not reported, or whether it was not paid in . The project team clarified that the government/implementing agency did not provide information on the extent of counterpart funding to the project.

Restructuring: The project was restructured two times:

The first dated September 21, 2011 resulted in: (i) a reallocation of activities across project components to finance the cost overruns in works under Component B, C and D activities .(ii) Cancellation of certain activities under Component C (such as the provision of water and power supply systems at Freetown International airport . (ICR, page 6).(iii) Revision and fine tuning of the results framework (discussed in section 10b of this review). (iv) extension of the project closing date by an additional 18 months from September 30,2011 to March 31, 2013, for completing the ongoing activities (ICR, page 6).

The second restructuring on March 7, 2013, intended for compensating for the delay in starting rehabilitation works on the feeder roads sub-component of Component A activities on account of the excessive and unusual rainfall which delayed implementation by about three months after contract award and signing . It extended the project closing date by an additional 6 months from March 31, 2013 to September 13, 2013.

Closing Date: Restructuring with AF meant that altogether, the project closed 24 months behind the original appraisal schedule.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Rated: **Substantial**

The project development objectives were consistent with the Poverty Reduction Strategy Paper (PRSP, 2004), and the Country Assistance Strategy (CAS) for 2006. The PRSP recognized the importance of rehabilitating and expanding Sierra Leone's transport infrastructure in promoting economic growth, and in addressing the issues of food security and youth employment. The Country Assistance Strategy (CAS) emphasized the need for "institutional development and capacity building in conjunction with investments." (ICR, page 2). The CAS dated May 5, 2005, noted that "growth will depend on the rehabilitation and expansion of Sierra Leone's degraded infrastructure and on the involvement of the private sector", and recognized the need "for rehabilitating the dilapidated infrastructure in the areas of roads, port, and airport (PAD, page 7). The PDOs remained substantially relevant throughout the implementation period, including with the current Country Partnership Strategy (CPS) of 2012 that covered the 2010-13 period. The third pillar of the CPS highlighted the need for infrastructure improvements, both for managing the extractives boom, and for economic diversification and establishing growth poles .

At the appraisal stage, the PDOs were relevant to the Government's *National Transport Strategy and Investment Plan* for the 2003-2007 period, which highlighted the need for improvement of the infrastructure sector for supporting national reconstruction efforts and poverty reduction programs . The PDOs remained substantially relevant to the Government's priorities throughout the project implementation period as articulated in the Government's *Agenda for Prosperity* for the 2013-2018 period. The fourth pillar of this Agenda identified the need for building competitiveness through, among things, improving the road network by reconstruction, rehabilitation and maintenance of existing roads and expanding the system where feasible, and improving air and sea transportation , as this project sought to achieve.

b. Relevance of Design:

Rated: **Substantial.**

The project's designed activities included both physical investments in the transport sector, and activities aimed at institutional strengthening for supporting the regulatory reforms of the respective transport agencies . The linkages between the project activities, their outputs, and the intended project outcomes (i.e. achieved objectives)-were logical, and the achievement of the project development objectives was, in principle, measurable;

The road sector works (such as rehabilitating the primary core road and the rural and feeder road network to all weather standards), could be expected to improve the condition of the road network . The activities related to the port sector (such as expanding the paved container stacking area, purchasing specialized equipment to meet internationally recognized environmental and safety standards, and rehabilitating the quay, bollards and tenders), could be expected to improve the condition of the Freetown port . The aviation sector components (such as rehabilitating the runway, upgrading the turning loops and taxi way entrances to accommodate modern aircraft, installing water and electricity supplies for security, sanitation, fire -fighting and back up supplies, and new automatic landing and ground/air communication systems) could be expected to improve the condition of the Freetown International Airport.

The institutional dimension of the project could be expected to contribute to the effective management of the transport sub-sectors. Activities (such as developing a Road Sector Management Plan, establishing an Independent Road Maintenance Fund with an autonomous Board, and reorganization of the SLRA, could be expected to improve road sector management. Activities aimed at the institutional strengthening of the port sector (such as supporting SLPA's commercial and management reform and enabling it to make the transition to the landlord port model, and privatization of core port activities), could be expected to improve the management of the port sector as the project intended. Support to the SLAA through technical assistance and training can be expected to contribute to the effective management of the aviation sector.

4. Achievement of Objectives (Efficacy):

The project development objective was " to rehabilitate selected priority roads and port and airport facilities of the Recipient, and to support the regulatory and institutional reform and effective management of the Recipient's road, port and airport sectors."

For the present review, this objective is parsed into two parts as it is in the ICR itself :

Objective 1: To rehabilitate selected priority roads and port and airport facilities of the Recipient .
:before 2011 restructuring : Modest.

:after 2011 restructuring : Substantial.

Output

- 106 km of the core road network (Bo-Kenema 69 km and Makeni- Matotoka 37 km) were rehabilitated to all weather standards, as targeted..
- 270 km of the rural and feeder roads were rehabilitated as per the revised target . As indicated in Section 2c, the actual km of rural roads that could be rehabilitated was identified only when the cost /km of roads became better known during the project implementation phase.
- Planned road maintenance was carried on 35% of the road network as compared to 66% at the baseline. The ICR (page v) notes this decline was due to the shrinkage in Road Funds (discussed below in objective 2)..
- The navigational aids and the environmental and safety equipment were installed at the port as targeted, and the quay (including bollards, ladders and fenders) was rehabilitated.
- The port container terminal was under concession to the private sector . Environmental and safety equipment was installed at the port..
- The Freetown International Airport runway and turning loops were upgraded, and the navigational aids were installed, as targeted..
- The road rehabilitation work generated 987,631 jobs, of which 365, 423 (37%) were carried out by women.
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Outcomes:

- 4.7% of the total classified road network of the country was in good or fair condition at project completion, as targeted.
- 71% of the rural population (2,504,500 people) had access to an all season road at the project completion stage, as compared to the 28% (980, 631) at the baseline. The task team leader clarified that this mandatory core sector indicator was incorporated for all rural roads projects financed by the Bank in 2009. There were other donors, primarily the European Union financing rural roads activities in parallel with this project . As a result of the rural roads activities financed by the Bank under this project and other rural roads activities financed by other donors, 71% of the rural population (as compared to 28% at the baseline) had access to an all season road, at the project closure stage. .
- The container handling capacity of the Freetown port increased from 64 to 238 Twenty Foot Equivalent a day (TEU- a unit used to measure the capacity of the port to handle containerized cargo) and the port's capacity to handle bulk cargo increased by 138% (from 850 to 2,029) tons/day. This was due to the expansion of the paved

container stacking area.

- Because of the rationalization of the port procedures, the annual expenditure of the port fell by 63%, and their staff costs were reduced by 41%.
- The Lungi International airport complied with the International Civil Aviation Organization's (ICAO), safety and security standards at the project completion stage. The Airport was certified by ICAO in 2011, and has passed ICAO periodic auditing since then..

Objective 2: To support the regulatory and institutional reform and effective management of the Recipient's road, port and airport sectors ." is rated as follows:

- before 2011 restructuring : Modest.
- after 2011 restructuring : Substantial.

Output:

- A National Rural Road Policy was adopted for designing feeder roads, and addressing the issues of ownership of feeder roads by District Councils..
- A Public-Private Infrastructure Advisory Facility (PPIAF) study on Private Sector Partnerships (PSP) options for the airport linked to the project was completed.
- The SLRA were trained in records management and human relations, human resource, change and financial management, and a procurement clinic was held for their staff.(ICR, page 24)
- The SLPA staff were trained in auditing, port operations and management, internal audit and advanced auditing, goods and equipment management, financial performance management, and a procurement clinic was held for their staff.
- The SLAA were trained in resource management, goods and equipment procurement management and air traffic services, and a procurement clinic was held for their staff.
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Outcome:

- The Sierra Leone Roads Authority (SLRA) Act of 1992 was amended in 2010. Following this act, the SLRA was held responsible for managing the road network.(ICR , page 15). A second generation independent Road Maintenance Fund Administration (RMFA) with an autonomous Board was created by Act of Parliament on April 9, 2010, and operations started on June 30, 2011. This agency provides an accountable and transparent account of allocation of funding for road maintenance (periodic and routine) activities, since the RMFA's accounts, are audited annually, and can be accessed by the public. For instance, SLL 44.307 Billion (US$ 10.4 million) was collected in 2012.
- The source of funds for the RMFA was from user fees. This was mainly from a fuel levy, and to a limited extent, through the fees collected by the Road Transport Authority for vehicle and driver licensing and registration . At the appraisal stage, the government was committed to increasing the fuel levy to US$ 0.08/ liter by project effectiveness, and to US$ 0.10/liter by June 2007, and thereafter this levy was to be progressively increased to adequately finance the full periodic and routine road maintenance activities of the 3,000 km of the road network (PAD, page 15). The fuel levy was however reduced from US$0.08/liter in 2011 to US$0.03/liter in 2012 in order to reduced to reduce the global increase in fuel prices on the poor. The task team leader clarified that funding for periodic and routine maintenance has been increasing since 2008 in absolute terms. However, it is not clear, what percentage of the road network is provided with periodic and routine maintenance from this funding. The task team leader also clarified that although the government remains committed to increasing the fuel levy for financing road maintenance activities, it is not clear if the fuel levy had been increased as planned, as all government activities had come to a complete stand still following the Ebola crisis..
- .The Landlord Port Bill was approved by the parliament. The ICR (page vi) notes that the container terminal has been concessioned, and some port activities had been privatized, the bill that make the port a complete "landlord port" by providing a binding legal framework, was pending in parliament at the project closure stage.
- The Sierra Leone Airport Authority implemented the recommendations of the Public Private Infrastructure Advisory Facility (PPIAF) study and, through competitive procurement in accordance Bank guidelines on procurement, contracted security and baggage handling operations of the airport to the private sector, and these operations were certified by ICAO to be in accordance with ICAO recommended standards.

5. Efficiency:

The cost benefit analysis was conducted for investments in the two trunk road segments (the 69 km Bo- Kenema segment, and the 37 Km in the Makeni- Matotoka segment), using the Highway Development and Management Model (HDM- 4). The costs of these at US$ 7.54 million and US$ 12.3 million respectively, represented 36% of the total project cost. The ex post economic rate of return (ERR) for the Bo-Kenema- segment was 20.4%, as compared to the appraisal estimate of 19.2%. The ex post economic rate of return for the Makeni-Matotoka segment was 17.1%

as compared to the appraisal estimate of 28.7%. The direct benefits from the project were to come from savings in vehicle operating costs, travel time savings, reduced accident costs and savings in road maintenance costs . An analysis based on the traffic flows on the road segments at closure as compared to the traffic flows at appraisal, showed a significant increase in both segments (while traffic flows on the Bo-Kenema segment increased from 610 Vehicles Per Day (VPD) at appraisal to 5,292 vpd at closure, on the Makeni_matotoka segment it increased from 848 vpd to 6,834 vpd). Hence, although the actual project cost increased at closure for both segments, this was more than offset by the increase in traffic, providing economic justification for these investments . The ICR provides no evidence for why one road performed more weakly than expected and the other performed better .

There was no cost benefit analysis for the rural roads components, since they were low traffic volume roads, and intended primarily for improving accessibility to all weather roads to the rural population . Likewise, there was no economic analysis for the port and airport sector project components

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	27%	49%
ICR estimate	Yes	36%	48.7%

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

6. Outcome:

Overall outcome is rated as **Moderately Satisfactory** . The project development objective are substantially relevant to the country strategy and Bank strategy. The relevance of the project design is also rated as Substantial. The efficacy of the two objectives, was rated as Modest prior to restructuring and Substantial after restructuring . Efficiency was Substantial. Although there is variation between the EIRR for the two road segments, the more than expected project cost was offset by the increase in traffic flows along both the road segments .

a. Outcome Rating : Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

Government Commitment : An independent road fund has been legally established for securing a more viable basis of funding for road maintenance activities. Based upon experience thus far of reducing instead of increasing the fuel levy, there is a high risk that the government may not be committed to the sustainability of road investment by guaranteeing funds for regular road maintenance that would be financed through this mechanism of increasing the fuel levy.

a. Risk to Development Outcome Rating : High

8. Assessment of Bank Performance:

a. Quality at entry:

Project preparation began which was initiated in November 2003, and prepared over a period of 30 months later, with support from a project preparation facility (PPF)), and a Policy Human Resource Development (PHRD) grant. The project was approved by the Board on December 6, 2005, and became effective approximately five months later on 19. May 2009 (ICR, page 9) The PAD (page 9) notes that the physical investments on the primary core road network were identified in coordination with other donor commitments . The Key design features included: (i) reorganizing road sector management to support improvements in maintenance of core and feeder road networks.(ii) outsourcing the core functions in the Freetown port and continuing its reorganization to a "landlord port." (iii) enhancing safety and service quality to Freetown international airport users . (iv) The physical investments were to be supported by the institutional strengthening dimension of the project and (vi). In view of the country's political and economic environment at the time of appraisal, appropriate provisions were made for quality assurance in the areas of procurement, financial and technical audit through support for the project 's Coordination and Monitoring Unit. Fiduciary arrangements and the safeguard issues were complied with (discussed in section 11).

The main shortcomings of the quality of entry were due to the underestimation of costs for the design of the trunk road, and delays due to the non selection of rural roads sub -projects not being selected by at the appraisal stage . The ICR (page 10) notes that, although the feasibility studies and the design for the trunk roads were completed at appraisal, the bidding documents were only prepared later during project implementation . The actual cost of design proved to be higher than the initial estimates, with the bid prices for the trunk roads being 32% to 86% higher than the initial estimates. This in turn led to the cost overruns that resulted in the need for AF additional financing for the project. The ICR (page 10) notes that the appraisal identified only very broad criteria for selecting the rural roads that were to be rehabilitated . And it took the project about 36 months to reach consensus on the selection of rural roads and prepare technical standards and specifications that were to be adopted, before the procurement process could be launched .

There were drawbacks in M&E design (discussed in section 10).

Quality-at-Entry Rating : Moderately Satisfactory

b. Quality of supervision:

There were 15 supervision missions spread over a period of 8 years (implying two missions a year). The ICR (page 18) notes that the supervision missions provided support for addressing the issues that were not resolved during project preparation. The ICR (page 19) reports that the supervision team was very proactive in bringing the project on track after the mid term review. The task team leader also clarified that in keeping with the nature of the project, the team included sector specialists, such as road engineers, a port specialist and an aviation specialist.

The ICR (page 19) notes that there were implementation delays due to a combination of factors. There were delays in concluding the bidding documents for civil works due to the disconnect between the engineer's estimates at appraisal and current prices during the implementation phase (ICR, page 10). The feeder roads sub projects remained unidentified under the project, and this in combination with the delays associated with reaching agreement on the technical standards of rural roads, contributed to the extension of the project closing date .

The ICR (page 19) also notes that the Bank could not agree with the government targets on some of the indicators which made it difficult to measure performance . The necessary and the revision of the project 's results framework was only completed done in 2011, about 5 years after project appraisal

Quality of Supervision Rating : Moderately Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The Government rallied support for the reform agenda that the project aimed to assist through *Agenda for Change* policy for the 2007-2012 period.

The port reform however remained stalled in parliament and the legislative adaptation could not be completed before project closure (ICR, page 19).

The increase of the fuel levy (from US$0.08/ liter by project effectiveness, and to US$ 0.10/liter by June 2007, surcharge was one of the covenants the Government had committed to as part of the Bank grant . The government did not succeed in increasing the fuel levy on account of the political environment (ICR, page 19). As noted earlier in Section 2 of this review, it is not known how much, if any, of the Government's commitment to contribute US$5.79 million counterpart funding was actually paid in. .

Government Performance Rating Moderately Satisfactory

b. Implementing Agency Performance:

There were three implementing agencies for this project: The Sierra Leone Roads Authority (SLRA), the Sierra Leone Ports Authority (SLPA) and the Sierra Leone Airports Authority (SLAA), and the project was coordinated by a Coordination Management Unit (CMU). The aviation sector did not involve reorganization, and although the SLAA had initial difficulties in identifying the right contractors, their performance during the implementation phase was deemed to be satisfactory. Unlike the aviation sector, the port sector activities and the road sector activities involved reorganization. In the case of the road sector, this entailed setting up of a road fund with an autonomous board, and in the case of the port sector it entailed making the transition to a landlord port through concession to the private sector container terminal activities. The ICR (page 19) indicates that it took significant time and efforts to convince top management and senior staff of SLRA and SLPA to carry out the planned reforms (ICR, page 19)..

The ICR (page 11) reports that for the first three years of project implementation the CMU was initially located at the office of the Vice President. Not being located in any technical ministry resulted in a tussle between the CMU and the implementing agencies that delayed the implementation of the project's institutional strengthening activities The ICR notes that in 2009, the CMU was transferred to the Ministry of Transport and Aviation (MoTA), a move which helped give closer higher level attention to the project. This, in turn, improved project performance in the latter stage of the project. .

All the implementing agencies were weak in monitoring and reporting progress.

Implementing Agency Performance Rating : Moderately Satisfactory

Overall Borrower Performance Rating : Moderately Satisfactory

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

a. M&E Design:

The results framework in the PAD included a list of key and intermediate indicators for monitoring progress. Each implementing agency was responsible for data collection and for monitoring the indicators related to its particular sector. The ICR (page 19) notes that there were disagreements between the Bank and the government on some targets, and that while baseline values were available for all the indicators, the government did not indicate target values for some of the revised indicators (ICR, page 11). The ICR however does not contain information on which were the indicators for which the government did not indicate target values.

The key and performance indicators were revised in September 2011, and the ICR (page 3) notes that these revisions were for:
(i) Replacing original targets with mandatory sector core indicators. For instance, the original target, "of reduction in travel time on project roads", was replaced with the revised target of," percentage of the total classified roads that were reported to be in good and fair condition". And the original target of, "increase in usage of the project road", was replaced with, "the share of rural population with access to an all season road."
(ii) The results indicators were also streamlined and reworded to focus on achievement of project development outcomes. The ICR (page 3) notes that results framework was simplified from 9 to 7 key indicators and 19 to 12 intermediate indicators...
The substitute indicators, such as measuring improved port performance through measuring the handling capacity of the port for both containerized and break bulk cargo on a daily basis, could be expected to quantitatively measure the achievement of the project development outcome.

b. M&E Implementation:

The ICR (page 11) notes that the monitoring of the indicators was inconsistent during the implementation period, While baseline values were available for all indicators, the government did not identify the target values for the revised indicators. As a result, the monitoring of the indicators was inconsistent. This was particularly so for the roads agency, which was in the process of updating its database. As a result, the process of collection and analysis of data took longer than anticipated. This in turn had an adverse impact on the update of the road indicators.

c. M&E Utilization:

The M&E indictors were project-specific and were utilized for monitoring the operational performance of the road, port and airport sectors. The ICR provides no evidence on whether M&E indicators were used to guide the sector as a whole in future.

M&E Quality Rating : Modest

11. Other Issues

a. Safeguards:

The project was classified as Category B and the project triggered OP /BP/GP 4.01 (Environmental Assessment) and OP/ 4.12 (Involuntary Resettlement). The PAD (page 4) states that an environmental assessment had been carried out for the roads, ports and airport component of the project, and a Resettlement Policy Framework was prepared for the feeder/ rural roads, at the project appraisal stage. The ICR (page 12) states that there were no safeguard issues relating to these two policies during the project execution phase.

b. Fiduciary Compliance:

Financial Arrangements :

A limited scope Financial Accountability Assessment for Sierra Leone was carried out and an action plan was agreed at the appraisal stage (PAD, page 61). And the institutional component of the project aimed at building capacity to address the financial issues during the project execution phase.
The ICR (page 12) notes that although the financial arrangements were reported to be satisfactory at the completion stage, the mid term review identified some deficiencies in this area. A financial management review done prior to the review indicated found that some project payments had been made without payment vouchers. Some required supporting documents were not received from the state owned enterprises.

The ICR (page 12) notes that a qualified accountant was recruited by the project coordination and monitoring unit and additional training was provided to the accounting support staff. And following this, the required financial reports.(such as the intermediate financial report and the financial management report, quarterly financial management reports and audits) were submitted on time during the remainder of the implementation period. The financial audits were unqualified.

Procurement Arrangement :

The PAD (page 67) notes that the implementing agencies and the project coordination and monitoring unit were familiar with Bank procurement policy and procedures as they had implemented a prior Bank project (The Transport Sector Project). An assessment of the capacity of the implementing agency to implement procurement actions for the project was carried out by a Senior Procurement Specialist of the Bank in September 2004..

There were no reported case of mis procurement. However, there were some issues with procurement during the implementation period and these were identified as due to (i) lack of capacity with the implementing agency (ii) low interest from bidders. (iii) delays associated with the hiring of a procurement specialist at the coordination and monitoring unit to undertake monitoring of procurement activities.

c. Unintended Impacts (positive or negative):

d. Other:

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Moderately Satisfactory	Moderately Satisfactory	
Risk to Development Outcome:	High	High	
Bank Performance :	Moderately Satisfactory	Moderately Satisfactory	
Borrower Performance :	Moderately Satisfactory	Moderately Satisfactory	
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:

The ICR (page 19-20) draws the following main lessons from the project.

(1) Institutional reforms take far longer than expected, especially in fragile states. The experience of this project was that, considerable efforts had to be made to draft the reform bill for creating the new institutions . And even with parliamentary approval, the low capacity in the country made it difficult to make the new agencies functional well after project effectiveness..
(2) Procurement can often be the weak link in a challenging phase of project implementation. The experience of this project was that considerable delays associated with preparing terms of reference, bidding documents, evaluating bids and awarding contracts, significantly slowed project implementation..
(3) It is important to take into account the political economy context while designing a project. The fuel levy surcharge was one of the covenants the Government had committed to as part of the Bank grant. In a post-crisis political economic environment such as that of Sierra Leone, the Government found it politically expedient to back-track on this intended policy reform. The ICR notes that such a retreat may even have been necessary for securing the stability of the country's political system, and then pursuing the agenda later when the political economy permits.
(4) Quality at entry is an important step for ensuring project implementation readiness. The civil works bidding documents of the implementing agencies were not ready at project appraisal. There were implementation delays, since it took considerable time for the agencies to finalize the designs of the civil works.

While some of the lessons of the ICR and the Borrower's ICR (page 34-35) are similar, there are differences as well. The borrower's ICR draws the following main lessons.

(1)There is need to work out methods to shorten the project life cycle time. This project's, context was that of a post-conflict country. In principle, projects serve as development instruments, for transforming inputs into outputs, and subsequently into outcomes in the form of benefits to the targeted population. The Borrower's ICR notes that shorter the time taken to complete the project cycle, the more likely the project's intended benefit of initiating economic growth. In the case of this project, it took over 95 months from identification to completing the rehabilitation of the core road network. The Borrower's ICR argues that there is clearly a need to work out methods for accelerating the project life cycle..

(2) At the design stage, it is important to consider the judiciousness of combining investments and institutional reforms in a single project in the country context. The project can focus on: (1) investments only (such as through road rehabilitation) to create growth. (ii) combining investments with activities aimed at institutional strengthening (such as improving the capacity of the transport agencies). (iii) preparing institutional reforms in a separate project. The preferred way of packaging a project needs to be tailored to country conditions. Institutional reforms require considerable time, while project designed to stimulate growth through investments take less time. The ICR argues that while it is too early to judge, whether the project which combined investments and institutional reforms in a

single project as done in this project was wise, given that all weather roads were urgently needed to initiate growth at the appraisal stage.

14. Assessment Recommended? ○ Yes ● No

15. Comments on Quality of ICR:

The ICR systematically reported both outputs and outcome of the project, and its assessment of the project objective was evidence based. The ICR is concise, and clear in explaining the problems that were encountered at the preparatory and implementation stage which in turn led to the additional financing and project restructuring . The ICR is also very clear in its discussions on the financial and procurement arrangements .

However, while the ICR is concise, it does not do full justice to what was a difficult project under very trying circumstances, For instance, the discussion of the problems encountered in setting up the road funds and the political considerations which made it imperative for the government to reduce the fuel levy surcharge is weak . The discussion of the M&E section is brief. The lessons learnt that were in the Borrower ICR could prove to be more insightful while designing future projects in post-conflict countries. .

Finally, there is a discrepancy in the ICR. While the ICR (page 16) lists the outcome rating as "Satisfactory", the data sheet (page i) lists the outcome rating as "Moderately Satisfactory". The ICR team leader confirmed that the rating of the outcome on Page 16 was an error, and the outcome was Moderately Satisfactory as noted in the Data Sheet

a.Quality of ICR Rating : Satisfactory