



1. Project Data

Project ID P091020	Project Name CN-Fujian Highway Sector Investment	
Country China	Practice Area(Lead) Transport & ICT	Additional Financing P119862
L/C/TF Number(s) IBRD-48400,IBRD-80450	Closing Date (Original) 30-Jun-2012	Total Project Cost (USD) 1,637,000,000.00
Bank Approval Date 12-Oct-2006	Closing Date (Actual) 30-Jun-2015	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	370,000,000.00	0.00
Revised Commitment	368,879,822.67	0.00
Actual	368,879,822.67	0.00

Sector(s)
Rural and Inter-Urban Roads and Highways(99%):Sub-national government administration(1%)

Theme(s)
Rural services and infrastructure(50%):Infrastructure services for private sector development(50%)

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2. Project Objectives and Components

a. Objectives

According to the Loan Agreement (page 5), the project development objective was to assist the Borrower “in increasing the effective use of the road infrastructure in Fujian Province to support its social and economic development by: (i) enhancing its rural roads network; (ii) reducing transport costs; and (iii) facilitating the interconnection across the Borrower’s coastal provinces.”

In the Project Appraisal Document (PAD, page 8)), the overarching objective was identical, while the sub-objectives provided more details, in particular: “(i) improving living conditions in rural areas -particularly those in the areas of the Province where poverty rates are higher- by enhancing the transport accessibility of the rural communities to economic opportunities and social services; (ii) stimulating higher economic



growth in Fujian Province by reducing transport costs; and (iii) facilitating the interconnection across the coastal provinces.”

This ICR Review is based upon assessment of the achievement of the project objective as formulated in the Loan Agreement.

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

No

- c. Components

1. Rural Roads Improvement Program (RRIP) (appraisal US\$502.1 million; additional financing US\$555.9 million; actual US\$1,086.6 million) was to support a subset of at least 3,500 km out of 10,000 km of local road sections already identified based on the demand of counties, townships and villages that were part of the 35,000 km provincial rural roads 2004-2010 program. At the time of Additional Financing (AF), the component was scaled up to add another 1,000 km of rural roads for rehabilitation in 61 counties/districts (including 14 new counties) of eight municipalities in Fujian province.

2. Yong'an-Wuping Expressway (YWE) (appraisal US\$984.2 million; actual US\$1,278.31 million) included construction of 195 km long four lanes new highway section of the Changchun-Shenzhen expressway between Yong'an (Sanming City) and Yanqian in Wuping (Longyan City), including the acquisition and installation of electrical and mechanical facilities, the construction of buildings and annex areas for service and safety operations. The component cost also included land acquisition and resettlement.

3. Highway Maintenance Pilot Program (HMPP) (appraisal US\$0.66 million; actual US\$1.34 million) consisted of maintenance by contract in two highway sections of the (non-expressway) provincial highway network. The component sought to increase the efficiency of force-account maintenance practices. It also included implementation on a pilot basis of a program for sourcing out periodic and routine highway maintenance in selected sections of Fujian Province highway road networks, including staff training and supervision and provision of technical assistance.

4. Institutional Strengthening Program (ISP) (appraisal US\$3.12 million; additional financing US\$0.5 million; actual US\$2.66 million) included: (i) staff training on activities such as road asset management, operational management of roads and expressways, construction quality control, road safety, and design and operational safety considerations for tunnels; (ii) a comprehensive study on toll rates across Fujian Province to evaluate their influence on traffic demand, maximize the use of the expressway network and optimize its economic value, and on impact evaluation and monitoring to establish a knowledge base of the impacts of the RRIP on rural livelihoods to provide an analytical base for the design of future interventions on those types of roads across Fujian Province; and (iii) provision of technical assistance for the design and implementation of the Highway Maintenance Pilot. During AF, training activities and study tours were added for the local government agencies for (i) environmental design and construction of rural roads and (ii) rural road maintenance and management.

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

Project cost: The total project cost was US\$2,395.9 million at closure, about 60% higher than the appraisal estimate of US\$1,490.0 million due to scale-up of the rural roads improvement program and cost overruns under the YW expressway. Additional Financing approved in 2011 enabled scale-up the rural roads program under the first component and added more institutional strengthening activities under the fourth component.

Financing: The World Bank Group contribution consisted of a Loan in the amount of US\$320 million and Additional Financing (AF) Loan of US\$50 million, totaling US\$370 million. At closure, the total amount of the loan was disbursed at US\$368.9 million. US\$1.1 million were cancelled from the Loan as a result of the Government policy on foreign study tours planned under the project. There was no other external partner financing.

Borrower contribution: The Borrower contribution of US\$1,170.0 million agreed at appraisal increased to US\$2,027.8 million by project closure.

Dates: The project closing date was extended for three years from June 30, 2012 to June 30, 2015 in conjunction with the Additional Financing approved on August 30, 2011.

3. Relevance of Objectives & Design



a. Relevance of Objectives

At the time of appraisal, Fujian Province lagged behind other coastal provinces in transport infrastructure. 35 million people lived in the Province, which had large pockets of poorer population. Of the 207 poorest villages, 166 were in the project areas, where the unclassified and lower class roads were often impassable in the rainy season and transport costs were high. Project objectives were aligned with the launching a large scale Provincial highway development plan to reduce the imbalanced development between coastal and inland regions. The total length of the highway in Fujian was to be about 490 km and the supported expressway link was the last section of the highway in south-eastern Fujian.

The project supported the Government of China's Eleventh Five-Year Plan (2006-2010), including China's National Expressway Network and the extensive Provincial Government's flagship program to improve access and mobility in villages. The objectives remained consistent with the development priorities of China's 12th FYP (2011- 2015), in particular for: (i) the expansion of road network in the country; (ii) provision of all-weather roads and passenger services to villages; and (iii) establishment of a modern logistic system at low cost and high efficiency. The objectives were also consistent with the World Bank Group's Country Partnership Strategies for China at appraisal (2006-2010) and closure (2013-2016), the key goals of which were reducing poverty and promoting more inclusive development, in particular through improving transport connectivity for more balanced regional development.

Rating
High

b. Relevance of Design

The statement of development objectives was clear. The project results framework indicated a clear causal chain between the activities financed by the project and the outputs and outcomes related to the attainment of the development objectives. For example, with regard to physical investments, the improvement of rural roads (Component 1) was expected to reduce travel time, and the construction of a new 195 km highway section (Component 2) was to help reduce freight rates on the selected corridor and facilitate the interconnection across the coastal provinces. The institutional strengthening activities were to support the Fujian Province's capacity for developing and managing its road network that could help improve efficiency and reduce transport costs.

The project scope in rural roads was extensive; it covered over a thousand small rural roads scattered in the 7,500 administrative villages in Fujian. The project incorporated the elements of the Sector Wide Approach (SWAp) in the design of rural roads component, which represented 20% of the resources required. This approach sought to instill better practices in the application of social and environmental safeguards, procurement and fiduciary arrangements, and technical engineering quality among the counties, townships, and villages. The disbursement approach and the monitoring and financial reporting procedures were designed to apply innovative mechanisms that could be replicated in similar investment initiatives in China.

Rating
High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Increasing the effective use of the road infrastructure in Fujian Province to support its social and economic development by: (i) enhancing its rural roads network.

Rationale

Outputs



- A total of 10,290 km of rural roads were constructed or rehabilitated under the project. The number of beneficiaries of 1.30 million exceeded the estimate of 1.25 million villagers living in the proximity to rural roads.
- The pilot maintenance contracts were carried out, and contract maintenance approaches were adopted in 9 contracts in Fujian, above the target of 6 set for 2013.

Outcomes

- Travel time on project rural roads reduced by 79%, exceeding the target of 50%.
- Traffic volumes (passenger car units (PCU)s/day) increased by 171%, substantially exceeding the target of 15%, and passenger services increased by 133%, exceeding the target of 30% (measured on a sample of 20 rehabilitated roads).
- According to the impact assessment based on 2,336 questionnaires collected in 72 villages (38 villages were in treatment group and 34 in comparison group), the following benefits were observed: (a) Rural households experienced significant travel time reductions: 27% for work travel; 42% to access health services and markets in towns; and 40% for student trips to middle schools. Cost of travel by motorcycles and private vehicles reduced more than 50%. Rural passenger services are now available to more than 80% of Fujian villages, and public transport ridership has increased 24%. Annual accident rates in the treatment villages dropped from 7.5 accidents per year before the project to 2 accidents per year after the works were completed. (b) Profits from agriculture increased 46% in RRIP villages; whereas the increase in non-RRIP villages was 30%. Non-agricultural proportion of GDP in RRIP villages increased 4% over non-RRIP villages. The average household income in RRIP villages increased 81.5%, while in non-RRIP villages the increase was 74.9%. Non-agricultural female employment has increased significantly to 48.5%, one half of female population in surveyed villages have changed from heavy farm work to non-agriculture jobs.

Rating
High

Objective 2

Objective

Increasing the effective use of the road infrastructure in Fujian Province to support its social and economic development by: (ii) reducing transport costs; and (iii) facilitating the interconnection across the Borrower's coastal province.

Rationale

Outputs

- 195 km of a 4-lane toll expressway between Yong'an and Wuping (YWE) was constructed and opened to traffic in June 2010. The highway provides a connecting link across Fujian for the coastal provinces, and access to the cities, towns and settlements in Fujian's mountain region.
- Capacity building activities were carried out as planned, including analysis of toll rates in the province and impact analysis/survey that was adopted as part of the Rural Road Improvement Program database.
- Training and study tours were provided receiving 95% satisfactory rating (above the 70% target).

Outcomes

- The freight rate on the YWE Corridor averaged RMB 0.57 per ton-km in line with the target of RMB 0.55 per ton-km. The freight rate was calculated based on a sample of three products (coal RMB 0.55 per ton-km, cement RMB 0.60 ton-km and fruit RMB 0.50 ton-km).
- The new YWE was expected to divert the traffic from the existing highway G205, however due to the Government policy to remove tolls on class II roads in 2009, G205 became a free alternative road to YWE. As a result, the expected target on traffic volume (PCU/day) reductions on the existing highway G205 were not met. On the new YWE, traffic increased to 6,033 above the target of 5,440 only on the



link between Yong'an-Liancheng but fell short of projections for the other two links that were 87% (8,795) and 74% (12,518) of the target values.

- Travel time targets on new YWE and the existing highway G205 were met: YWE- 2 hours; G205-5.7 hours, slightly down from 6 hours.
- Annual accident rates were reported as 5 on YWE (less than estimated 10) and went down from 22 in 2005 to 15 on existing highway G205, in line with the target of 16.

Rating
Substantial

5. Efficiency

Economic and Financial Efficiency

Rural roads. The ex-post economic internal rates of return (EIRRs) were estimated following the same methodology as at appraisal for the eight types of rural roads, i.e., country and township/village roads with varied width in mountainous and coastal areas. Two benefits were estimated comparing 'with' and 'without' project cases: vehicle operating cost savings and passenger time savings. The ex-post EIRR for the county roads in the coastal areas was estimated at 36.8% that was higher than the appraisal of 21.8% due to higher traffic volumes; the ex-post EIRR for the county roads in the mountainous areas of 41.1% was close to the appraised one 37.6%. The EIRRs for the town/village roads in both coastal and mountainous areas are lower due to lower traffic volumes and higher investment cost than expected. Overall, the aggregate ex-post EIRR for all the rural roads was 25.7%, which is lower than the ex-ante 34.7% and Net Present Value RMB 11,921.2 million (at 12% discount rate).

YW Expressway

Economic Analysis: An ex-post economic internal rate of return (EIRR) was estimated at 14.7% and NPV of RMB 5,745.9 million as compared to the ex-ante of EIRR 16.6% and NPV of RMB 3,210.2 million (at 12% discount rate). The lower EIRR resulted from higher project investment cost by 32% and lower traffic than projected on two sections by 21%. The increase in actual cost is explained by additional earth works, price escalations for labour and construction materials, and increase in land acquisition and resettlement cost. The ex-post analysis used the same methodology as at appraisal comparing a 'with' and 'without' project case, where most of the road traffic in the corridor would use the existing parallel highway G205 with slower speed, longer distance, and higher accident rate. The calculated benefits were vehicle operating costs, passenger time cost savings, and accident cost reductions.

Financial analysis: At appraisal, the FIRR was estimated to be 1% with NPV of RMB -4,142 million (at a discount rate of 5.02%), due the low profit margin in early years' operations to impact the FIRR on the capital investment (PAD, Annex 9). At closure, the financial internal rate of return (FIRR) of the YWE was estimated at 8.5% before tax and 6.2% after tax. The ICR does not provide an NPV. At the same time, according to the ICR p.8, there was a 30% shortfall in expected toll revenue due to lower than expected traffic volume on YWE. The ICR p.14 adds that while profit margin is low in the early years of YWE operation, toll revenues provide enough liquidity for loan repayment, and operation and maintenance in the first years of YWE operation. The ex-post financial evaluation had the following considerations: (i) PAD's financial investment costs of project and estimated O&M cost were used; (ii) the toll revenues were calculated using the actual traffic in 2010–2015 and with a new traffic forecast for future years; (iii) non-toll revenue was estimated at 5% of the toll revenue, mainly from advertisements and expressway services¹⁴; and (iv) business tax rate 3.5% of the revenue and corporate income tax rate 25% of net profit were applied. The cash flows covered 24 years, including 4 years for construction and 20 years for operation.

At appraisal, the overall economic internal rate of return (EIRR) of the project was estimated at 24.8% and NPV of RMB 15,131 million (at 12% discount rate). The ICR does not provide the overall ex-post EIRR for the project but calculates it separately for rural roads and the YW expressway. The weighted average of the project ex-post estimated EIRR of the rural roads and YWE was calculated by IEG, which is 20%.

Operational and Organizational Efficiency

The YWE highway was completed and opened three months ahead of schedule in 2010, albeit there was a cost overrun of 32%.

Efficiency Rating
Substantial



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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	24.80	82.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	20.00	94.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

The relevance of objectives and design is rated high. The project substantially helped the Borrower increase the effective use of the road infrastructure in Fujian Province in support of its social and economic development, through achieving its three project sub-objectives. Transport cost and time went down along the project roads bringing economic and social benefits to the rural population as evidenced by the impact evaluation results. The new road links facilitated an important interconnection in the Province, while reducing transport costs, albeit the projections for traffic volume were not fully met. Efficiency is rated substantial.

a. Outcome Rating
Satisfactory

7. Rationale for Risk to Development Outcome Rating

- Fujian has well-functioning maintenance operations. The large rural roads network (about 70,000 km) is maintained by the County Communication Bureaus' sub-divisional maintenance stations. Random checks on a sample of rural roads three years after completion showed that the maintenance organizations functioned well and the roads were in sound condition. Rural roads maintenance in mountainous areas may present a moderate risk.
- YWE is managed by two expressway companies which have lowered their cost structure and are likely to fulfill their road management and financial responsibilities. YWE is part of China National Expressway Network and central and provincial governments will provide support in the event of the toll-free G205 eroding YWE toll revenues.
- A well-established management system for rural roads is in place, and extension service on technical matters from the cities' Highway Bureaus is available when needed.

a. Risk to Development Outcome Rating
Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

Project design was informed by prior projects in Fujian (Fujian Highway Project 3681-CHA and Second Fujian Highway Project 4502-CHA). This project's greater focus was on poverty reduction, which affected the balance between expressway and rural road components. An



integrated framework was designed for the rural roads implementation (RRIF) incorporating procurement, environment, resettlement, ethnic minority, and financial management. The training in these areas was carried out prior to project approval. The RRIF framework included reporting and evaluation of progress with preset, defined formats, and the technical and quality control specifications for the rehabilitation of the rural roads, including the implementation arrangements. Separate and independent supervision consultants were to be engaged for technical engineering works and for safeguard compliance. The risks were rightly identified and mitigation measures were appropriately proposed, with the exception of one risk of the forecast traffic volume on YWE at opening that was rated low. M&E arrangements were well-designed and included an impact evaluation. The only shortcoming was that analysis of the loan's financial burden on local governments was not done at appraisal, in particular evaluation of fiscal capacity of the participating municipalities.

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision

Bank missions were carried out in a regular and timely manner, and implementation issues were assessed and resolved in a timely manner and reporting and ratings were candid. A total of 14 Implementation Status Reports (ISRs) were filed. The Bank provided considerable on-going implementation support on all aspects of project implementation, including engineering and compliance with fiduciary policies. The Bank addressed a misprocurement issue appropriately and reallocated relevant loan amount to the rural roads improvement component (RRIP). The ICR notes that during preparation of the Additional Finance, the team did not evaluate the impact of the change to the government's toll policy on YWE traffic forecasts and adjust target value accordingly.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

Governments at all levels showed strong ownership of the project and provided the requisite leadership and guidance for project implementation, especially on compliance with safeguard policies. Due to a Central Government policy to remove tolls on parallel Class II road (G205), the lower level governments and the Expressway Companies had difficulties to fulfill their financial obligations. The two cities (Longyan and Sanming) paid their share of the funds late, thus delaying payments to contractors. A Government policy also reduced foreign study tours, resulting in a US\$1.12 million cancelation from the loan.

Government Performance Rating
Satisfactory

b. Implementing Agency Performance

- The Fujian Provincial Expressway Construction Directorate (FPECD), Longyan Expressway Company and Sanming Expressway Company, which were the implementing agencies for YWE, completed construction of the 195 km expressway in a timely manner in compliance with safeguards requirements. There was however misprocurement of one sub-grade contract (by FPECD) because it started the works without the Bank's 'no objection'. The cancelled funds were returned and transferred to the rural roads component.
- RRIP was implemented by many implementing entities under the guidance of the Fujian Provincial Communications Department (FPCD) and Project Management Office (PMO). The decentralized implementing agencies had a learning curve, but were dedicated and delivered results. There were some shortcoming in procurement but these were addressed through training.



- The Fujian Provincial Communications Department (FPCD) implemented the institutional strengthening component. Training programs, highway maintenance pilots, as well as toll-road and impact studies were completed as planned. Under the impact evaluation and monitoring of the rural roads program, a data base was installed to track and observe the condition and performance of the rural road network.

Implementing Agency Performance Rating
Satisfactory

Overall Borrower Performance Rating
Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The project's indicators were appropriately linked with the objectives. The key indicators included baseline data and measurable targets set at appraisal (PAD Annex 3). The key performance indicators for the project development objective included: (i) reduction of travel times on rural roads; and (ii) reduction of freight rates on Yong'an-Wuping Corridor. The indicator on the number of project beneficiaries was added as part of incorporation of the core Bank indicators at project level. Impact evaluation and monitoring systems were included in the project to create a data base for tracking project progress, performance, and social assessments.

b. M&E Implementation

The Fujian PMO and the implementing agencies carried out frequent monitoring of indicators and updated them regularly in progress reports. M&E data was collected and reported on time and helped the PMO to propose appropriate interventions during implementation (ICR, p.9).

c. M&E Utilization

M&E indicators helped to monitor implementation progress, pinpoint problems, and evaluate the results of the completed project.

M&E Quality Rating
High

11. Other Issues

a. Safeguards

This classified as a Category A project under OP/BP 4.01 Environmental Assessment. The project triggered two other safeguard policies: OP4.12 Involuntary Resettlement, and OP4.10 Indigenous Peoples.

The ICR does not state compliance with each safeguard policy; it reports that "the safeguard issues and compliance were well managed" (ICR, p.9). The Environmental Management Framework (EMP), Resettlement Policy Framework, and Ethnic Minority Policy Framework were prepared for the rural roads component under the Rural Roads Implementation Framework (RRIF), disclosed and complied with Chinese laws and Bank policies (ICR, p.6). For YW Expressway, the Environmental Management Framework, Resettlement Action Plan, Environmental Impact Assessment were prepared. An Ethnic Minority Development Plan was prepared and implemented for the She Minority Group in Shangshui Village, Ningde Citin accordance with the Ethnic Minority Policy Framework, when implementing a township-level road in this village. The implementing agencies had prior experience in safeguards, including PMO with safeguard staff. Training was carried out on safeguards before appraisal and throughout project implementation. Overall, as reported by the ICR p.9, the issues that arose with environmental protection, resettlement and compensation, Ethnic Minorities, and others were addressed.



b. Fiduciary Compliance

Procurement. Local administrative offices had no prior experience in Bank-supported projects, and contractors were inexperienced with making bids, arranging security deposits and complying with other policies governing the rural roads program. There were some shortcomings in procuring over a thousand of rural roads projects, including incomplete or inaccurate bids, contracts inconsistent with the bid, missing security deposits, incomplete reporting, and technical capacity deficiencies. These shortcomings were addressed through training. Under the YWE expressway construction, one earthwork contract was declared misprocured as it was awarded to the second lowest bidder prior to fully responding to the Bank’s request for additional clarification on the lowest bidder’s complaint. The corresponding loan in the amount of US\$13 million was transferred to the rural roads component, and FPCD used its own funds to complete the contract.

Financial management. The ICR p.10 reports that financial management was carried out diligently during implementation; the report-based disbursement for the rural roads component was implemented well in general. The audits were timely and unqualified.

c. Unintended impacts (Positive or Negative)

d. Other

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Satisfactory	Satisfactory	---
Borrower Performance	Satisfactory	Satisfactory	---
Quality of ICR		Substantial	---

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

IEG selected a number of lessons from the ICR list, with some adaptation:

- *Prioritizing training on safeguards, procurement, and financial management early on helps smooth implementation.* Under this project, training started early before approval which helped the project implementation.
- *Early recognition of risks needs to be reflected in mitigation measures.* Under this project, lower than expected traffic volume on the YW Expressway was a result of a government policy to remove tolls on class II roads during implementation. In this case, perhaps the enforcement of vehicle weights on a parallel route could have been used to address traffic diversion, albeit truck overloading control requires



joint efforts of multiple agencies.

- *For engagement at sub-national level, it is important to include an evaluation of the project's fiscal burden on local governments, and mitigation measures should be included in project design.* During this project's preparation, no evaluation of the fiscal capacity of the participating municipalities was made. During implementation, both YWE cities (Longyan and Sanming) had difficulty in meeting their counterpart fund obligations in a timely manner. In China, the revised *Budget Law* issued in 2015 requires accountability and financial transparency at all levels of government.
- *Contract maintenance institutionalization is a long term reform.* Under this project, the pilot maintenance contracts were carried out with positive results but the institutionalization and network wide application of maintenance contracting and its adoption requires time. The issues are not only technical, but include institutional reform, labor training and relocation, job security, budget processes, performance indicators for different road classes and their enforcement, supervision of contractors, and payment procedures.
- *The Sector-Wide Approach (SWAp) method of project execution is beneficial.* SWAp allows results-driven rather than process-focused implementation oversight. By focusing on the large program and applying common fiduciary/safeguards standards, the project's SWAp approach could scale-up benefits, strengthen local capacity and reduce duplicative reporting.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is concise and outcome-oriented. It provides an insightful analysis of the project preparation and implementation experience. The evidence on results and outcomes is well presented due to the impact evaluation carried out under the project. Lessons are based on the project experience. The ICR should have provided more details on the project compliance with Bank safeguard policies, in particular as this was a Category A project and involved land acquisition and resettlement. The ICR does not explicitly state the compliance for each safeguard. No information about mitigation activities, impacts, and affected households is provided in order to validate compliance. The information had to be sought from the project team. A few inconsistencies between the ICR's main text and annexes include (i) traffic volumes were 21 % lower than estimated (para 39; p.13), while para 3 of Annex 3 indicates 40%; and (ii) the EIRR related to rural roads in mountainous area para 39 p.13 does not correspond to Table 6 results on p.33 (the ex-ante and ex-post EIRRs were close).

- a. Quality of ICR Rating
Substantial