1. Project Data:

- **Country:** Vietnam
- **Project ID:** P079344
- **Date Posted:** 09/29/2015
- **Project Name:** Vietnam - Ict Development
- **Appraisal:** 106.96
- **Actual:** 77.08
- **Loan/Credit (US$M):** 93.86
- **Closing Date:** 06/30/2011
- **Board Approval Date:** 09/15/2005
- **Sector(s):**
  - Central government administration (43%)
  - Sub-national government administration (35%)
  - General industry and trade sector (22%)
- **Theme(s):**
  - Infrastructure services for private sector development (25% - P)
  - Administrative and civil service reform (25% - P)
  - Micro, Small and Medium Enterprise support (24% - P)
  - Regulation and competition policy (13% - S)
  - Other accountability/anti-corruption (13% - S)

2. Project Objectives and Components:

a. Objectives:

**Original Objectives:**

The project development objectives as stated in the Development Credit Agreement (Schedule 2, page 16) and in the Project Appraisal Document (PAD, page 4) were: "To assist the Borrower: (a) To accelerate the use of Information and Communication Technology (ICT) and support institutional development in order to increase the efficiency and effectiveness of public administration, increase transparency and availability of information and improve public services delivery to stakeholders. (b) To foster private sector development, in particular by facilitating increased adoption of ICT by Small and Medium Enterprises (SMEs).

**Revised Objective:**

The project was restructured on 01/28/2010, and the revised project development objectives as stated in the Amendment to the Development Credit Agreement (Annex 2, page 1) were: "To assist the Borrower: (a) To support the Ministry of Information and Communication (MIC)'s institutional development and technical and regulatory capacity for ICT sector oversight and to increase the efficiency and transparency of public service delivery in the MIC, General Statistics Office (GSO), Ministry of Foreign Affairs (MOFA), Hanoi and Danang cities. (b) To foster private sector development by increasing access to business related government services and raising awareness and usage of ICT in Hanoi and Danang.

This review is based on the objectives as stated in the legal agreements.

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: 01/28/2010

c. Components:

Component One: ICT Leadership and Modernization of the Ministry of Post and Telecommunications (MPT): appraisal estimate US$21.73 million, actual cost US$23.17 million. This component aimed at strengthening MPT's capacity for developing and implementing the national ICT strategy and ICT policies. Activities included, (i) developing e-government capability in MPT. (ii) developing and activating informational, interaction and transactional policies. (iii) establishing a training program, and developing, designing and implementing a curricula for Chief Information Officers (CIOs). (iv) capacity building for developing ICT policies and regulatory development. (v) developing a legal, regulatory and institutional framework for IT and telecommunications. (vi) developing a national IT architecture and inter-operability framework for enabling public administrations to collaborate.

Component Two: Modernization of the General Statistical Office (GSO): appraisal estimate US$13.77 million; actual cost US$19.59 million. This component planned at supporting the implementation of a strategic plan for modernizing and capacity building of GSO. Activities included, (i) upgrading their ICT infrastructure. (ii) enhancing their data flow and their capacity for statistical analysis. (iii) developing and expanding their Intranet and portal (defined as a specially designed website which brings information from diverse sources in a uniform way).

Component Three: E-Government application in the municipalities of Hanoi, Danang and Ho Chi Minh City; combined total appraisal estimate for the three cities US$59.14 million, combined cost at closure for the three cities US$32.93 million. This component planned at improving the ICT environment in the three cities by laying the foundation for deploying e-government in district offices and departments. Activities included: (i) developing their ICT strategy, policies and architecture and upgrading their ICT infrastructure. (ii) assessing the business processes in the cities and developing and implementing workflow solutions. (iii) developing and expanding their electronic gateways and portals (iv) implementing e applications for selected public services (such as geographic information systems (GIS), e procurement systems and IT systems for business and land registration, population management and other government services). (v) supporting the usage of ICT by SMEs. (vi) developing ICT human resources and raising awareness of ICT in the cities.

Component Four: Project Coordination Support: appraisal estimate US$1.50 US million, actual cost at closure US$1.39 million. Activities aimed at providing overall project coordination support (including for project monitoring, reporting and knowledge sharing).

Revised Components:

The following changes were made to the scope of project activities through a Board approved Level One Restructuring on 01/28/2010, following the recommendations of the Mid Term Review on 3/16/2009.

- The PDO and Outcome indicators were revised to focus on activities funded by the International Development Association (IDA).
- Additional core monitoring indicators were incorporated (such as measuring the processing time for public services and user perceptions of e services).
- Some sub-project activities were added to component one and component two activities. Added activities to component one included, installation of a test center for IT product evaluation, consultancies to prepare plans for e document interchange and integrated e mail systems, and installation of an intelligent building system and integrated communications for the MIC and installation of a data center and establishing online visa services for the MoFA. Added activities to component two included, installation of a data warehouse and information dissemination portal, installation of a equipment for data collection/processing for the 2009 population census, and installation of a Global Information System (GIS).
- There was a reallocation of funding between project components. Component three (E government applications) was to be implemented in only in two cities (Hanoi and Danang) as compared to the originally scheduled three. The ICR (page 3) notes that Ho Chi Minh city was unable to utilize the IDA resources as it had funding from own sources for conducting similar project activities. In contrast, there was increase in demand for funds from GSO and Danang to finance their ICT development plans. Hence, IDA funds from the Ho Chi Minh city component was diverted to GSO and Danang. Some additional activities were added to the Danang project component (such a Transaction center to the data centers and upgrading Danang's ICT infrastructure program in 30 departments, seven districts and 56 communes and wards.
- The indicators in the results framework were revised to make them more specific and attributable to the project.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:
Project Cost: estimated cost US$106.96 million, actual cost US$77.08 million. The actual cost was lower than the appraisal estimates, due to a combination of factors including, reduced scope of the project activities and reduction in prices of procurement packages in the final years of the project (ICR, page 14).

Financing: IDA appraisal estimate US$ 93.86: Amount disbursed at closure US$ 74.12 million. At closure, US$6.23 million was undisbursed and US$13.52 million was cancelled. The ICR (page 5) notes that the cancellation was due to a combination of factors including large procurement packages which was either financed by the government with its own funds, or were not completed at project closure.

Borrower Contribution: appraisal estimate US$13.24 million: actual contribution at closure was less than planned at US$2.96 million. The ICR does not provide reasons for the shortfall in Borrower contribution at project closure.

Dates: The project was restructured three times.
- On January 28, 2010 a level one restructuring took place. This led to changes in the scope of the project (as discussed in section 2c).
- On June 29, 2011 a level two restructuring took place. It extended the project closing date by two years from June 30, 2011 to June 30, 2013 for completing the ongoing activities.
- On June 20, 2013, another level two restructuring was approved by the Bank management on an exceptional basis. This restructuring adjusted the results framework, reallocated $10.6 million project funds, and cancelled $10.3 million of IDA credit. It also extended the project closing date by six months from June 30, 2013 to December 31, 2013 for completing some activities (such as testing the ICT solutions and systems and training the staff for operating the new systems).

The project closed 30 months beyond schedule on 12/31/2013.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Relevance of Original and Revised PDO: Substantial.

The original and revised project development objectives were substantially relevant to the government strategy at the appraisal stage. Vietnam's ‘s Socioeconomic Development Plan for the 2006-2010 period identified the development of the IT sector as a top priority for Vietnam. The other national policy documents which highlighted the need for ICT development included, the e government Development Master Plan to 2010, the State Administration Modernization and Computerization Program, and the Prime Minister's Decision 169 on simplification of administrative procedures. The project development objectives were relevant to the key targets identified by the Master Plan such as extensive diffusion of ICT throughout the national economy, establishing a national information and communications network and comprehensive ICT skills development. At the appraisal stage, the Government was committed to international trade agreements (such as the Vietnam/US bilateral trade agreement) which were aimed at opening the telecommunication sectors to foreign investment for increasing competition in the ICT sector.

The project development objectives continues to remain relevant to the current Government Strategy. The Government's Socio-Economic Development Strategy (SEDS) for the 2011-2020 period identifies the need for promoting human resources skill development and improving market institutions.

The project development objectives are also relevant to the Bank strategy for Vietnam. At the appraisal stage, the project supported two key pillars of the Bank's country strategy for the FY 2003-2006 period: (i) high growth through transition to a market economy, and (ii) adoption of a modern public administration, legal and governance system. The Country Partnership Strategy for the Fiscal years 2012-2016 period identified the need for strengthening Vietnam's competitiveness in the regional and global economy, which are in line with project objectives.

b. Relevance of Design:

Relevance of Original Design: Modest

There is a reasonable casual link between the project activities planned under each component and the outputs they were intended to produce. For instance, component one activities could be expected to strengthen the MPT’s capacity for developing and implementing the ICT strategy and policies. Component two activities could be expected to contribute to the modernization of the GSO. Component three activities could be expected to enhance the ICT
environment of the three cities. The project design and the PDO was however broad and ambitious, and the results framework did not convincingly link outputs and outcomes, and the intended outcomes were not measurable within the lifetime of the project.

Relevance of Revised Design: Substantial

The revised design involved new activities and improved the results framework. The indicators were revised to make them more specific and attributable to the project. As a result of the restructuring, there was better causal links between the activities for the institutional development of the MIC, GSO, MoFA, and the cities of Hanoi and Danang and the outcomes of improving the delivery of public services by these agencies. In addition, the activities related to the cities of Danang and Hanoi are better linked to the outcome of improving the ICT environment of the two cities. As a result, the combination of these activities involving the government Ministries and cities can be expected to contribute to the higher level objectives of accelerating growth through transition to a market economy.

4. Achievement of Objectives (Efficacy):

A split rating was conducted for the assessment, as done in the ICR (page 20), to assess the project's efficacy, as the objectives and related outcome indicators were revised following the project restructuring in 2010.

Original Objective One: To accelerate the use of ICT and support institutional development to increase transparency and availability of information, and improve public services delivery to stakeholders: was rated as: Negligible.

Outputs:

The following activities were completed as targeted (ICR, pages 34-49).

- The MIC’s ICT infrastructure system was reviewed and their future needs determined. E-government framework, policy and standards was finalized. E government Architecture and interoperability standards were formulated. Personal computers, laptops and printers, e mail and video conferencing equipment was installed in the ministry and in 12 District offices. Information Communication Intelligent system was installed at the MIC Headquarters in Hanoi and at the MIC Data center in Hanoi. Internal e mail system, Video Conferencing system and MIC Portal was developed for providing complementary informational, interactive and transactional services. Test center for issuing and verifying digital certificates was installed. The National IT Master Plan was completed by MIC.
- 497 Chief Inspection Officers and Inspection Officers were trained. This included 277 from the Ministries, 150 from State owned Enterprises and 79 from SMEs.
- ICT awareness training programs were conducted for the stakeholders.

Outcomes:

- There is no quantitative evidence either on the increased transparency and availability of information public administration or on the improved public service delivery to stakeholders, either through user surveys or case studies.

Original Objective Two: To Foster private sector development in particular by facilitating the increased adoption of ICT’s by SME’s. was rated as: Negligible.

Outputs:

- 268 SMEs in Danang were trained through e learning courses. 100 Chief Information Officers in SME's were trained using local funds. E learning Portal was launched with 400 courses available in ICT and Soft skills - with 15 modules targeted specifically to SME's.

Outcomes:

- The project anticipated annual growth of 30% in the domestic IT service through the project implementation period as a result of private sector involvement in the sector. However, no baseline had been established to assess the incremental gains.
- 15% of the SME’s in the three cities were anticipated to be using ICT for business purposes as targeted, 18% of the SME’s in Danang were reported to be using ICT for business purposes at closure. There were no comparable figures for Hanoi and Ho Chi Minh city. It is also not clear the extent to which the increase in ICT by SME's in Danang could be attributed to the project activities.
Revised Objective One: "To support MIC's institutional development and technical and regulatory capacity oversight and to increase efficiency and transparency of public service delivery in MIC, GSO, MoFA, and Hanoi and Danang: was rated as Modest.

Outputs:

These outputs were completed as targeted (ICR 34-49).

- See the outputs listed above under objective one as they are also relevant for objective two.
- Four standards were formulated by MIC. These included, the Enterprise Architecture Standards (defined as a strategic technique to help senior managers achieve business and organizational changes), Interoperability Standards (defined as the means to enable public administrations to collaborate), E government Standards and Security Standards. Three e services were available online and the application processes for these services could be completed electronically as per the revised target.
- The GSO ICT infrastructure was upgraded and their Enterprise Architecture was completed. Course standards for training their staff was designed and 690 GSO staff (including at the provincial level) were trained on new sector databases, database standardization and integration and network administration. Statistical Information Collection was installed at their Headquarters in Hanoi and at the three IT centers in Hanoi. Danang and Ho Chi Minh city. All provincial statistical offices of GSO were connected with Headquarters and GSO data center was set up in Hanoi to facilitate their work flows and procedures. GSO's questionnaires were redesigned and an optical scanning system was established at GSO and employees were trained for conducting the 2009 population census. Global Information system (GIS) application support mapping administration field office was established. GSO Intranet Website and Portal was re designed and implemented by project closure.
- Key ICT infrastructure needs of Hanoi and Danang were assessed, and the priority business processes that were to be enabled was identified in the two cities. 30 government leaders in Hanoi were trained in advanced ICT governance, project management and other ICT activities. Danang e government strategy, roadmap and city level Enterprise Architecture was completed and their ICT infrastructure was upgraded. 90 departments and agencies in Danang were provided with video phones and video conference services. Their business process database, and business registration and Investment Project Management systems was developed. 21 e services (such as for providing driver's license) was completed as per the revised target. Danang's ICT Human Resources Development Master Plan was developed and approved by the People's Committee.
- All activities to the Ho Chi Minh City (such as identifying which business processes should be enabled, developing e government strategy, road map and city level IT architecture for e government, reviewing their plans for ICT transaction center and equipping facilities, providing e procurement information via an e procurement portal to business, and implementing e applications in the areas of vehicle registration, driving licenses and office licenses, developing a Master Plan for ICT human resource development and developing training programs was completed through government funding.

Outcomes:

- The ICR (page 18) notes that the average transaction time reduced by 50% for selected government services via the city portal. Time taken for processing the registration for imported publications decreased by 50%. Online visa processing time by the Ministry of Foreign Affairs averaged 2.5 days.
- The ICR (page 19) notes that the time taken by GSO for collecting and processing the population census data through the newly introduced IT processes was reduced from 24 months to 12 months. The ICR further asserts that the estimated cost savings due to the reduction in the time taken for processing the census data was estimated to be US$500,000, under the assumption that the data entry staff were paid the average monthly salary for government workers. The time taken for processing the agriculture and rural census data reduced by 50% (from two years to one year). The time taken for data collection and processing the Consumer Price Index fell by a third (from 15 to 10 days). The ICR however provides very little evidence to back these assertions.
- A beneficiary survey was conducted at the project closure stage using qualitative information from 642 citizens, 75 businesses, and 38 public agencies. The ICR (page 70) states that this study did not focus exclusively on the ICT development project. The main conclusions of the study were: (i) The majority of respondents believed that Danang's newly instituted ICT processes was providing good quality infrastructure to the public and government agencies (ii) The ICT Online services in Danang were being used more as a source of information to the public on public service procedures than as a new method for facilitating online transactions between Government and the public.
- While the newly instituted ICT processes in the respective ministries may have contributed to the reduction in processing time, the ICR does not provide a basis for comparing "with the project" and "without the project." In the absence of this information, it is difficult to determine the extent to which the project contributed to this objective.

Revised Objective Two: To foster private sector development by increasing access to business related services and
Raising awareness and usage of ICT in Hanoi and Danang was rated as Modest.

Outputs:
- See the outputs listed above under objective one as they are also relevant for objective two.

Outcomes:
- Results based on a localized survey in Danang indicated that 33% of the SME's were using ICT and 18% were using it for business purposes at the project closure stage.
- Results of a survey based on field interviews via phone interviews with 300 persons in the provinces of Hanoi and Danang are summarized as follows (ICR, page 76-77): (i) 45% of the respondents in Danang and 48% in Hanoi reported time savings due to the ICT process. (ii) About 23% of the respondents in Danang and 40% in Hanoi reported cost savings with the ICT process. (iii) 46% of the respondents in Danang and 15% in Hanoi reported that government procedures were made simpler by the process, and (iv) More than 50% of the respondents in Danang and 27% of the respondents in Hanoi reported that there was transparency due to the ICT process. Very little detail is provided in the ICR about the methodology followed in administering the survey.
- The ICR does not provide hard evidence that increasing access to business services and raising awareness and usage of ICT in Hanoi and Danang fostered private sector development.

5. Efficiency:
Efficiency: Modest.

No financial or economic analysis was conducted either at appraisal stage or at project closure. The PAD (page 16) notes that the project financed capital investments and these were not expected to generate direct revenues.

The PAD (page 16) also notes that ICT development could potentially contribute significantly to growth, given the high literacy rate and fast growing hardware and software industry in Vietnam. The ICR (page 19) notes that there was a reduction in processing time for government services due to ICT interventions, and this could have contributed to the cost savings. The ICR (page 19) notes that the total estimated value of the Danang sub project at appraisal was US$27.3 million. After five years of implementation, Danang project implementation unit saved US$6.1 million through competitive procurement practices, and used this savings to purchase additional equipment.

There were administrative and operational inefficiencies and this contributed to the time overruns. The bidding documents were not ready prior to Board approval and this contributed to the low disbursement in the initial years. Changing specifications to key procurement packages identified in 2008, resulted in bidding documents not being ready until 18 months later and the project closed 30 months beyond the scheduled closing date.

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

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

6. Outcome:
The original and revised project development objective was substantially relevant to both the government strategy and the Bank strategy for Vietnam. The original design was rated as Modest and the revised design as Substantial. Efficacy of the two objectives were rated as Negligible before restructuring when 10 percent had been disbursed, and Modest after restructuring when 90 percent had been disbursed. Efficiency was rated as Modest. There was no calculation of the financial and economic rate of return, and the administrative and operational inefficiencies contributed to the time overruns.

a. Outcome Rating: Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:
Overall, the risks to development outcome are assessed as significant.

- The project financed a number of innovative technology and ICT systems and although the project activities aimed at strengthening the institutional capacity of the state agencies, citizens ICT literacy was low. The ICR (page 23) notes that at project closure, only about a third of the population (35%) was using Internet, and that only about 18.8% of the households had computers.
- Despite the investments made in the ICT sector, and the recent legal directives and resolutions that indicate the Government's commitment to modernizing the ICT sector, it is not clear whether there will be adequate budgetary provisions for funding the operation, maintenance and replacement costs of the sector.

**a. Risk to Development Outcome Rating:** Significant

8. Assessment of Bank Performance:

a. Quality at entry:

The preparation of the project built on the lessons learnt from prior projects in Vietnam and from the lessons learnt from ICT projects in neighboring countries such as Malaysia, the Philippines and Thailand. The preparation of the project also benefitted from close collaboration with other donors who were financing complementary ICT sector activities in Vietnam. Risks directly associated with the project were identified, including those related to institutional resistance to change in businesses procedures, and lack of common approach to ICT architecture and incompatibility of city information systems. Several risk mitigation measures were planned and the overall project risk was rated as Moderate.

However, the project underestimated the readiness and country conditions/context (ICR, page 24). The design was complex, and the activities were largely foundational and required human behavioral change. The ICR (page 6) notes that under the country conditions including a new client in a challenging political economy and the complex foundation of infrastructure systems and services, the M&E capacity could not be established to measure the development impact of the project at closure.

As indicated in section 3b, the original design was too broad and the results framework did not convincingly link outputs and outcomes. The preparation team lacked members with sufficient expertise or operational experience in ICT (ICR, page 24). There were significant shortcomings in M&E design.

**Quality-at-Entry Rating:** Moderately Unsatisfactory

b. Quality of supervision:

There were 11 supervision missions over a seven year period (implying on average fewer than two missions per year). The ICR (page 24) reports that this was well under the Bank’s norm. The ICR however does not provide any details about the continuity of the team and the skill mix of the supervision team.

Although there were Bank staff placed in Hanoi for dealing with procurement and Financial Management issues, the supervision from the Bank team at Headquarters was uneven during the project implementation phase. Despite the recommendations of the Management which identified the need for intensive Bank supervision of the inexperienced Project Implementation Unit, the missions from headquarters did not increase to provide more intense supervision until the final years of the project.

Although the Mid Term Review identified and provided a diagnosis of the issues affecting the project implementation, the supervision team did not simplify the project design to the extent required during the implementation phase.

Although the indicators for monitoring were revised after the restructuring, the results framework was not simplified enough to improve measurability of outcomes at project closure and this had repercussions for M&E implementation.

**Quality of Supervision Rating:** Moderately Unsatisfactory

**Overall Bank Performance Rating:** Moderately Unsatisfactory
9. Assessment of Borrower Performance:

a. Government Performance:

Although the project development objective was important for the country, the government's commitment to the project was uneven. This was evidenced by the delays in sending a requesting for second restructuring despite several remainders by the Bank. The ICR (page 25) notes that the Government's last minute request for further extension of the project was unjustified.

As indicated in section 2d, the Government contribution was less than planned at closure.

Government Performance Rating  Moderately Unsatisfactory

b. Implementing Agency Performance:

There were five project implementation units (Ministry of Information and Communication, the General Statistical Office, the municipalities of Hanoi, Ho Chi Minh and Danang), and there was a Project Coordination Unit.

Ministry of Information and Communication: The ICR (page 26) notes that ownership of the project by the Ministry was uneven, and the frequent changes in their procurement plans caused delays.

General Statistical Office: GSO executed a communication and outreach program to familiarize the staff and public on the modernization process. The GSO was able to increase the scope of the projects from the reallocation of funds following the formal structuring of the project (discussed in section 2d).

Hanoi: The implementation of the project was subject to delays due a combination of factors including frequent turnover in team membership and lack of qualified staff to handle procurement issues. This in turn led to delays in finalizing procurement packages.

Danang: The commitment to the project remained strong as evidenced by the following factors. The agency worked effectively with specialist consultancies to design plans. Clear procurement time tables aided in promoting faster and more efficient approval of procurement packages.

Ho Chi Minh: Although the Ho Chi Minh city sub project was cancelled by the project restructuring, planned outputs were implemented with the city budget (as discussed in section 4a).

Implementing Agency Performance Rating: Moderately Unsatisfactory

Overall Borrower Performance Rating: Moderately Unsatisfactory

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

a. M&E Design:

Monitoring and evaluation was to be done through a Management Information System with semi-annual progress reports prepared by the Project Implementing Unit and the Project Coordinating Unit.

The original PDO was broad, and key aspects of the project development outcome (such as the ICT in GDP, increase in ICT quality and knowledge in respective government departments, increased productivity for business operations through ICT) could not be measured within the life of the project.

As mentioned above, the casual link between the project outcome indicators and PDO internal elements was unclear, and outputs were confused with outcomes.

The number of indicators (12 key outcome indicators before restructuring and 68 intermediate indicators) were excessive and many of the indicators were neither specific nor relevant.

b. M&E Implementation:
The 2010 restructuring of the project narrowed PDO scope to focus more tightly on IDA activities and added several core indicators concerning processing time for public services and user perception of e services. Revisions however focused more on input indicators measuring implementation rather than results.

M&E implementation was weak as the PIU focused more on procurement packages than tracking the achievement of development outcomes.

c. M&E Utilization:

As the adjustments to the results framework were done in 2013, end project outcomes could not be measured (ICR, page 12).

M&E utilization was weak as the quality of data and reporting were low, and collected data was not used for planning or decision-making. According to the ICR, it improved towards the end of the project and a number of evaluations were carried out to inform the future operations.

M&E Quality Rating: Modest

11. Other Issues

a. Safeguards:

The project was an environment Category C, and did not trigger any safeguard policies (PAD, page 20). The ICR (page 12) reports that the category did not change with restructuring.

b. Fiduciary Compliance:

Financial Management:

The financial management capacity of the project implementation unit and the project coordination unit was uneven. The ICR (page 13) notes that there was no institutional base or identified staff for project financial management, and there was no computerized system in place to track project transactions and conduct financial reporting.

Of the eight audit reports that were required, seven were completed. Three audits were delayed and with two of them there were issues of accountability and internal controls. The ICR (page 13) reports that the auditors opinions were qualified on occasion.

Procurement

The ICR (page 12-13) notes that procurement risk was rated as high at appraisal because the project implementing units had not yet been established nor their procurement staff identified. There were delays with PIU approvals and some project implementing units did not communicate to the Bank the need for guidance. There were difficulties in getting agencies clearance/approval of project procurement documents. The ICR does not report any instance of misprocurement.

c. Unintended Impacts (positive or negative):

d. Other:

12. Ratings:

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<th>IEG Review</th>
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Outcome:

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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 27-28) draws the following main lessons from the project.

- While designing complex projects with ambitious targets, the design needs to be balanced carefully against the client's human resource endowment and readiness to execute. While many Bank projects entail "learning by doing", it would be useful to have a proper and realistic assessment of the absorptive capacity at the preparation stage, particularly when dealing with a new sector.
- A review of Bank's procurement requirements, processes and documents may be useful for upcoming projects in the fast evolving IT sector. In the case of this project, innovations in the sector caused the technical specifications to become outdated and as a result, contracting could not proceed and this caused delays during the implementation phase.
- It would be useful for the Bank to negotiate mechanisms for joint management of essential functions (such as procurement, financial and M&E) in projects like this which had multiple implementing agencies.

14. Assessment Recommended?  ○ Yes ● No

15. Comments on Quality of ICR:
The ICR is candid in acknowledging the problems that were encountered both in the initial years of the project and during the project implementation phase. The glossary of ICT terminology provided in Annex 2 (page 31) was very helpful.
However, the discussion of the results framework, output and outcome both before and after restructuring is quite confusing. The ICR at times refers to outputs as outcome indicators.

a. Quality of ICR Rating: Satisfactory