



## 1. Project Data

Project ID  
P077328

Project Name  
RAIL RESTRUCT (APL#1)

Country  
Turkey

Practice Area(Lead)  
Transport & ICT

L/C/TF Number(s)  
IBRD-47870

Closing Date (Original)  
30-Sep-2009

Total Project Cost (USD)  
221,000,000.00

Bank Approval Date  
09-Jun-2005

Closing Date (Actual)  
31-Dec-2013

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	184,700,000.00	0.00
Revised Commitment	136,703,586.07	0.00
Actual	148,045,577.50	0.00

Sector(s)  
Railways(100%)

Theme(s)  
Infrastructure services for private sector development(50%):Other public sector governance(25%):Trade facilitation and market access(25%)

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## 2. Project Objectives and Components

### a. Objectives

The project development objectives as stated in the Loan Agreement (Schedule 2, page 14) and in the Project Appraisal Document (PAD, page 7) was:

**To support the Borrower's implementation of the program over the four (4) year period 2005-2009, to improve productivity and effectiveness of railway operations and to assist the Turkish State Railways (*Turkiye Cumhuriyeti Devlet Demiryollar* (hereafter referred to as TCDD) in reaching a financially sustainable situation and reduce the fiscal burden the TCDD represents for the Borrower.**

The revised project development objectives as stated in the Amendment to the Loan Agreement, Schedule 2, Annex 2, page 4) were:



1 To improve effectiveness of railway operations on the Mersin-Toprakkale and Yenice-Bogazkopru railway lines by increasing capacity and improving service quality.

2 To lay the groundwork for restructuring TCDD by developing experience with financially viable contract arrangements for loss making public services and access pricing infrastructure.

This assessment is based on the objectives stated in the respective Loan agreements.

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

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

06-Jul-2009

c. Components

This project was envisioned as the first phase of a two-part Adaptable Program Loan (APL) aimed at reform legislation in the railway sector in Turkey. The first phase of APL-1 was designed to support implementation of the new railway law. Enactment of the law expected early in the implementation of APL-1 was to trigger the second phase (APL-2).

**There were five components.**

**Component A. Railway Infrastructure Modernization.** Appraisal Estimate US\$110.2 million. The ICR does not provide information of actual cost. This component planned to increase the line capacity for moving freight along one of Turkey's major trade corridor. Activities included, implementation of a signaling telecommunication program along Mersin-Toparakkale, Yenice-Bogazopru line, including complementary works for the extension of 750 m. of the loop within crossing stations, mechanical ventilation of two tunnels, installation of optic fiber along lines for improving communication, establishing a computerized traffic center, improving railway interface at the container terminal and at the free zone within the port of Mersin and rehabilitation of the oil charging facility.

**Component B. Staff adjustment and social plan.** Appraisal Estimate US\$74.2 million. This component supported the implementation of TCDD's restructuring process through providing: (i) Severance payments to eligible TCDD workers under terms set forth in the Operational Manual; (ii) Retraining and deployment of eligible TCDD workers to different assignments. And, (iii) providing support services.

**Component C. Advisory Services to TCDD.** Appraisal Estimate US\$3.1 million. This component planned to provide financing for completing the institutional framework and restructuring the TCDD. Activities included, implementing TCDD's restructuring process and technical assistance for engineering and work monitoring, strategic marketing for freight businesses, rail border crossing trade facilitation on strategic corridors and targeted services for petroleum products, containerized cargo and promoting combined transport.

**Component D. TCDD training and re-training.** Appraisal Estimate US\$0.5 million. This component supported a training program for TCDD staff in the areas of railway procedures, reviews and design, operational performance monitoring, improved communication and negotiation skills and technical assistance and training for labor regulation on safety and health.

**Component E. TCDD Public communication and periodic surveys.** Appraisal Estimate US\$0.2 million. This component planned to provide technical assistance for developing a communication strategy for TCDD to improve its public image including through conducting periodic customer surveys.

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

**Project Cost.** The appraisal estimate (including baseline cost and costs associated with physical and price contingencies) was US\$221.00 million. The ICR (Annex 1. Page 20 does not include information on actual cost at closure). The task team leader clarified that this information is to date not supplied by the Borrower.

**Project Financing.** The project was financed by an IBRD loan of US\$184.70 million. At closure, US\$148.06 million was disbursed. There was parallel financing from the European Union (EU).

**Borrower Contribution.** At appraisal, borrower contribution was estimated at US\$36.30 million. At closure, their contribution was not available.



**Dates.** The project was restructured three times. The first was a Level 1 restructuring on July 6, 2009. The following changes were made through this restructuring. (i) The project development outcomes were revised to align them with project activities and outcomes and the project was restructured to focus only on reforms that could be achieved within the existing legal framework for railways. (ii) Funding was reallocated from component two activities (staff reduction) to component one activity (increasing freight line capacity). (iii) Some activities were dropped. This included, three component activities (such as the installation of mechanical ventilation of two tunnels and optic fiber cables, improving the railway interface at the container terminal and the free zone within the port of Mersin and the rehabilitation of the oil charging facility facility), and one component C activity (rail border crossing trade facilitation on strategic trade corridors). One activity was added to component four (technical assistance and training for developing TUDD's governance and business skills). (iv) The indicator targets were revised. And, (iv) The project closing date was extended by approximately 33 months (from September 30, 2009 to June 12, 2012).

The second restructuring was on July 13, 2011. This Level 2 restructuring was intended for addressing land acquisition issues that arose during implementation, which triggered Bank's policies on Involuntary Resettlement (OP/BP 4.12) and Physical Cultural Resources (OP/BP 4.11).

The third restructuring was on June 27, 2012. This Level 2 restructuring extended the closing by an additional 18 months from June 12, 2012 to December 31, 2013, for completing ongoing activities. This project closed about four years and three months beyond schedule on December 31, 2013.

The new railway law which was expected in the early years of this project was not enacted until May 2013, well after the project closing date. Hence, the Bank did not proceed to APL-2.

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

##### **Before restructuring: Substantial.**

In 2005, Turkey had begun the process of negotiating for EU accession and was implementing the reforms that were needed for being in compliance with EU's accession requirements. The project development objective of restructuring the railway sector and improving its financial viability for meeting EU accession requirements was highly relevant, at appraisal.

The project development objective was highly relevant to the government strategy. Turkey's vision for development, set in its Ninth Development Plan for the 2007-2013 period, highlighted the need for addressing the challenges associated with meeting EU accession requirements. The government's specific goals regarding the railway sector, was articulated in the Government's *Letter of Sector Development Policy* (LSDP) issued in December 2004 and the TCDD's Business Plan for the 2005-2010 period. The LSDP included unequivocal commitments for railway sector reforms through enactment of new legislation that was consistent with EU directives. The main objectives of the TCDD Business plan were: (i) improving TCDD's financial viability. (ii) Establishing a more client oriented structure. (iii) Increasing railway competitiveness and market share. (iv) Integrating the national network with the European and Asian networks. And, (v) improving service delivery. The project development objectives continue to be relevant to the Government strategy. Turkey's 10th Development Plan for the 2014-2018 period explicitly refers to investments in railway signaling for reducing logistics costs and for realizing Turkey's goal of becoming a "regional logistics base". In 2013, the Turkish parliament enacted legislation aimed at reforming the railway structure (*Law on Liberalization of Railway Transportation of Turkey*), and since 2014 has been following up through related secondary legislation in the sector.

The project development objectives are relevant to the Bank strategy for Turkey. At appraisal, the Country Assistance strategy (CAS) for the 2004-2006 period, highlighted the need for improving transport sector efficiency for accelerating economic growth, environmental sustainability and poverty alleviation. The key priorities identified in the CAS for the medium term included: (i) continuing the restructuring public utilities and sector reforms. And, (ii) implementing the reform process for EU accession. The project development objectives were relevant to the two pillars identified in the CPS for the fiscal years 2008-2011: (i) improved competitiveness and employment. (ii) Efficient provision of high-quality public services. The project development objectives were consistent with the two pillars of the CPS for the 2012-2015 period. (i) enhancing competitiveness and employment. And, (ii) improving equity through effective public service delivery.

##### **After restructuring: Substantial.**

The original objective was based on the premise that a new and regulatory framework would be implemented and a new railway law would be enacted in the initial years of this project. Given the delays with the enactment of the new railway law, the project development objective was revised to focus on the reforms and achievements that be realistically be realized by the project.

The revised development objectives of improving effectiveness of railway operations along one of Turkey's main corridors and lay the groundwork for restructuring railways was substantially relevant, given that they were consistent with the government's strategic objectives of shifting traffic flows (such as that of dry and liquid cargo, containerized traffic and urban transport services) in already highly congested cities from road to rail and reducing rail subsidies for financial viability of the rail sector.



Rating  
Substantial

Revised Rating  
Substantial

b. Relevance of Design

**Original Design. Modest.**

The original project development objective was clear, and in principle, measurable. There is reasonable causal link between most of the activities planned under each component and the outputs they were intended to produce.

The design overestimated the government's commitment to reforms, particularly in the wake of stalling of EU accession negotiations. This contributed to delays in enacting the new railway legislation and the laws were enacted only in May 2013, well after the original project closing date.

The original design did not incorporate technical assistance activities aimed at technical assistance for TCDD on the institutional dimension of the project, based on the assumption that such activities would be addressed through EU technical assistance. Because of project delays, these activities had to be incorporated during implementation.

The original design did not include provisions for addressing land acquisition issues through a Resettlement Action Plan. The building renovation activities during implementation triggered social safeguard policies on involuntary resettlement and physical cultural resources, and this necessitated the need for addressing land acquisition and resettlement issues.

**Revised Design. Substantial.**

The revised design focused only on the reforms that could feasibly be achieved within Turkey's existing legal framework for railways. Some activities were dropped and key performance indicators were revised to adjust a number of original indicators.

The revised project development objective was clear, and in principle, measurable. There is reasonable causal link between the activities planned under each component, the outputs they were intended to produce and the intended outcomes. While the outputs of component A activities can be expected to improve effectiveness of railway operations along one of Turkey's major trade corridor, changes in Component C activities (technical assistance and training for developing governance and business skills to TUDD), can be expected to lay the groundwork for the restructuring of TUDD and improving its financial viability. Arrangements were made for addressing the land acquisition issues that arose during implementation, through the preparation of a Resettlement Action Plan.

Rating  
Modest

Revised Rating  
Substantial

## 4. Achievement of Objectives (Efficacy)

### Objective 1

Objective

In view of the changes in the project development objectives following the project restructuring in 07/06/2009, a split rating is conducted through assessing the efficacy of outcomes before restructuring when 31 percent of the loan was disbursed and after restructuring when the balance 69% was disbursed.

The original project development objectives were:

- (i) To improve effectiveness of railway operations.
- (ii) To assist TCDD in reaching a financially sustainable situation and reduce the fiscal burden TUDD represents for the Borrower.

Rationale

**Objective (i). To improve effectiveness of railway operations. Negligible.**

**Outputs**

- Freight traffic on the modernized part of the network was expected to increase from 9.6 billion ton.km at the baseline to 11.6 billion ton km as per the target. This was not achieved due to an ongoing electrification project which was causing daily traffic interruption.



### Outcomes

None.

**Objective (ii). To assist TCDD in reaching a financially sustainable situation and reduce the fiscal burden TUDD represents for the Borrower. Negligible.**

### Outputs

- There was reduction in TUDD staff (about five percent of the staff at 2007). No targets were set at appraisal.
- The implementation of the TCDD Business Plan was not completed as targeted.
- 362 TUDD staff were trained directly and 12,788 staff were trained by TUDD staff as compared to the target of 2500.
- Three Public Communication Surveys were completed as targeted.

### Outcomes

- TCDD operating annual revenues increased from US\$243.00 million at the baseline to 382 US\$382.00 million at project closure. This was below the original target of US\$420.00 million.
- TCDD working ratio without subsidy (defined as operating costs before depreciation divided by operating revenue) decreased marginally from 366 percent to 324 percent at closure and as compared to the original target of 180 percent.

Rating

Negligible

### Revised Objective

### Revised Objectives

(i) To improve effectiveness of railway operations on the Mersin-Toprakkale and Yenice-Bogazkopru lines by increasing capacity and improving service quality.

(ii) To lay the groundwork for restructuring TCDD by developing experience with financially viable contract arrangements for loss making public services and access pricing of infrastructure.

### Revised Rationale

Not all the outcomes could be attributed to the project in view of the complementary activities financed by EU.

**Objective i. To improve effectiveness of railway operations on the Mersin Toprakkale and Yenice-Bogazkopru lines. Modest.**

### Outputs

- The signaling works were 75% complete at project closure.

### Outcomes

- Average traffic volume on the Mersin-Toprakkale lines increased to 468,307 Tons Kilometers (TKm). This exceeded the revised target of 310,000 TKm. Average traffic volume on the Yenice-Bogazkopru line increased to 937,038 TKm. This exceeded the revised target of 923,000 TKm.
- Average commercial speed (proxy for improvements in service quality) on the Mersin-Toprakkale line at project closure was 35 km/hr as compared to the target of 45 km/hr. Average commercial speed on the Yenice-Bogazkopru line was 25 km/hr as compared to the target of 35 km/hr. Average commercial speed did not increase to the extent anticipated since some infrastructure investments were not complete at project closure.
- The share of freight traffic carried by rail from Mersin port did not increase as targeted but was actually lower than at baseline (five percent as compared to the baseline of 5.9%). Traffic did not increase to the extent anticipated on account of traffic interruptions along the lines due to an ongoing electrification project.

**Objective ii. To lay the groundwork for restructuring TCDD by developing experience with financially viable contract arrangements for loss making public services and access pricing of infrastructure.**



### Output

- A technical assistance financed by the project helped in preparing a sophisticated Public Service Obligation (PSO) contract covering all passenger services. (Under the new railway law, a clear distinction was made between commercial railway activities to be operated under a deregulated environment and services operated under PSO scheme that were to be operated under contractual arrangements between the Government (national or local) and railway operators). The ICR provides no information on whether these measures were used.
- A technical assistance study on Freight marketing was completed as targeted.
- An Enterprise Resource Planning Program (intended to connect the regions with headquarters for facilitating data sharing and preparing consolidated financial reports and statements), was completed as targeted.
- TCDD prepared its first Network Statement in the format required by the EU. (The Network Statement is the document in which railways in the EU defined the terms under which competing railway undertakings could have access to railway infrastructure. This included the access pricing methodology),

### Outcomes

- The Public Service Obligation contract was expanded to cover additional trains.

Revised Rating  
Modest

## 5. Efficiency

### Economic Analysis.

An economic analysis was conducted both at appraisal and at completion that considered the actual and forecast freight traffic on the three line sections. The ICR does not contain information on the actual project cost at closure. The economic benefits were assumed to come from the additional revenue coming from the additional traffic on these lines. Some benefits – such as through reduction in Green House Gas (GHG) emissions were not factored in the economic analysis. The ex-post Economic Rate of Return was 9% as compared to the ex ante EIRR of 15%. According to the overview document in the portal, the investment cost was 30% higher at that point. It is not clear whether the reduced EIRR included this 30% increase in investment cost or not.

The economic analysis at closure also included an economic analysis of severance component and the EIRR for this component was 95 percent.

### Financial Analysis.

A financial analysis was conducted only at appraisal. The financial benefits of the project were assumed to come from: (i) the revenue from additional freight that can be carried as a result of capacity improvements. (ii) a reduction in labor cost as a result of staff reduction.

At appraisal, the financial analysis indicated that at a 12 percent discount rate, the project was financially viable with a Net Present Value (NPV) of US\$405 million for an investment of US\$129 million.

### Administrative and Operational Issues.

There were cost overruns with the actual cost of the signaling works being higher than expected at appraisal. It is however not clear as to what extent actual costs were underestimated, since the ICR does not provide information on the actual project cost. Implementation readiness was not fully completed for the signaling component and frequent changes in order by the implementing agency resulted in delays and these were exacerbated by factors over which the implementing agency had no control, such as theft and vandalism to the railway signaling component and declining security situation caused by the Syrian refugees in border areas where the project was located. There were time overruns and despite the considerable extension to the closing date (four years and three months), the signaling component was incomplete at closure.

Efficiency Rating  
Modest

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	✓	15.00	50.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	9.00	0 <input checked="" type="checkbox"/> Not Applicable

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

## 6. Outcome

Relevance of objective was rated as Substantial before and after restructuring. Relevance of design was Modest before restructuring and Substantial after restructuring. Efficacy of the two objectives was rated as Negligible before restructuring when 31 percent was disbursed and Modest after restructuring when 69 percent was disbursed. Efficiency was rated as Modest. Taking into account the ratings discussed above and given the shares of project resources used over the two respective periods was  $(0.31*2) + (0.69*3) = 2.74$ , the overall outcome is Moderately Unsatisfactory reflecting significant shortcomings in the project's achievement of objectives.

- a. Outcome Rating  
Moderately Unsatisfactory

## 7. Rationale for Risk to Development Outcome Rating

**Technical Risk. Substantial.** There is risk to ongoing benefits from the signaling component of the project, given the delays to completing this activity due to limited project management capacity, suspensions of contractor's activities and continued problems with theft and vandalism, and this component was not completed at closure.

**Financial Risk. Moderate.** Despite the delays, the Turkish Parliament enacted legislation to reform the structure of the railway industry in Turkey (Law on Liberalization of Railway Transportation of Turkey effective May 1, 2013) and since 2014 has been following this through secondary legislation packages on Public Service Obligation (PSO) and Network Statement. (discussed in section four).

- a. Risk to Development Outcome Rating  
Substantial

## 8. Assessment of Bank Performance

- a. Quality-at-Entry

The project design was based on lessons learnt from prior Bank-financed railway projects in Eastern Europe and prior Bank financed projects in Turkey (Second Railway Project, Road Improvement and Traffic Safety Project and EU Action plan). The implementing agency had experience executing several donor financed projects. Several risks were identified at appraisal and risk mitigation measures were adopted. The overall project risk was rated as High. However, there were several shortcomings at Quality -at-Entry.

- As discussed in section 3b, the design underestimated the government's commitment to reforms and this resulted in non-triggering of APL-2. The design did not adequately address the issues associated with technical assistance for TCDD and did not include provisions for addressing land acquisition issues at appraisal. These factor contributed to the delays in implementation.
- Implementation readiness was not complete for the signaling component and the staff reduction component lacked targets.
- The design underestimated the political economy constraints associated with political affiliation of the labor unions.



- The design underestimated the capacity of local subcontractors. The contract for the signaling component was given to a contractor who was mainly familiar with implementing similar projects in Western European countries, where the contractor could sub-contract major part of the construction work to highly skilled contractors. In the country context, this proved to be difficult given local capacity considerations and this contributed to the cost and time overruns.

Quality-at-Entry Rating  
Moderately Unsatisfactory

b. Quality of supervision

There were 18 Bank missions during the life of the project, an average of more than two per year. The Bank restructured the project three times to adapt to delayed reforms (such as delays associated with the enactment of legislation) and other issues affecting implementation, and to address inadequacies at Quality of Entry. The Borrower's ICR (page 36) reports that the supervision team responded expeditiously to the Borrower's requests and also spent considerable time assisting the Project Implementation Unit in addressing procedural issues (such as preparing bidding documents and familiarizing them with Bank procedures). Given the lack of capacity of the implementing agency, the Bank strengthened supervision by mobilizing additional specialized staff. The Bank made appropriate provisions for addressing land acquisition issues that arose during implementation.

The Bank could have preemptively taken to respond in a timely manner to project risks by restructuring the project sooner.

Quality of Supervision Rating  
Moderately Satisfactory

Overall Bank Performance Rating  
Moderately Unsatisfactory

## 9. Assessment of Borrower Performance

a. Government Performance

Although the Government was highly committed at preparation in view of the EU accession negotiations, there were delays with enacting the law, in the wake of the stalling of the EU accession negotiations. The enactment of the law which was expected in the initial years of this project, was enacted after the project closing date. The government's contribution by way of counterpart funding was lower than planned. However, once the legislation regarding the reform of the structure of the railway industry in Turkey, the Government has been following this through secondary legislation.

Government Performance Rating  
Moderately Satisfactory

b. Implementing Agency Performance

TCDD was in charge of implementing the project. Having implemented several donor financed projects, the agency staff were familiar with Bank's fiduciary (financial management and procurement) policies and procedures. The implementing agency was committed to the project and took ownership in delivering the technical assistance program, carrying out the necessary social and environmental activities. In the wake of theft and vandalism which occurred in the region of Adana, TCDD appropriately approved a security plan at a later stage in November 2013. This plan included fencing, lighting, security cameras, increased security patrols and community education and outreach.

- The limited capacity with TCDD and lack of coordination at government level and the frequent changes in orders by TCDD hampered the completion of the signaling component of the project.
- The loan covenant, pertaining to the implementation of a Enterprise Resource Planning (ERP) for facilitating data sharing between regions and headquarters and producing e consolidated reports, was implemented not by December 31,2007 as per the loan covenant, but only in 2012.



Implementing Agency Performance Rating  
Moderately Satisfactory

Overall Borrower Performance Rating  
Moderately Satisfactory

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

### a. M&E Design

The original key development indicators – enactment of a new legal and regulatory framework for railways that was compliant with EU requirements, targets for the TCDD’s operating annual revenues and for increase in freight traffic, productivity of rail operations measured by targets for TCDD’s operating losses and working ratio without subsidy and TUDD’s reduced dependence on public finance – were appropriate.

### b. M&E Implementation

The monitoring indicators were revised in the implementation stage following the restructuring of the project. The data for monitoring indicators were for the most part, standard operating statistics collected by TCDD Statistical Bureau on a routine basis. During implementation, the construction supervision consultant also produced a methodology and spreadsheet to monitoring the progress of the signaling activities in the coming years.

### c. M&E Utilization

The ICR (page 9) reports that the methodology to monitor the progress of the signaling activities will continue to be used by TCDD.

M&E Quality Rating  
Modest

## 11. Other Issues

### a. Safeguards

The project was classified as a Category B project. One safeguard policy was triggered. Environmental Assessment (OP/BP 4.01). An Environmental Management Plan (EMP) was prepared and publicly disclosed as required at appraisal. No land acquisition was envisaged and no Resettlement Action Plan was prepared at appraisal. During implementation, the need for land acquisition arose as a result of some activities (which were not financed by the project but adjacent to the project). (ICR, page 9). This issue was addressed during the second project restructuring. TUDD prepared a Resettlement Action Plan (including procedures for purchase of land and a socio-economic assessment of the Project Affected People).

The ICR (page 9) reports that the implementation of the EMP and the RAP was deemed to be satisfactory.

### b. Fiduciary Compliance

#### **Financial Management.**

Financial management under the project was deemed to be satisfactory (ICR, page 9). Audit reports, albeit submitted with delays, were



acceptable to the Bank. The implementation of Enterprise Resource Planning (ERP) – for networking the regions and headquarters and facilitate sharing of data and preparing financial reports and statements was completed by TCDD in 2012.

**Procurement**

The ICR (page 9) reports that there was compliance with the Bank’s procurement guidelines. The Ban provided no-objection to all the requests for variation orders and extensions. The ICR reports no case of mis-procurement..

c. Unintended impacts (Positive or Negative)

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d. Other

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**12. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately 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**

The ICR draws the following main lessons from implementing this project.

- The use of adaptable program lending instrument involving investment components may not leave the supervision team with enough leverage to link the progress of physical components with the reform milestones. In the case of this project, the project frontloaded the railway reform as a precondition for further project implementation, Since the reform process was delayed, this entire project implementation was subject to delays.
- When land acquisition is not planned within a project but remains a possibility, the preparation of a land acquisition and resettlement plan can facilitate addressing land acquisition issues, should it arise in the execution of the project.
- A thorough assessment of the implementation structure of the client can facilitate in reducing delays.

**14. Assessment Recommended?**

Yes



Please explain

The project should be assessed in due course to ascertain the real value of the EIRR when the project was completed and to assess progress with the reform agenda.

## 15. Comments on Quality of ICR

The ICR is concise and candidly reports the problems that were encountered during implementation. The team followed procedures to prepare the completion report within six months of closure. While the final cost was unknown at that point, there was an estimate for the cost at point of closure and this should have been used in the absence of anything better.

- a. Quality of ICR Rating  
Substantial