



## 1. Project Data

<b>Project ID</b> P090265	<b>Project Name</b> TD-Public Financial Mgmt CB		
<b>Country</b> Chad	<b>Practice Area(Lead)</b> Governance	<b>Additional Financing</b> P148476,P148476	
<b>L/C/TF Number(s)</b> IDA-H2920,IDA-H9490	<b>Closing Date (Original)</b> 31-Dec-2012	<b>Total Project Cost (USD)</b> 21,000,000.00	
<b>Bank Approval Date</b> 24-May-2007	<b>Closing Date (Actual)</b> 31-Dec-2016		
		<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment		10,000,000.00	0.00
Revised Commitment		14,796,760.00	0.00
Actual		12,844,273.98	0.00
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## 2. Project Objectives and Components

### a. Objectives

According to the Financing Agreement, the project's objective was "to assist the Recipient to enhance the quality and effectiveness of its public financial management system in order to contribute to the efficient and transparent use of public resources, by providing support, in coordination with other donors, to the Recipient's action plan for modernization of public financial management (PAMFIP)." This Review will assess achievement of the two outcomes expressed in this statement of objectives: "contribute to the efficient use of public resources" and "contribute to transparent use of public resources."

At a December 2012 restructuring, the objective was revised to "help the Recipient to improve accountability in the use of resources managed through the public financial management (PFM) system." At that



restructuring, US\$ 3.89 million, or 28.0% of total Bank financing, had been disbursed.

At an April 2014 restructuring, Additional Financing (AF) in the amount of SDR 6.6 million (US\$ 10.2 million) was approved. At that restructuring, US\$ 8.55 million, or 61.5% of total Bank financing, had been disbursed. New indicators were added to reflect additional activities.

**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**

07-Dec-2012

**c. Will a split evaluation be undertaken?**

Yes

**d. Components**

The project contained four components:

1. Public Finance and Financial Accountability (appraisal, US\$ 2.33 million; revised at 2012 restructuring, US\$ 3.9 million; 2014 AF, US\$ 4.05 million; actual, US\$ 5.90 million). This component was intended to create enabling conditions for better fiscal discipline, optimal resource allocation, budget reliability and transparency, and operational efficiency. It contained two subcomponents: (a) budget preparation and execution, involving technical assistance, equipment, and training to improve budget preparation and execution, as well as enhance institutional reforms and restructuring; and (b) financial controls and accountability, involving equipment, technical assistance, training, and study tours to clarify roles and enforcement capacities of audit and oversight institutions, and to strengthen the Finance Commission of Parliament. At the 2014 AF, activities were added to support implementation of a new organic finance law and other directives, including training of line ministries' financial directorates, budget departments, public accountants, and financial controllers; technical assistance for the design of sector strategies and medium-term expenditure frameworks (MTEFs) for selected ministries; and capacity building for the Minister of Economy, Planning and International Cooperation specifically in monitoring and evaluation (M&E).

2. Human Resource Development (appraisal, US\$ 2.15 million; revised at 2012 restructuring, US\$ 0.3 million; actual, US\$ 0.3 million). This component was intended to introduce and implement human resource reforms at the Ministry of Finance (MOF), including a comprehensive capacity development plan. Support was to include technical assistance, training, and equipment to: (a) strengthen the Directorate of Human Resources (DHR) of the MOF and human resource focal points at other directorates to define roles and responsibilities in developing and driving reforms; (b) develop job descriptions, profiles, and requirements for the main general directorates in the MOF; (c) develop and apply management tools and streamlined procedures in human resources management based on merit-based recruitment and



promotion as well as suitable performance appraisal systems; (d) design and implement annual capacity development plans for the MOF; (e) strengthen the capacity of local training institutes in the field of PFM; and (f) strengthen the capacity of MOF leaders to develop and drive reforms. This component was removed at the 2012 restructuring "due to lack of ownership" by the human resources directorate (Restructuring Paper, March 1, 2012, p. 3), and because the authorities had added a number of uncoordinated reform activities at the level of broader civil service management that presented obstacles to project activities in this area (ICR, p. 11).

3. Integrated Financial Management Information System (IFMIS) (appraisal, US\$ 2.44 million; revised at 2012 restructuring, US\$ 3.9 million; 2014 AF, US\$ 5.36 million; actual, US\$ 6.3 million). This component was intended to support the MOF in developing and implementing a comprehensive information and communications technology (ICT) strategy, covering the institutional framework, software development, network infrastructure, and ICT human resource development. Support was to include short- and long-term technical assistance, equipment, maintenance, and training for the Technical Secretariat of the MOF; preparation of a five-year implementation plan and budget; implementation of activities related to IFMIS base platform integration with other financial management applications, development of networking links, training of ICT staff, financing of maintenance and operating costs for the new infrastructure, and setting up of new organizational arrangements for ICT; guidance and support for monitoring of the plan's implementation; and creation of an overall culture of positive change management, transparency, incentives, information sharing, and openness in the MOF. At the 2014 AF, activities were added to consolidate and expand the IFMIS, including the interconnection of 23 additional ministries and agencies; upgrade the IFMIS in accordance with the new organic finance law; further enhance the internal and external network for the public expenditure chain; and scale up capacity building for ICT units in ministries and agencies.

4. Coordination, Monitoring and Evaluation of PAMFIP (appraisal, US\$ 1.29 million; revised at 2012 restructuring, US\$ 1.9 million; 2014 AF, US\$ 0.8 million; actual, US\$ 1.4 million). This component was to strengthen managerial and leadership capacity of the MOF through the project's Steering Committee and Technical Secretariat. Specific activities were to build consensus and political will at the government cabinet level to implement programs, projects, and activities, and to develop an operational M&E system for PFM. At the 2014 AF, activities were scaled up in the areas of project coordination and management, M&E, and communication, including support to implement a PFM reform communication action plan.

#### **e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

Project Costs: The project's originally estimated cost was US\$ 10 million, including US\$ 1.0 million for a project preparation facility and US\$ 0.8 million unallocated. At the 2012 restructuring, the second component was cancelled, and funds were reallocated among the other three components. Actual total project costs were US\$ 13.9 million, with spending significantly less than planned for all three remaining components.

Financing: The project was initially to be financed by a US\$ 10 million Grant from the International Development Association (IDA). This Grant was in support of the government's 2005 five-year PAMFIP,



whose total costs were estimated at US\$ 49 million. Donors covering other parts of the plan included the European Commission, African Development Bank, United Nations Development Programme, International Finance Corporation, International Monetary Fund, France, and the United States (Project Appraisal Document [PAD], p. 44). In 2014, an AF of US\$ 10.2 million was approved. As of December 2016, disbursement of the AF was low, leading the government to request that the Bank cancel uncommitted funds so that these resources could be used for priority activities of the MOF and Ministry of Economic and Development Planning. The ICR states that either XDR 4.0 million (p. 1) or XDR 4.7 million (p. x) was cancelled; the ICR does not provide the US dollar equivalent.

Recipient contribution: Donor financing (including this project) was expected to cover more than 60% of total financing requirements for the five-year PAMFIP, with the Government committing at appraisal to cover the remaining 40% with resources expected from windfall oil revenues (PAD, p. 42). According to the ICR, the Government's planned contribution was US\$ 11 million, and the actual contribution was US\$ 30 million (ICR, p. 29).

Dates: The project was approved on May 24, 2007 and became effective on April 22, 2009. A December 7, 2012 restructuring revised the objectives, focusing activities on budget preparation/execution and computerization of the PFM process, and extended the closing date from December 31, 2012 to June 30, 2014. A second restructuring on April 14, 2014, approved the AF and further extended the closing date to December 31, 2016. On December 27, 2016, uncommitted funds were cancelled. The project closed on December 31, 2016.

### 3. Relevance of Objectives & Design

#### a. Relevance of Objectives

In an extreme poverty and post-conflict context, the Government and the Bank agreed that building a sound and sustainable PFM system was essential to meeting the goals set out in a 2007 National Poverty Reduction Strategy Paper as well as commitments related to the country's Petroleum Resource Management Program. In particular, it was recognized that the PFM system needed to be strengthened to ensure more transparent and effective management of the windfall expected from oil revenues in 2007 (due to rising world oil prices). The Government had prepared in 2005 a five-year action plan, the PAMFIP, to modernize PFM across all budget functions: budget preparation, budget execution, mobilization, procurement, financial control and audit, and restructuring of revenue of the MOF, as well as ICT, human resource development, and program coordination/steering. This project's original objectives were explicitly designed to support the PAMFIP, in harmonization with other donors, with the Bank supporting specific elements around improving the budget process and monitoring/accountability systems. The original objectives were also highly relevant to the Country Partnership Framework (FY 2016-2020) at closing, whose first Engagement Theme is strengthening management of public resources, with an explicit objective of more effective and transparent PFM.

The revised objective of improved accountability was somewhat more generic than the original objectives, reflecting considerably reduced ambition, but it remained highly relevant to country conditions and to Bank and Government strategy.



**Rating**

High

**Revised Rating**

High

**b. Relevance of Design**

The project's planned activities were logically and plausibly linked to achievement of both the original and revised objectives. Under the original objectives, activities related to technical assistance and training, ICT/IFMIS upgrades, institutional reforms, and human resources development would have contributed to more efficient use of public resources, and activities to clarify roles and increase enforcement capacity of audit and oversight institutions would have enhanced transparency. Under the revised objective, increased focus on the organic finance law, sector strategies, and development of the IFMIS, in conjunction with continuation of some elements of the original components, would have increased accountability. However, project design was overly complex given the fragile state context, and it should have planned for more extended phasing of necessary reform steps, particularly in a fragile state context. Lack of capacity and the overall inhospitable political environment were not adequately taken into account, under both the original and revised objectives. Furthermore, the ICR does not clearly explain the logic behind the 2012 restructuring that revised the objectives or the 2014 AF. It states (p. 7) that the objectives were revised to reflect the closure of the country's Petroleum Revenue Management Program, but no detail is provided on this closure or on what, if anything, replaced it, and how the design of the restructured project was impacted.

**Rating**

Modest

**Revised Rating**

Modest

**4. Achievement of Objectives (Efficacy)**

**Objective 1**

**Objective**

Contribute to the efficient use of public resources

**Rationale**

Toward the objective of increasing efficiency in the use of public resources, the project organized a macroeconomic strategy committee, prepared guides/manuals for budget elaboration and the expenditure circuit, held a conference on implementation of new legislation, and provided technical assistance and training for staff. An administrative system for file handling was put in place in 2012. The Financial Controller's Office was reorganized. Parliament adopted an organic finance law in January 2014 and enacted it a month later. Implementation of the law was initiated, with technical assistance to the Budget



General Directorate. However, there were unspecified delays (the ICR, p. 19, states only that the "calendar was not fully respected"). A macroeconomic framework model has been established since 2012, allowing the preparation each year of an MTEF (with budget ceilings) covering the following three years. The ICR provides contradictory information on whether planned statements of sector strategies for (at minimum) education, health, rural development, and water/sanitation were developed (the Data Sheet, pp. vi-vii, indicates that they were not, but pp. 19 and 34 state that they were). A *Platform pour la Gestion de l'Aide* is being used at the Ministry of Planning to manage donor-financed investment. A new *arrêté* was issued by the Prime Minister in October 2016 for preparation of the 2017 budget, providing details on process and timing as well as ceilings for individual administrative units and functional areas. However, at the time of the ICR, year 2017 budget preparation faced significant delays when measured against the prescribed time frame (the magnitude of those delays is not specified in the ICR).

At the beginning of the project implementation period, the existing information system regularly produced an expenditure table with inaccurate, non-comprehensive data. Several key planned IT outputs, including adoption and implementation of an IT strategy, upgrading of the IFMIS, training of local ICT staff, improvements to the debt management system, and improvements to the public investment management system, were not completed. Although ICT experts were hired, an Information and Communication Center was created, and a strategy for modernization of PFM was drafted and validated in August 2016, only 17 of the 37 targeted ministries had been connected to the MOF through the IFMIS by closure. According to the ICR (p. 20), implementation of these planned activities "would have further contributed to a more substantial improvement in budget execution and accountability." Despite this, the ICR reports that, as of September 2014, the expenditure circuit was fully computerized and able instantaneously to report on all phases (commitment, validation, authorization, payment) of budget execution for all major expenditure categories except the salaries of military personnel; it is not clear, however, how this could be the case with fewer than half of the targeted line ministries connected to the MOF. A Salary Management System was acquired and installed and fully interconnected with the Integrated Expenditure Circuit, allowing for better management of civil servant expenditures.

Several key planned activities under the AF, including the operationalization of Economic Commission for Central African States directives, further upgrades to the IFMIS, and unspecified improvements to the debt management and public investment management systems, were not completed (ICR, p. 20).

Despite the reported shortcomings in outputs, the ICR reports that execution of expenditures is more agile, with the number of steps in the expenditure circuit reduced from 12 to 6. (The ICR does not provide detail on the individual steps of the expenditure circuit.) Although the ICR (p. 19) reports that delays in budget execution have been reduced, detailed information on this reduction is not provided. Quarterly budgetary and financial reports, including all items of budget estimates and covering expenditures at both commitment and payment stages, are issued every quarter within four weeks after the end of the budget period, including salaries and all other payments, essentially meeting the target.

However, aggregate expenditure out-turn compared to the original approved budget was +/- 15% at the end of 2015 and, at the time of the ICR, was estimated at +/- 16% for 2015, not meeting the target of +/- 5%. Some of the deviation could be attributed to the pressures of declining oil revenues. No baseline information is provided, making it impossible to determine trends. The ICR (p. 45) notes that, in absolute





terms, extra-budgetary expenditures increased from XAF 255 billion in 2013 to XAF 504.8 billion in 2015. In addition, at the time of the ICR, arrears had accumulated to an unprecedented 8.7% of GDP, "demonstrating the weaknesses of the PFM system regarding the predictability as well as the management and control of public resources" (ICR, p. 20).

The availability and publication of a Public Expenditure and Financial Accountability (PEFA) assessment was one of the project's intermediate indicators, and a PEFA exercise was performed in 2016. It is not clear why those indicators were not deployed in the ICR to measure project achievement.

Overall, the extent of extra-budgetary expenditures and accumulation of arrears are indicative of only partial achievement of the objective to contribute to the efficient use of public resources. Achievement of this objective is therefore rated Modest.

**Rating**  
Modest

## **Objective 2**

### **Objective**

Contribute to the transparent use of public resources

### **Rationale**

Toward the objective of increasing transparency in the use of public resources, the project provided technical assistance for the preparation of Annual Financial Statements. A Chamber of Accounts was created in 2014. Ad hoc trainings were conducted for staff of the Office of Inspector General of Finance. The format and content of a citizens' budget was adopted in 2015. A 2016 citizens' budget was prepared, translated into the two official languages (French and Arabic), and disseminated with the support of 23 civil society organizations in September 2016, later than planned.

However, only part of budget information had been made available to the public at closure. Beginning in 2012, all enacted financial laws with annexes and state budgets have been published on the PAMFIP website. Budget execution reports for the first three quarters of 2015 were also published on the PAMFIP and MOF websites. However, a quarterly budget execution report was neither finalized nor available for the fourth quarter of 2015, and the full year 2015 was not prepared. Internet access in Chad is, moreover, limited. In addition, as of project closing, the 2015 report on execution of the National Development Plan was completed but not validated by the PAMFIP Steering Committee, not meeting the target of validation and publication on the web by June 2016.

Additional information related to an assessment of transparency was not included in the project's formal indicators or in the ICR. Consideration might also have been given to procurement, unreported expenditures, special accounts, non-prior disclosure of unbudgeted expenditures or their subsequent reporting, and, on the revenue side, the extent of tax exemptions and their justification.



Overall, because of moderate shortcomings in the publication of budget and planning documents in a timely manner, and the lack of other key information, achievement of this objective is rated Modest.

**Rating**  
Modest

### **Objective 3**

**Objective**

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**Rationale**

**Rating**  
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### **Objective 3 Revision 1**

#### **Revised Objective**

Improve accountability in the use of resources managed through the PFM system

#### **Revised Rationale**

Outputs toward this objective are included under the first and second objectives.

As a result of these project-supported activities, the Chamber of Accounts conducted five audits in 2012. Documented Treasury Annual Financial Statements for 2015 were submitted to the Chamber of Accounts by the end of 2016, not meeting the target of submission by the end of May. The 2015 Budget Settlement Law was still being finalized in December of 2016. The ICR does not provide information on the quality of the Chamber of Accounts, its capacity to analyze and make recommendations on the material submitted to it, or the attention given to its reports. There is also no information provided on submission of annual budget laws to Parliament or on an annual audit of oil revenues (indicators included in the project's original results framework).

Overall, because of the delay beyond the targeted time frame in submission of reports and lack of additional relevant data, achievement of this objective is rated Modest.

**Revised Rating**  
Modest





## 5. Efficiency

Neither the PAD nor the ICR conducted a formal economic analysis. The ICR (p. 20) assesses project efficiency as negligible "given the results achieved," with no specific discussion of implementation efficiency. It notes (p. 45) that it would have been difficult to quantify gains resulting from the project, given that the models and methods for projections of macroeconomic aggregates (especially public revenues) suffered from major shortcomings, with a high mismatch between the forecasts in the macrobudgetary framework and the real economic situation. The ICR does not attempt an analysis of comparative costs or value for money relative to similar operations. One clear documented source of inefficiency was that, prior to the 2012 restructuring that cancelled the human resources component, the authorities had initiated "various uncoordinated reform activities," including a biometric census of civil servants and the import of a human resources/payroll application from Burkina Faso, without proper analysis and preparation work, that "obfuscated" project interventions (ICR, p. 11). Due to both lack of data and indications of major shortcomings in implementation efficiency, Efficiency is rated Negligible.

### Efficiency Rating

Negligible

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		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

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

## 6. Outcome

Relevance of both the original and revised objectives is rated High, based on responsiveness to Bank and Government strategy. Relevance of design under both the original and revised objectives is rated Modest. Although the link between planned activities and intended outcomes was logical and plausible, design was overly complex, taking into account neither the need to sequence activities in a fragile, low-capacity environment nor an unstable political context. Achievement of both of the original objectives, as well as the single revised objective, is rated Modest. Many planned outputs were not implemented, and targets were not reached for most outcomes. Efficiency is rated Negligible, given the low level of achieved outcomes and lack of



information on implementation efficiency. Taken together, these ratings are indicative of major shortcomings in the project's preparation and implementation under both the original and revised objectives, and therefore overall Outcome is rated Unsatisfactory.

**a. Outcome Rating**  
Unsatisfactory

## 7. Rationale for Risk to Development Outcome Rating

The risk to the limited outcomes achieved is modest. Fiscal difficulties are likely to cause the Government to maintain a modest level of commitment to project objectives. The new finance law is likely to remain in place, and achievements related to the computerization of the public expenditure chain, establishment of the budget calendar, and functioning of the overall macroeconomic framework model are likely to be sustained. The Government has adopted cash-based budgeting in an effort to remain within ceilings and maintain fiscal discipline, and spending has been notably reduced (from 29.4% of GDP in 2014 to 16.6% in 2016) (ICR, p. 18). However, the ICR (p. 22) points out that there is "significant" risk related to high and constant staff turnover in the MOF and continued use of emergency spending procedures, risking capacity gains put in place by the project despite continued assistance provided by other donors. The Borrower's ICR (p. 51) states that "all the activities likely to favor sustainability in the medium and long term have not been carried out," and that Government's envisaged continuation of the project from the beginning of 2016 was rejected by the Bank; the ICR does not report the official reasons for this rejection.

**a. Risk to Development Outcome Rating**  
Modest

## 8. Assessment of Bank Performance

**a. Quality-at-Entry**

The PAMFIP, which the project was designed to support, was based on extensive joint analytic work: a country financial and accountability assessment, public expenditure reviews, a heavily indebted poor countries' assessment and action plan, and a European Commission audit of use of its budget support. A College of Control and Supervision of Petroleum Revenue was created as a special oversight institution to strengthen transparency in oil revenue management. The Bank team recognized the importance of strong political commitment and therefore worked closely during preparation with technical staff and line managers of PFM-related institutions.

However, there were significant shortcomings. There was an 18-month delay between project approval and effectiveness, due to difficulties between the Government and the Bank over the use of oil revenues that led



to the World Bank country office being shut down for the entire year of 2008. As noted in Section 3b above, project design took insufficient account of the country context of fragility, low capacity, and frequent staff turnover. The PAD's risk assessment (pp. 24-26) highlighted risks related to commitment and leadership at the highest political levels due to high turnover of MOF staff, as well as overall challenges of retaining trained staff, but mitigation measures (such as discussions between the Government and donors, and the development of an unspecified instrument for donors to substantiate their commitment to PAMFIP financing and implementation) were ineffective. In addition, the PAD did not consider the most important capacity risks related to acquisition and implementation of the integrated information system. M&E design had significant shortcomings (see Section 10a).

### **Quality-at-Entry Rating**

Moderately Unsatisfactory

#### **b. Quality of supervision**

Implementation challenges were addressed through a series of restructurings, some of which followed a road map adopted by the Government in 2010 to address delays and lack of results. The ICR (p. 24) notes that the Bank team provided regular technical supervision and hands-on assistance focused on identifying and resolving obstacles that were preventing achievement of planned outcomes. Supervision missions often led to agreed action plans, the implementation of which was closely monitored during subsequent missions. However, there was inconsistent leadership from the Bank side: five Task Team Leaders (TTLs) during the project's lifetime, with two serving for less than one year. Implementation challenges were complicated by the absence of a country-based TTL for over 80% of the project period; this led to problems in "speeding bottlenecks resolutions and easing communication" (ICR, pp. 16, 24). The ICR (p. 23) notes that the Bank "failed to recognize the need for a new project instead of an AF," given that the project was already seven years old. Overall, the ICR (p. 24) notes that project impact would have been enhanced by focus on just a few key reforms, accompanied by a more hands-on approach.

### **Quality of Supervision Rating**

Moderately Unsatisfactory

### **Overall Bank Performance Rating**

Moderately Unsatisfactory

## **9. Assessment of Borrower Performance**

### **a. Government Performance**

The recent average tenure for a Prime Minister and Government in Chad is less than two years. Turnover of civil servants, including MOF senior staff, is high. Within such an environment, Government ownership and leadership on PFM reform was and remains "a weak link" (ICR, p. 25), partly stemming from political disagreements among the institutional actors with responsibility for facilitating preparation and implementation of reforms, most notably surrounding the use of oil revenues. The ICR (p. 13) states that coordination of donors was "modest," but there is no elaboration of this assessment.



## **Government Performance Rating**

Unsatisfactory

### **b. Implementing Agency Performance**

The PAMFIP Permanent Technical Secretariat was responsible for overall project implementation. Coordination was handled by a Steering Committee chaired by the Secretary General of the MOF and comprising directors of MOF General Directorates as well as general managers of all beneficiary agencies outside the MOF. According to the ICR (p. 15), these implementation arrangements proceeded relatively smoothly at first, but a period of instability (with the investigation and eventual acquittal of the Project Implementation Unit coordinator for fraudulent activities) at the time of the preparation of the AF severely impeded progress for several months. In addition, procurement processes were slow throughout, "with little delegation of power" (ICR, p. 15).

## **Implementing Agency Performance Rating**

Moderately Satisfactory

## **Overall Borrower Performance Rating**

Moderately Unsatisfactory

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

### **a. M&E Design**

The M&E system as outlined in the PAD (pp. 22-23) was set up to work on two levels. At the level of PAMFIP, comprehensive PEFA performance indicators were to be adapted to the Chadian context. At the project level, performance indicators were, in principle, adapted to the maximum possible extent, though it is not clear why PEFA indicators themselves (or similar international framework instruments, such as Tax Administration Diagnostic Assessment Tool indicators) were not used. Overall, the results framework's outcome indicators were vague and inadequate for measuring progress along the objectives of efficiency and transparency. The ICR and this assessment had to use additional information on extra-budgetary expenditures and accumulation of arrears to measure achievement of the first objective. The indicator on public financial accountability was more concerned with transparency and accountability to Parliament and the Supreme Audit Institution than to civil society, and there were multiple dimensions of transparency that were not captured. There was initially no intermediate outcome indicator to measure progress in developing the IFMIS.

Responsibility for providing relevant information and monitoring progress rested with designated directorates, and the Technical Secretariat was to carry out data collection, analysis of results, and dissemination of M&E reports. An M&E Steering Committee was to be established to review and validate progress reports and recommend any necessary corrective measures. The project was to finance a short-term consultancy to specify and define the project's M&E arrangements, as well as any necessary



training programs. A mid-term review was to be conducted within 30 months of Grant effectiveness.

## **b. M&E Implementation**

The ICR (p. 17) describes an "effective" system for monitoring the project's activities and results, with data collected from "reports and legislations" during supervision missions. However, the Borrower's ICR (p. 51) states that the selected indicators "have not been monitored consistently throughout project implementation," and that "the M&E process has suffered from the irregularity of data reporting and data quality." The mid-term review took place in June 2011. Revised indicators and targets were adopted at the project restructurings, though these revised indicators were still not clear and comprehensive measures of achievement. The ICR (p. 18) points out that the revised indicators "focus[ed] more on the continuation or amendment to components than on delineation to objectives." The ICR does not discuss whether or not the planned processes for data collection by designated directorates and the Technical Secretariat took place, or whether the planned M&E Steering Committee was convened.

## **c. M&E Utilization**

The ICR does not provide information on the use of M&E data and analysis to inform project implementation or policy development. It is noted (ICR, p. 17) that M&E arrangements were not sustainable after project closing because the project implementation unit for PAMFIP was closed.

## **M&E Quality Rating**

Modest

# **11. Other Issues**

## **a. Safeguards**

The project was rated environmental category C. No safeguard policies were triggered.

## **b. Fiduciary Compliance**

The ICR (p. 17) states that financial management and procurement activities "were conducted in line with the provisions in the Legal Agreement and were considered satisfactory." There were no overdue audit reports, and financial information and reports were of acceptable quality. However, the ICR (p. 15) also describes procurement processes as "very slow" and centralized, providing no additional detail.



### c. Unintended impacts (Positive or Negative)

None reported.

### d. Other

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## 12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Unsatisfactory	According to OPCS/IEG guidelines, when one constituent rating is Negligible, Outcome is rated, at best, Unsatisfactory.
Risk to Development Outcome	Negligible	Modest	The ICR provides a rating of "Low" due to very limited achieved outcomes. However, IEG's assessment is that there is Modest risk to the limited outcomes.
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Borrower Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Quality of ICR		Modest	---

### 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 (pp. 25-27) offers extensive and candid lessons, including:

In a fragile and fluid implementation context, on-the-ground supervision can provide much-needed flexibility and responsiveness. In this case, the lack of a country-based TTL and embedded advisors led to a situation where new Government officials were not sensitized to the objectives of the reform program, capacity building was concentrated among relatively few staff, and coherence among the project's various activities was lost.

Fragile, low-capacity contexts demand a focus on the basics, with realistic and modest ambition, preparation of



strong foundations, and use of appropriate indicators (international framework indicators may not be realistic). The ICR (p. 26) recommends the development of a "basic project package" for PFM reform, where fundamental needs (such as meeting payroll) are addressed, and the specifics can be tailored to country circumstances.

Communications campaigns are a central part of reforms that involve key behavioral elements. In this case, there was need to ensure better awareness among key stakeholders -- government officials following periods of turnover, for example -- of the new, transformational elements of reform.

#### **14. Assessment Recommended?**

No

#### **15. Comments on Quality of ICR**

The ICR is candid and concise. Its lessons are comprehensive and well derived from project experience, offering thoughtful alternative solutions to challenges the project encountered. However, it does not discuss or rate achievement of the project's original objectives, and it rates achievement of the revised objectives based on activities planned under each component rather than the objectives and expected outcomes specified in the project's legal documents. Its discussion of outcome indicators is somewhat confusing, and there is little discussion of the limitations of those indicators. Data on project costs, financing, dates, and some project achievements are inconsistent across the ICR. In a number of areas, more information and analysis would have been useful (for example, magnitude of delays in implementation, detail on the individual steps in the expenditure circuit, and the quality of the Chamber of Accounts). There is no specific discussion of implementation efficiency.

##### **a. Quality of ICR Rating**

Modest