



<b>1. Project Data :</b>
<b>OEDID:</b> C2351
<b>Project ID:</b> P000759
<b>Project Name:</b> Emergency Recovery and Reconstruction
<b>Country:</b> Ethiopia
<b>Sector:</b> Other Non-sector Specific
<b>L/C Number:</b> C2351- ET
<b>Partners involved :</b> GTZ, UNDP, AfDB USAID EEC EIB OECF
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<b>Date Posted:</b> 06/09/1998

**2. Project Objectives, Financing, Costs and Components :**

The project was intended to assist Ethiopia in its economic and social recovery and to lay the basis for a follow -up adjustment program. Specifically, the project provided about one-fourth of the financing for a program of: (a) reconstruction of roads, power, telecommunications, and civil aviation facilities; (b) rehabilitation of community social infrastructure; and (c) restarting essential agricultural and industrial activities. The total of the Emergency Recovery Program was US\$531 million, of which IDA financial commitments amounted to US\$231 million. Of the latter, US\$150 million was committed as part of this project, of which US\$ 11 million was canceled. The remaining US\$81 million came from reallocation of seven existing IDA credits.

**3. Achievement of Relevant Objectives :**

The project achieved its major objectives, financing works which, together with the efforts of nine other donors (outside the project), contributed significantly to the social and economic recovery of Ethiopia. The project also generated positive collaboration between IDA and the Government which has carried over into a wide range of adjustment initiatives.

**4. Significant Achievements :**

The ICR reported benefits of the Emergency Recovery Program, about one -quarter of which was financed by this project. The Government estimated that the Program had contributed significantly : to increases in industrial capacity utilization from 20% to 80%; to the acceleration of output growth to over 6% annually over the period 1992-97; to major improvements in most macroeconomic indicators; to the repair of 60% of war-damaged houses and buildings; to major improvements in aviation infrastructure; and to the social needs of 2.1 million beneficiaries, including 20,000 primary school children, 390,000 illiterates and displaced persons, 329,000 individuals in need of basic health services, 230,000 in need of basic sanitation, and 15,000 unemployed.

**5. Significant Shortcomings :**

About one-third of the planned road components were not completed due to delays in contracting and inadequate contractor performance.

<b>6. Ratings :</b>	<b>ICR</b>	<b>OED Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome:</b>	Highly Satisfactory	Highly Satisfactory	
<b>Institutional Dev .:</b>	Partial	Modest	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Highly Satisfactory	Highly Satisfactory	
<b>Borrower Perf .:</b>	Highly Satisfactory	Highly Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**7. Lessons of Broad Applicability :**

1. Project implementation benefits significantly when, as in this project, the pay is competitive with the private sector, making possible the recruitment of experienced professionals and a strong manager for the Project Management Unit . 2. Staff of implementing agencies need training early in procurement and disbursement procedures, followed up with periodic refresher courses . 3. Constant review of Borrower liquidity problems, use of part-time consultants to speed processing of applications, on -site residency by the Task Manager, and IDA flexibility in reviewing procurement and disbursement procedures (e.g., introduction of the Master Special Commitment) should be adopted as needed in future emergency recovery projects . 4. Provision of public access to savings and credit intermediary services should be incorporated as a standard component of community rehabilitation work .

**8. Audit Recommended?** ☒ Yes ☐ No

**Why?** This project, along with the Eritrea Rehabilitation Project, achieved far more, in less time, than has been customary with Rehabilitation and Recovery operations . This suggests there may be important lessons of experience to be mined from these projects . It would also be worthwhile to examine the effectiveness of the M&E systems set up for the civil works and social fund components of this project . It is likely that additional data on the impact and costs of the Rehabilitation Program are available from the seven cofinancier agencies .

**9. Comments on Quality of ICR :**

The ICR covered most key topics, was generally logical and convincing in the arguments and evidence it presented, and contained an exemplary list of lessons learned and a plan of future operation . Comments were solicited from the Borrower and from the seven cofinanciers, but, with the exception of the African Development Fund, none were received. The AfDB comments were minor in nature. The AfDB indicated it is preparing its own ICR on the Rehabilitation Program. The only deficiency of any significance in the ICR was the an inadequate discussion of the operation of an extensive monitoring and evaluation system set up for this project . The evidence on project impact presented was presumably generated by that M&E system, but the ICR provides few details about the actual subprojects financed, specific benefits conferred, and cost -effectiveness, data which should have been available from the reporting systems created for this project, as discussed in the President's Report .