



1. Project Data

Project ID

P108253

Project Name

Niger Reform Management and TA

Country

Niger

Practice Area(Lead)

Governance

L/C/TF Number(s)

IDA-H4810

Closing Date (Original)

30-Apr-2015

Total Project Cost (USD)

10,000,000.00

Bank Approval Date

02-Jul-2009

Closing Date (Actual)

30-Oct-2016

IBRD/IDA (USD)
Grants (USD)

Original Commitment

10,000,000.00

0.00

Revised Commitment

10,000,000.00

0.00

Actual

9,921,858.44

0.00

Prepared by
Malathi S.
Jayawickrama
Reviewed by

Robert Mark Lacey

ICR Review Coordinator

Lourdes N. Pagaran

Group

IEGEC (Unit 1)

2. Project Objectives and Components

a. Objectives

The project development objective (PDO) is to improve: (i) the credibility and reliability of budgets allocated to budget managers in each Ministry; and (ii) the internal controls of the use of said budgets (Financing Agreement, p. 5). The PDO statement in the Project Appraisal Document (PAD) is the same as in the Financing Agreement (FA).



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

No

c. Will a split evaluation be undertaken?

No

d. Components

There were three components (FA, pp. 5-6):

Component 1: Capacity Development (appraisal, US\$3.0 million; actual US\$3.05 million): This component was designed to support the following activities: (a) Strengthen key functions of the Ministry of Economy and Finance (MEF), including through: (A) the improvement of: (i) macro and revenue forecasts; (ii) revenue collection; (iii) budget reporting and analysis; (iv) procurement management; (v) internal audit and financial oversight, and (vi) cash management; and (B) support for Treasury reforms; (b) Support local training institutes; and (c) Support the Recipient's program leveraging the expertise and experience of Recipient's nationals living out of the Recipient's territory.

Component 2: Leverage and Rationalization of Financial Management Information Systems (FMIS) (appraisal, US\$5 million; actual US\$2.96 million). This component was designed to (a) Support Intranet/Internet deployment of FMIS, (b) Support: (A) rationalization and upgrade of systems, including: (i) the budget information systems, (ii) the customs information systems, (iii) the tax authorities information systems, and (iv) the cash management systems, and (B) Treasury reforms; and (c) upgrade the system.

Component 3: Project Management (appraisal, US\$1.5 million; actual US\$1.15 million). This component was designed to help the implementation of a program of support for the Project Coordination Unit in the management and coordination of the project.

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

Project Cost: At appraisal, the total project cost was estimated at US\$10.0 million. The actual expenditure was US\$9.06 million. The ICR states that the discrepancy is due to currency fluctuations and incomplete reporting.

Project Financing: The IDA grant was approved for US\$10.0 million. There were no other external sources of financing or Borrower contribution.

Dates: The project's closing date was extended by 18 months (from April 30, 2015 to October 30, 2016) in a level 2 restructuring approved in December 2014, to allow for completion of installation of information systems.



3. Relevance of Objectives & Design

a. Relevance of Objectives

The project's objectives were relevant to country context at the time of appraisal and remained so throughout implementation. Although Niger had initiated reforms in public financial management (PFM), low institutional and technical capacity remained an impediment to successful implementation. The Government had acknowledged the main elements of poor governance, and recognized their negative impact on overall growth and poverty reduction. The project's objectives at appraisal reflected the priorities set out in the second Poverty Reduction Strategy Paper (PRSP II) for 2008-12, and articulated in its seven pillars. The objectives were also relevant to the Government's 2012 Plan for Social and Economic Development (PDES). The PDES's objectives were to strengthen the credibility and efficiency of public institutions; and create the conditions for inclusive, sustainable and balanced development. Good governance and building public sector capacity were cross-cutting themes in the PDES.

The objectives were relevant to the Bank's 2008-11 Country Assistance Strategy (CAS), which included the cross-cutting theme of good governance to ensure that revenues from growth are efficiently spent. They were also relevant to the Bank's 2013-16 Country Partnership Strategy (CPS), which aimed to promote resilient growth; reduce vulnerability; and strengthen governance and capacity for public service delivery across the board. The CPS supported enhanced budget execution and efficiency.

Rating

Substantial

b. Relevance of Design

The project's interventions were expected to result in a cadre of more competent and motivated personnel at MEF, who would use efficient business processes to establish a sound macro-fiscal framework and revenue forecasts; allocate adequate budgets to managers and ensure their execution per agreed programs and plans, and put in place effective internal controls to hold managers accountable. However, planned project activities, the resource envelope of US\$10 million, and the timeframe, were not consistent with such ambitious aims. Design focused on strengthening capacity through training and study visits, together with investments in physical equipment (internet and intranet connections, relevant information systems software, computers and other office equipment). While these are important, they would be unlikely, in and of themselves, to be sufficient to increase budget reliability and credibility. For that, they would need to be supplemented by, for instance, improvements in the methodology of budget preparation and in its links to policy goals, and by



enhancements in the institutional framework and decision-making chain governing budget execution. Moreover, some outcome targets – for instance, the ratio of arrears to total expenditure as a measure of budget credibility and reliability – were likely to be influenced by a broad range of macroeconomic and other factors beyond the control of the project.

Rating
Modest

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Improve credibility and reliability of budgets allocated to budget managers

Rationale

Niger had initiated several PFM reforms with the help of major development partners, but success was limited (PAD, p. 2). The Bank and the European Union (EU) had worked closely with the government to finalize the 2004 Public Expenditure Management and Financial Accountability Review (PEMFAR), which had since become the basis for Niger's PFM strategy. The PEMFAR Action Plan identified ten areas for improvement. PFM reforms implemented since 2005, however, had not been fully satisfactory. Given the limited resources and timeframe, this project focused on two areas that cover basic PFM reforms. These were budget credibility and financial accountability. To enhance credibility and reliability, the project intended to strengthen MEF's capacity through training and technical assistance (TA) activities that would enable personnel to better formulate economic policy, and enhance long-term planning and budget preparation.

Outputs

- Training was provided to staff of the Ministry of Economy and Finance (MEF) in macroeconomic planning and forecasting, and related information systems. Most of this training was provided by ENAM and FSEJ. This process is still ongoing and will be supported under the follow-up Public Sector Capacity Service Delivery Project (PCDS).
- Human resource capacity and relevant IT systems were put in place, and guidelines developed for preparing program budgets at both the sectoral and global levels. Program budgets were prepared in nine ministries, including Education, Health, and Finance. This process was incomplete and will be supported under the PCDS project. Capacity building support was provided for the timely delivery of the *loi de reglements* and *comptes de gestion* to the *Cour de Comptes*, which allowed the government to meet regulation requirements set forth in the organic *Loi de Finance* of 2012. However, there were slippages in 2016.



- The project supported the development of a human resources needs assessment and related training plan for the General Taxes Directorate (DGI) and General Customs Directorate (DGD), including strategic planning, organizational audits, and related studies. Basic training was not completed under the project and will be continued under the PCDS.
- The project put in place the relevant texts and directives in line with the *Loi Organic des Finances* 2012 to strengthen reporting and internal control functions. However, there has yet to be full adoption of program budgeting.
- A manual for procurement procedures was developed; however, the manual was only in draft form at closure and related training had not been completed. The new procurement management system-- SIGMAP system-- was rolled out in October 2016; but only part of the related training had been undertaken by closure.
- The project put in place a strategy for internal audit and financial oversight, and developed procedures for internal audit (financial inspectors were given a special status to protect them from retaliation). Training was provided for 30 individuals in project audit and inspections functions. Training will be continued under the PCDS. The planned introduction of asset counting was not achieved.
- The project provided technical assistance and training on a manual of financial controls and accounting procedures. A study was undertaken to identify the major actions needed to improve public accounting capacity.

Several planned activities were not fully executed. For example, training institutions did not provide the scale of trainings that the MEF had expected, necessitating further support under the PCDS.

Outcomes

With respect to budget credibility, the effectiveness of training institutions in fully implementing the trainings was limited. Only 11 experts were recruited under the diaspora program, and many lacked the required professional experience. The move to a multi-year budgeting system also met with limited progress. The deterioration in the PFM environment in the project's final year affected the achievement of this objective. Niger had been experiencing attacks from Boko Haram for several years. Two major attacks in June 2016 added to fiscal pressures, and undermined progress in managing a credible budget and strengthening the internal control environment.

There were three outcome targets reported in the ICR to measure the attainment of the objective of enhanced credibility and reliability. The ratio of arrears to total expenditure was reduced from 28 percent in 2009 to 4 percent at the end of 2016, meeting the target of less than five percent; this result, however, is influenced by other exogenous factors and could not be directly attributed to the project. The second target - a reduction in the deviation in aggregate expenditure from 10% to 5% was not achieved. Although, over the life of the project, deviation fell from 37% to 16.5%, it was still well short of the target at closure. Similarly, for the third target - deviation in aggregate revenue for tax and customs directorates - the actual achievement at closure was 16.8% for tax revenue and 10% for customs. These were well in excess of the target of 5%, and show comparatively little improvement over the 2009 baseline figures of 21.8% and 11% for tax and customs revenues respectively.

□

The ICR supplemented the evidence from the outcome targets with three PEFA indicators measured in



2008, 2012, and 2016 – aggregate expenditure and revenue outturns compared to the original budget (PI 1 and PI 3), and the stock and monitoring of expenditure payment arrears (PI 4). The results were mixed. There was some improvement in expenditure outturn and in the stock of arrears (from C to B and from C+ to D+ respectively). Revenue outturns, however, did not change. It is also noted that the chosen PEFA indicators reflect a wide range of factors beyond the control of the project. On balance, the efficacy of this objective is rated Modest.

Rating
Modest

Objective 2

Objective

Improve the internal controls of the use of the said budgets

Rationale

Outputs

- The project helped to conclude contract agreements with SONOTEL to provide necessary usage bandwidths to connect all relevant financial institutions in Niamey with regional capitals. □ Relevant security and connecting materials were acquired and installed to connect all relevant Ministry, Department and Agencies (MDAs) within Niamey to digitize the expenditure chain, including necessary antennas (ICR, Annex 2). □ Network Training was provided under relevant services agreements with SONATEL. □ All applications and servers were acquired. □ While a basic intranet has been established, there has been limited capacity development for content developers, webmasters, and communications specialists. Ongoing support will be needed to complete some of these activities.
- A module was put in place to upgrade budget information systems.
- The SYDONIA World System, a full-fledged customs system, including key modules, was installed. SYDONIA World, a United Nations Conference on Trade and Development (UNCTAD) system provides the government with increased customs control capabilities, improved accounting and statistical capabilities and a fully automated workflow management system. 145 individuals were trained. □ It is envisaged that improvements to the connective IT structure would ensure that electronic transfer of customs information occurs; however, there is no evidence that the expected result has taken place. Further support will be provided under the PCDS. Problems remain □ with internal processes as well as meeting WTO standards. □
- The project also supported new procurement management systems (SIGMAP) and cash management modules to allow for the timely exchange of balance account information between the Treasury (DGTCP) and the Budget Directorate (DGB).
- The development of the SISIC system did not take place as planned under the project, but was subsequently supported by the African Development Bank (AfDB).



- The project supported budgetary nomenclature in line with WAEMU standards. However, results from 2016 suggest that slippages occurred. Basic training has started for relevant staff but not completed; it will be continued under the PCDS.

Outcomes

The ICR has three outcome targets to measure the attainment of this objective: (i) the time taken to submit financial statements to the Chamber of Accounts and National Assembly has been reduced from more than 15 months for the publication of the *Loi de Reglement* and no release of the *Comptes de Gestion*, to 6 months for the publication of both the *Loi de Reglement* and *Comptes de Gestion*, meeting the target; (ii) degree of compliance with the rules for processing, (as measured by a reduction in exceptional spending) met its end of project target of less than 10 percent, as exceptional spending decreased from 23.5 percent in 2009 to 1.8 percent in 2016; and (iii) timeliness of semi-annual budget reports, which was also achieved.

As with the first objective, the ICR supplemented the project's own evidence with the PEFA assessments for 2008, 2012, and 2016. The main PEFA indicator concerned is the effectiveness of internal controls for non-salary expenditures (PI 20). This remained constant at C+ over the life of the project, with improvement in compliance with rules for processing and recording transactions offset by deterioration in effectiveness of expenditure commitment controls. Effectiveness of internal auditing (PI 21) declined from C to D+. Linked closely to this indicator is timeliness and regularity of accounts reconciliation (PI 22) which remained constant with a low score of D. However, quality and timeliness of in-year budget reporting (PI 24) improved considerably, from D+ in 2008 to C+ in 2012 and again to B+ in 2016. Also noteworthy are improvements in cash management (PI 17 from D+ to C+), payroll controls (PI 18 from D+ to C+), and in value for money and controls in procurement (PI 19 from B to B+). These indicators, while influenced by non-project factors, are reasonably closely linked to the objective of enhanced internal budget controls and could be expected in most cases to be influenced by project-supported actions. Although not all results are positive, the assessments generally confirm the positive trends indicated by the achievement of the outcome targets.

On balance, the efficacy of this objective is rated Substantial.

Rating

Substantial

5. Efficiency

The PAD (p. 19 states that the project's return on investment would accrue from more effective and efficient resource allocation and expenditure governance, public savings from rationalizing budget processes, and a better environment for private investors. No quantitative ex ante analysis was conducted.

The ICR focuses on the direct and indirect social and economic benefits cited in the PAD. These include



improved revenue collection and reduced leakages, economic growth and budget allocations, rationalization of budget processes, and improved transparency and accountability of government decision-making. □ Most of the benefits mentioned in the ICR are expected benefits, some of which may not materialize given the delicate security environment. It is too early to observe reductions in transaction costs resulting in savings to tax payers, or any efficiency gains because of customs and procurement IT systems. □

The project faced numerous operational and administrative inefficiencies, contributing to an 18-month extension to the closing date, yet several activities remained incomplete by closure. Shortly after effectiveness, there was a severe political crisis and a coup d'état in February 2010. The Bank suspended all projects in Niger for four months. The project became effective in July 2010, reflecting a one-year delay. Implementation was affected by institutional instability, including a split in MEF into the Ministry of Finance (MoF) and the Ministry of Planning (MPRCD), which complicated the arrangements agreed on during preparation. Project management, implementation, leadership and coordination were all initially weak, and there was a constant struggle for resources between the two ministries. The ministries were merged again in August 2015. Poor coordination also delayed activities.

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		0	0 □ Not Applicable
ICR Estimate		0	0 □ Not Applicable

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

6. Outcome

The operation's objectives were, and remain, substantially relevant to the Bank and government strategies and to country conditions. □ Design relevance is rated modest, □ primarily due to weaknesses in the results framework. Efficacy of the first objective - improving the credibility and reliability of budgets - is rated modest. There was only limited progress in some areas. These mixed results were also reflected in the PEFA. The efficacy of the second objective - improved internal budgetary controls - is rated substantial. The outcome targets were achieved, and the PEFA results, while influenced by non-project factors, are reasonably closely linked to the objective of enhanced internal budget controls, and could be expected in most cases to be influenced by project-supported actions. On balance, the assessments generally confirm the positive trends indicated by the achievement of the outcome targets. Efficiency is rated modest - there is no quantitative analysis, and there



is evidence of operational and administrative inefficiencies. It is also too early to assess efficiency gains from some of the IT system installations. Overall, these are moderate shortcomings, and outcome is rated moderately satisfactory.

a. Outcome Rating
Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

The project strengthened several PFM areas. □However, there are significant risks – political, governance, macroeconomic and institutional -- to the outcomes achieved. □Niger's security situation remains delicate, given its location in an unstable region. With conflict in Libya and rebellion in Mali, Niger has received over 164,000 migrants and refugees. Niger has also experienced attacks from Boko Haram for several years, with two major attacks in □June 2016. This security situation has created additional fiscal pressures and undermined progress in managing a credible budget and strong internal controls. Political focus on the situation could also distract from the PFM agenda. Moreover, volatile international commodity prices could constrain the fiscal envelope. Persistent drought □may necessitate emergency food imports. □Institutional capacity to implement programs and inter-agency coordination remain weak. This has been amply illustrated in other governance projects in the country.

a. Risk to Development Outcome Rating
Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank team incorporated lessons from previous experience with PFM reform projects in Niger. About six projects that intended to enhance PFM performance had limited success as they had overlooked capacity constraints within MEF. This project sought first to strengthen this capacity rather than tackling more complex issues □such as civil service reforms. The key shortcomings at entry were related to the design of the results framework, which exhibited weak links between the project's outcome indicators and the PDO; and the ambitious nature of expected outcomes given the □limited resource envelope. The PAD mentions the importance of understanding 'external factors that exert influence', but mitigation was limited to the institutional context and does not address risks related to security and the macro economy. There is also no evidence of stakeholder consultations during project preparation.

With respect to financial management (FM), an FM assessment was carried out during pre-appraisal and completed during the appraisal mission. The Bank and the Government agreed on using the existing



Administrative and FM Unit (DAAF) and the ex-ante control of the MEF to strengthen MEF's institutional capacity, which was consistent with the Accra Agenda for Action (ICR, p. 49). Under the Steering Committee's guidance the PCU/DAAF was to be responsible for overall FM management. Given the PCU/DAAF's inexperience in Bank project FM procedures, however, the team identified the need to recruit a senior accountant to help strengthen the project FM capacity of MEF. In line with the Bank's approach for mitigating risks of fraud and corruption, the Inspection General Inspection Finance of the MEF was to retain the right to carry out any financial review at the level of the PCU/DAAF. Overall, existing FM arrangements and the recommended FM action plan were viewed as moderating the FM risk. For implementing the project, the Bank and the Government agreed on implementation arrangements that included a Steering Committee, a PCU, an M&E Committee; Focal Points inside the MEF, and Internal Control and Audit. Specific implementation arrangements of this project were to be anchored in the dialogue framework of the dialogue committee (*Cadre de Concertation*) on PFM reforms, which is open to all development partners involved in PFM reforms.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The Bank fielded bi-annual missions, provided targeted technical assistance to address key bottlenecks in an unstable institutional environment, and provided support via teleconference during a period when the country was closed for missions. There were, however, significant shortcomings in supervision, including a deviation from the Bank's safeguards policies. According to the ICR (p. 27), the Bank issued no-objections to the installation of an internet cable network in Niamey and four other cities although these activities had been explicitly excluded from the project design. The ICR further reports that these activities not only caused environmental disruptions, but necessitated the relocation of informal vendors for weeks during cable installation and "could have potentially triggered an inspection panel complaint" (ICR, p. 27) The Bank team informed IEG that the project team and management were unaware that these activities would trigger any safeguards issues, and that hence no attempt was made to change the project's environmental classification.

During the Mid-Term Review in June 2012, when disbursements were about half the planned level, and several activities were delayed, the project could have been restructured, inter alia to adjust the environmental safeguards classification and to proceed with corresponding activities such as the preparation of an environmental assessment and resettlement framework. Although the project team recommended such a restructuring, this did not take place. Supervision reports and aide-memoires did not acknowledge the civil works issue. No attempt was made during implementation to restructure in order to establish a closer link between activities and the outcomes (ICR, p. 9).

Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory



9. Assessment of Borrower Performance

a. Government Performance

Significant political and institutional instability affected government ownership and commitment in the early phase of project implementation. This was reflected in weak coordination, communication and project implementation. There was some improvement during implementation. Project ownership both by MEF and the Ministry of Planning also improved. However, there was persistent instability. The lack of dialogue also led to duplication of activities particularly related to customs systems. Both government and implementing agency undertook the installation of an internet cable network in Niamey and four other cities, activities that digressed from the PAD and the Loan Agreement.

Government Performance Rating

Moderately Unsatisfactory

b. Implementing Agency Performance

Despite a challenging environment, the PIU, which was embedded within MEF, showed commitment in implementing the project. Fiduciary issues were dealt with in a timely manner, except for a few delayed Interim Financial Reports during the early phase of the project. Although there were some delays in procuring large IT systems, these lessened as the project progressed.

Project management was affected by the split in MEF (see Efficiency Section above), leading to a lack of collaboration and competition for resources. This made it difficult to identify and implement reforms and coordinate with other ministries. There was some improvement as the project progressed. However, M&E implementation was weak, and this in turn affected the use of M&E over the life of the project (see Section 10 below).

Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The PAD included two PDO indicators, five intermediate results indicators, and a framework for monitoring project results (PAD, p. 29-33). There was, however, a mismatch between the indicators and the PDO, making it difficult to attribute project results to the project activities. For example, budget credibility was measured by the ratio of arrears to total expenditures; however, this indicator could be influenced by several exogenous macro-economic factors outside the scope of the project, including ongoing budget support operations (ICR, p. 10). The intermediate indicators tend to focus on results beyond the project's scope. Overall, the M&E design



could have been better aligned to project activities.□

MEF was responsible for M&E management. This was also to allow for mainstreaming M&E for PFM reforms into the MEF structure. To supervise□M&E,□the project design provided for the recruitment of an M&E specialist, who would oversee collecting data, measuring results, conducting seminars, and validating results with various stakeholders. An M&E Committee was also to be established to monitor results and project performance. The Committee was to comprise of direct beneficiaries and other beneficiaries such as priority ministries such as Education, Health and Agriculture (PAD, p. 16). This arrangement was to promote trust and consensus among other stakeholders (line ministries) and the MEF, and to provide a counter-balance to MEF and ensure that the needs of line ministries are considered.

b. M&E Implementation

Despite the planned robust reporting system,□not all M&E activities were executed.□The dedicated M&E specialist was never appointed, and all M&E activities were undertaken by the Project Coordinator, who had responsibilities for a variety of other tasks. The□M&E Committee, which was to□validate results and take□corrective actions, did not meet as frequently as stipulated in the project financing agreement. Thus, there were systematic delays in data collection and validation during implementation, which undermined project monitoring and hence performance. There was also no effort to improve the results framework.

c. M&E Utilization

Shortcomings in M&E design and implementation affected the use of M&E to improve project implementation. Delays in updating indicator values limited the scope for corrective actions.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

As noted in Section 8b above, there was a deviation from Bank safeguard policy. The□use of IDA funds to purchase materials and install a fiber-optic network in Niamey and in four other cities (Dosso, Tahoua, Maradi, and Zinder) was inconsistent with project's "C" classification for environmental assessment purposes. There were traffic disruptions in the city center, accompanied by dust, debris, and noise. No allowance had been made for compensating the informal vendors who had to be relocated while the works were carried out. Nevertheless, the Bank issued no-objections for the technical specifications and procurement tenders.



b. Fiduciary Compliance

According to the ICR, the project complied with all fiduciary requirements and submitted all required quarterly Interim Financial Reports (IFRs) apart from a few delayed IFRs during early implementation. All annual audits were conducted regularly and submitted within six months of the end of the fiscal year, with no evidence of ineligible expenditures (ICR, p. 11).

Other than the use of IDA funds for the purchase of materials for, and installation of, a fiber optic network in Niamey and four other cities, the ICR does not report any procurement issues beyond administrative delays.

c. Unintended impacts (Positive or Negative)

None

d. Other

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
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 first two of the following lessons are taken from the ICR, with some adaptation of language, and the third is drawn by IEG.



- **Capacity building on an institutional level demands ongoing support and cannot be viewed as a one-off intervention.** In an environment where there are frequent institutional changes in government and a high rate of turnover, it is necessary to provide capacity development support on an on-going basis.
- **Exogenous risks that can jeopardize sustainability of project results need to be carefully assessed during appraisal.** When planning project activities and targets in the results framework, these risks need to be considered.
- **Unforeseen changes to a project's activities may trigger safeguards and hence require a reclassification.** When a project changes to include unforeseen civil works that are likely to have an impact on the environment and on people, proactive intervention during implementation, involving the requisite expertise, and restructuring the project to reflect the new safeguards category, is essential to ensure compliance with Bank safeguard policies.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is candid and thorough. It is appropriately critical of the project's shortcomings, especially with regard to the inappropriate Bank approval of excluded civil works activities. The ICR team is commended for discovering and exposing this issue. The ICR is also candid about the weak results framework, and draws on information from outside the project, i.e. the PEFA, to support the project's outcomes and assess overall achievement of the objectives. The ICR presents useful lessons. Overall, the ICR is of good quality but is too long (32 pages of main text versus the required 15 pages).

a. Quality of ICR Rating

Substantial