



1. Project Data

Project ID

P127105

Project Name

Governance & Competitiveness TA Proj

Country

Rwanda

Practice Area(Lead)

Trade & Competitiveness

L/C/TF Number(s)

IDA-50410

Closing Date (Original)

30-Apr-2015

Total Project Cost (USD)

5,000,000.00

Bank Approval Date

26-Jan-2012

Closing Date (Actual)

30-Apr-2016

IBRD/IDA (USD)**Grants (USD)**

Original Commitment

5,000,000.00

0.00

Revised Commitment

4,927,270.52

0.00

Actual

4,847,775.94

0.00

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) described in the Financial Agreement (FA), p.4 is: "to strengthen institutional capacity of selected institutions to improve competitiveness of selected sectors in Rwanda".

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

No



c. Will a split evaluation be undertaken?

d. Components

The project has four components as detailed below:

1: Support to Priority Institutions under SCBI: (Cost at appraisal of US\$1.30 million, actual costs of US\$0.74 million):

Support for the coordination and implementation of the Strategic Capacity-Building Initiative (SCBI) in Priority Institutions: This sub-component aimed to ensure the coordination of the support for SCBI implementation, and the TA and capacity building initiatives, including the development of SCBI implementation plans and packages of support for the priority institutions, including ministries, departments and agencies (MDAs).

Support for the Pay and Retention Policy Implementation in Priority Institutions: This sub-component was to undertake the following activities: (i) the development and implementation of Public Sector Human Resource Management Policy and Procedures; (ii) the development and implementation of the job grading and career progression structure; (iii) the development and implementation of selected activities under the Government's pay and retention policy strategy; (iv) the re-evaluation of the organizational structures of key sector institutions; and (v) the assistance with the implementation of improved communication and coordination policies and government procedures.

Building Capacity for Competitiveness: This sub-component intended to: (i) ensure that the structures of the project's priority sector institutions, particularly the National Agriculture and Export Board (NAEB) and the Rwanda Development Board (RDB), are aligned with their respective mandates and sector strategies; (ii) improve the Government of Rwanda's ability to centrally plan and coordinate these sectors, and (iii) improve capacity for policy formulation and implementation. The sub-component intended to ensure: (i) the strengthening the capacity of NAEB and the RDB to deliver on their mandate; and (ii) supporting the RDB to provide training to its staff and other public and private sectors stakeholders in the horticulture and tourism sectors.

2. Support to Implementation of the National Export Strategy: (Cost at appraisal of US\$2.60 million, actual costs amounted to US\$2.7 million): The objective of this sub-component was to support the implementation of the two key growth sectors of the National Export Strategy: tourism and horticulture by providing (i) assistance for the review and development of tourism and horticulture strategies and plans related to competitiveness, and (ii) technical assistance to guide the implementation of these competitiveness strategies. There were three sub-components as follows:

Support Diversification of Tourism: The Project will provide technical assistance for the development of: (i) new tourism products and services and (ii) new source markets, and will aim at strengthening and diversifying tourism product value chains through diverse actions, including: (i) technical support to solidify current offerings; and (ii) diversifying offerings. The sub-component will also support, among other things: (i) the development of a Meeting Incentive Conference Exhibition (MICE) Strategy and Implementation Plan; (ii) the strengthening of product planning and development mechanisms; (iii) market research and analysis; (iv) review of Foreign Direct Investment (FDI) incentives and packaging to attract investment in lodging and attractions; (v) support to private sector in access to finance schemes, joint marketing and promotion programs and developing multi-country itinerary/packaging linkages; (vi) technical assistance in integrated tourism site and route planning; and (vii) boost the Tourism Development Master Plan; and



finally (viii) medium to long term technical consultancies on specific technical areas.

Support to Horticulture Development: This sub-component was to provide technical assistance comprising: (i) the study of the cluster approach the capacity building of the local stakeholders on specialization in commodities where the cluster has comparative advantage; and (ii) the provision of support to carry out medium to long-term consultancies on technical areas to encourage economies of scale and clustering production and value addition activities to ensure improved food security.

Strategies and Policy Formulation for Competitiveness: This sub-component intended to provide technical assistance to the Ministry of Trade and Industry on: (i) competitiveness studies; (ii) building competencies in relation to the competitiveness studies; and (iii) medium to long-term consultancies on technical areas, and support for their implementation.

3: Improved Public Private Dialogue for Competitiveness: (Cost at appraisal of US\$0.6 million against actual cost of US\$0.58 million): This component was to provide technical assistance to the Private Sector Federation of Rwanda (PSF) through: (i) strengthening analytical research and public relations roles of PSF vis-à-vis the Government; (ii) strengthening PSF interaction with relevant member Chambers and Associations, including the Chamber of Commerce and Services and the Chamber of Tourism); (iii) strengthening capacity for private sector and the Government to hold each other mutually accountable to the implementation of the NES; (iv) functional review of the PSF vis-à-vis its mandate; and (v) supporting the Exporters' Forum as a vehicle for improved dialogue between Government and the private sector.

4: Project Coordination and Implementation: (Cost at appraisal of US\$0.5 million against actual cost of 0.80 million) : Under this component, the PIU was to ensure overall coordination of the project, including: (i) finances and technical outputs; (ii) coordinating sector focal point inputs and activities; (iii) preparing report to Government and the World Bank; and (iv) contracting auditing of the project.

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

Project Cost: The total project cost amounted to US\$4.8 million, or 97 percent of the approved amount.

Financing: The project was financed by a small IDA technical assistance credit of US\$5 million of which US\$4.84 million was disbursed. The reduction is due to exchange rate variations between the US\$ and Special Drawing Rights, the currency of the credit.

Borrower Contribution. There was no borrower contribution.

Dates. The project was approved on January 26, 2012, was restructured once on April 21, 2015 to reallocate resources among project's components and update the results framework. At that time, the project closing date was extended by one year because of delays in procurement. The project was closed on April 30, 2016.

3. Relevance of Objectives & Design



a. Relevance of Objectives

Substantial

In May 2013, the Rwanda Government approved a second Economic Development and Poverty Reduction Strategy (EDPRS), and private sector development, competitiveness and export growth were identified as the central elements of the strategy, with horticulture and tourism being two of the targeted export-oriented priority sub-sectors. Institutional capacity building was also a cross-cutting pillar of the strategy. Similarly, one of the three pillars of the Bank's Country Partnership Strategy (CPS) for Rwanda underscores that the private sector-led growth remains a strategic priority and advocates an integrated approach between the World Bank and the International Finance Corporation to create an enabling environment for private sector development. However, the key sectors supported by the project (Horticulture and Tourism) are not as prominent as they are in the Government's strategy. The project objectives were substantially relevant.

Rating

Substantial

b. Relevance of Design

Modest

The project supported activities aimed at strengthening public and private sector institutions and creating the conditions for structural and capacity-building change. Those activities included building skills in management, providing formal incentives and establishing external checks and balances. The choice of sectors was also relevant, because horticulture and tourism are among the priority sectors in EDPRS II and the National Export Strategy (NES) and dominate the export sector. Activities aimed also to improving production processes or product quality through fostering diversification. For instance, the main constraints to horticulture development in Rwanda were identified to be the small size and lack of scale in the sector caused by lack of coordination efforts and information asymmetry. The low level of quality certification further inhibited export growth. In tourism, the limited breadth of offering, inadequate infrastructure, and marketing effort were the main impediments to growth in the sector.

However, the project included too many activities overlapping diverse sectors (agriculture, public service management, commerce, and tourism) which did not fit all the time in a coherent result framework, and some of the activities were neither coordinated nor sequenced well enough to have the desired synergy effect. Moreover, the PAD did not cover some key sector constraints and did not indicate whether those were being addressed through other parallel programs. In horticulture for instance, beneficiaries pinpointed land availability as a major barrier to growth and, without addressing it, structural or organizational improvements in the horticulture may be insufficient to create the conditions for sector performance.

The above shortcomings were identified during the Medium Term Review (MTR) and partly justified the restructuring during which under-performing activities were dropped and the results framework revised. The design weaknesses left little room for the restructuring to make far-reaching strategic revisions to the project design, instead it dropped lagging activities to reflect the budget shortfall, and made minor changes to indicators. Overall, the links between the theory of change and M&E framework were weak, and were insufficient to provide enough evidence to connect project activities to ultimate impact. In sum, the project design did not make a convincing case for strong causal links between direct results from project interventions



and PDO achievement. As such, project design is rated as Modest.

Rating

Modest

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

"The Project Development Objective (PDO) is to strengthen institutional capacity of selected institutions to improve competitiveness of selected sectors in Rwanda.

Rationale

(i) Strengthening institutional capacity of the selected institutions (Substantial)

Project support under this sub-objective targeted a number of private and public entities involved in the promotion of competitiveness in agriculture and tourism, including more specifically the Ministry of Commerce (MINICOM), the Ministry of Public Service and Work (MIFOTRA), the National Capacity Building Secretariat (NCBS), the National Agriculture and Export Board (NAEB) and the Rwanda Development Board (RDB).

Outputs:

Key achievements to consolidate institutional capacity were the following: (i) mentoring and coaching sessions were conducted for Planning and M&E staff in the NCBS, the RDB, and NAEB, (ii) 64 staff benefited from coaching sessions, (iii) public sector competency framework were developed across 25 selected public institutions, (iv) career development plans were prepared and customized for the three priority institutions with clear job profiles, (v) core and general competencies were integrated in the performance management system to facilitate a competency-based performance appraisal, (vi) retention schemes were developed, including the home ownership scheme and the canteen scheme, (vii) a database of rare and specialized skills was established by MIFOTRA's planning, policy analysis, and research, (viii) a Private Sector Development Strategy (PSDS) was developed, and (ix) an industrial development council was formed, comprising high level government officials to oversee the implementation of the NES, and (x) 24 people received management and leadership skills training at MINICOM.

Outcomes:

Progress toward outcome as measured by the results framework is as follows: (i) the target for the number of Strategic Capacity Building Initiative (SCBI) Action Plans implemented in the project priority institutions was fully achieved as the targeted three Action Plans were finalized, (ii) the target for the number of project priority institutions (3) implementing the Rwanda public service competency framework was fully achieved, as the framework was incorporated into the Result Based Performance Management policy, which was approved by Cabinet and is currently implemented in 25 institutions, (iii) the target of number of project priority institutions (3) implementing the career development plans was fully achieved, and career



development plans were approved by Cabinet as part of the Result Based Performance Management policy, (iv) M&E training was provided to staff of priority institutions, and a number of new tools and systems were developed, which are expected to be rolled out as part of a new national M&E policy, (v) the targets for the number of sector analytical papers (3) produced and submitted by the Private Sector Federation to the Government for consideration, the number of dialogs (3) to discuss progress of the National Export Strategy per year between the private sector and the Government, and the number of women from chambers and associations (500) trained under the project in leadership, entrepreneurship, and issues for competitiveness were all fully achieved.

Key notable results toward increased capacity of selected public and private sector institutions are: (i) an assessment found that most recommendations made by the functional and the public sector reviews were either implemented or are in the process of being implemented. The resulting restructuring addressed weaknesses in organizational structure, skills, and personnel mix and introduced a variety of systems for planning, management, or procurement, which have potential to increase public sector efficiency, (ii) the Pay and Retention Policy introduced two new schemes (Canteen and Home Ownership) and equalized the compensation index structure between agencies with the goal of improving staff retention, and (iii) a competency framework was developed for the three priority institutions, which outlines competencies customized for each institution, and has had a substantial demonstration effect and leveraged government funds.

(ii) Strengthening institutional capacity to improve competitiveness of horticulture (Modest)

Support under this sub-objective intended to strengthen public and private entities involved in the growth of horticulture production and export, including the RDB and private firms and cooperatives.

Outputs:

Toward improving the horticulture sub-sector, the following outputs were generated: (i) a revised and updated horticulture strategy was adopted, (ii) 8 cooperatives were supported in the production of clean planting materials and grown in 8 districts; (iii) the Rwanda Horticulture Inter-organization (RHIO) was registered as an independent entity, (iv) 45 cooperatives received training and support in proper management, (v) there was support to cooperatives to get legal status, (vi) TA on corporate governance of cooperatives was provided, (vii) 17 commodity unions were formed under the project that will also form a national horticulture federation, (viii) 10 cooperatives received training in quality management standards for selected fruits and vegetables, (ix) NAEB as an institution was certified, and (x) database includes a mapping of producers and crops were published on the RDB website, and used by investors to fill information gaps.

Outcomes:

Progress toward outcome as measured by the results framework is as follows: (i) the target of percentage increase in volume of select fruits and vegetables exported by firms/cooperatives with certified market standards under the project was missed, as it reached 12 percent against a target of 20 percent, (ii) the target of number of cooperatives supported to produce horticulture products for export was exceeded, reaching 90 against a target of 18, (iii) the target of 10 horticulture cooperatives that had to receive training in Quality, Measurement and Standards (QMS) for selected fruits and vegetables was fully achieved, (iv) the target of 17 horticulture commodity unions to be formed under the project was achieved, (v) the target of 8 cooperatives supported in the production of clean planting materials was fully achieved, and finally (v) the two clusters to be identified and supported for production and value addition was also fully achieved, the two clusters supported being the passion fruit, and tamarillo.

Toward improved competitiveness of horticulture through export, the project helped to select the subsectors,



markets, and commodities that would be prioritized for growth and defined the marketing strategy and requirements for export. The project significantly contributed to the sector's ability to organize growers and exporters and to facilitate communication between them, through support for the umbrella organization for the horticulture sector, the Rwanda Horticulture Inter-Organization (RHIO), the creation of commodity unions and a national federation which negotiated sales for growers, ensured the timely delivery of inputs, acted as a one-stop center. Finally, another significant contribution of the project to the competitiveness of the horticulture sector was the training in quality measurement and standards.

(iii) Strengthening institutional capacity to improve competitiveness of tourism (Substantial)

Outputs:

Tourism marketing in the East African Community included: (i) database of East African Community (EAC) target market with 690 contacts developed, (ii) 159 tour operators in Uganda, Tanzania, and Kenya proactively selling Rwanda, (iii) destination specialist program developed and conducted with 181 operators, (iii) 1,157 outreach activities completed, (iv) 95 committed marketing partnerships established, and (iv) 92 educational trip participants were involved.

Tourism marketing in Europe, Russia, North America, and China: (i) 2,000 sell-in tools produced and distributed in targeted markets, such as DVDs and printed materials, (ii) educational trip for 48 international tour operators arranged, (iii) 14 international trade events attended, (iv) familiarization trips for 15 international media journalists arranged, (v) 10 joint marketing events with destination operators and 916 outreach meetings held, (vi) 140 international tour operators proactively selling Rwanda, (vii) website in Chinese visited by over 2 million people, and (viii) 48,000 fans following the Rwanda tourism account on the World Travel Online website.

Meetings, Incentives, Conferences and Events (MICE) Convention Bureau management expert: (i) 10 events held, including World Export Development Forum (800 delegates), Capital Market East African conference (300 delegates), (ii) Revised tourism master plan, (iii) report of assessment of the handicrafts industry delivered with recommendations, and finally, (iv) a revised sustainable tourism master plan aligned with EDPRS II was published.

Outcomes:

Performance toward outcome as measured by the results framework displayed the following achievements: (i) the number of tourism arrivals from targeted new markets was exceeded and reached the number of 627,893, against a target of 480,000, (ii) the number of outbound operators packaging and selling destination Rwanda was exceeded and reached the number of 25, against a target of 5, and (iii) the number of MICE events organized by the Rwanda Convention Bureau was partially achieved, reaching 10 events against a target of 15.

Toward improved competitiveness of tourism through diversification, the project impact included the following: (i) the overall trend in visitors is positive over the past few years, the trend in leisure arrivals is only positive for EAC, negative for Europe and Asia, and neutral for the Americas. Marketing activities were only completed in 2015 and their effect could not yet be seen in the data. With regard to intermediate outcomes, however, the firm conducting the marketing activities in Europe and the Americas reports 140 tour operators that are proactively marketing Rwanda in 2015, compared to 77 before the activities were conducted. Similarly, the firm for EAC reports 95 committed marketing partnerships since the inception of activities. Regarding achievements in the tourism sector, the project provided an unknown level of contribution to the above outputs and outcomes, because other projects and initiatives from the Government and external partners targeting the same results were being implemented in parallel.



Rating
Substantial

5. Efficiency

Economic and financial efficiency: There was no economic analysis at appraisal and the ICR did conduct one after project closure, given the technical assistance nature of the project activities and the difficulty to attribute generated impact to the project. However, the completed reforms toward rationalization and optimization of organizational public and private institutions have the potential to lead to savings in the running of the public sector by removing overlaps and streamlining functions and improving efficiency in entities supporting the private sector. Another demonstration of the value for money is that some beneficiaries found the cost of project activities justified and have committed their own resources or raised funds to continue implementing the reforms supported by the project.

Operational and Administrative efficiency: A functional review similar to the ones conducted in the three priority institutions was conducted in the Rwanda Ministry of Infrastructure at a cost of approximately US\$141,000 compared to an average cost of around US\$113,000 for the project's functional reviews, but without knowing how similar these functional reviews were, the cost is not a very robust indicator. Project administration costs amounted to US\$0.8 million compared to US\$0.5 million estimated at appraisal. Moreover, there were serious delays in procurement that required a one-year extension of the project, and there were coordination difficulties among Government entities as well, and the high staff turnover nullified much of the capacity building in the targeted institutions.

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 <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

The relevance of objectives was high, but that of design was modest. Efficacy was substantial for the first and third sub-objectives: (i) toward increased technical and institutional capacity of selected public and private sector institutions, key achievements included a restructuring that addressed weaknesses in organizational structure, skills, and personnel mix and introduced a variety of systems for planning, management, or procurement, which have potential to increase public and private sector governance and efficiency, (ii) toward improved competitiveness of tourism through diversification, the project led to an overall positive trend in visitors over the past few years. Efficacy for the second sub-objective was modest: toward improved competitiveness of horticulture export, the project helped select the markets and commodities and defined the marketing strategy for export, and promoted horticulture for export, but the added value did not generate the expected improved export development, and the ICR did not provide evidence of progress made to improve both internal and external competitiveness of horticulture products. Project's efficiency is rated as modest; while optimization of institutional and organizational mandates is potential for savings, delays in procurement, frequent staff turnover, and coordination difficulties outweighed all other gains. Overall the project outcome is rated as Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

Key results (increased capacity of public and private sector institutions, a restructuring in organizational structure and skills, and an overall positive trend in visitors over the past few years results) achieved through capacity-building and institutional strengthening supported by the project are likely to be sustained, mainly because of Government's displayed commitment. The MIFOTRA has committed resources to customize the competency framework to all public agencies, Human Resource Management specialists were hired in most agencies, and an integrated results-based management system is being rolled-out in each organization's performance contract.

Progress made at the sector (horticulture and tourism) level is also likely to be sustained, but there is no certainty that the momentum will be maintained. In horticulture, NAEB's certification gives it the ability to provide a range of services to firms in the sector. In tourism, the institutional setup for the MICE segment is now fully funded by the RDB, and has demonstrated its potential to drive tourism growth in the country. On the demand side, the risk to sustaining long-term competitiveness in horticulture and tourism is linked to factors outside of the project's objective, including fluctuations in demand, and other external shocks that can significantly affect exports in the two sectors.

Overall, the risk to development outcome is rated as modest.



a. Risk to Development Outcome Rating

Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

The project design was informed by a solid background analysis and lessons from Bank's previous projects implemented in the country and elsewhere in the world. Project preparation included extensive consultations with all stakeholders to ensure the buy-in by the private sector in particular. Key risks were identified, and the project attempted to mitigate the following weaknesses during project implementation: (i) appraisal of institutions was weak and interventions were poorly targeted, and did not address the inability of the PIU to take up the project's technical and fiduciary work, (ii) weak private sector organization and representation, and (iii) how to trigger the private-public synergy. Key shortcomings at entry were: (i) the project design was not clear about how to leverage on-going initiatives and partnerships in the selected sectors to ensure complementarity, (ii) the components' structure could have been simplified and better sequenced, and finally (iii) M&E design and implementation arrangements were not adequate.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The Bank provided adequate resources to supervise the project, as the project had two TTLs and a junior officer based in the field, with at least one task team leader (TTL) based in the field throughout the project life. The team conducted regular supervision missions and prepared regular aide memoires and closely followed fiduciary compliance. Even so, there was a significant disbursement lag during the first two years due to low coordination and limited implementation capacity in the PIU, following the high turnover of staff and the absence of a full-time procurement specialist. The low technical capacity in the PIU led to enhanced supervision from the Bank that increased project management costs. A lack of candor in the ISRs ratings led to a late restructuring, which was reactive to a funding shortfall, rather than a strategic move to turn around the project progress toward expected outcome. The restructuring allowed cancellation of activities and reallocation of resources, without completely solving the sequencing of activities. The ISRs and aide memoires were not focused on the overall progress toward the PDO, because most indicators were at output level and were considered met when reports or training inputs were delivered.

Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating



Moderately Unsatisfactory

9. Assessment of Borrower Performance

a. Government Performance

While the Government was very responsive, there was an overall sense of over-commitment to too many initiatives with insufficient levels of staffing or required expertise. While there was a general sense of ownership of the project, it was uneven among the different beneficiaries, and working on too many fronts led to weak oversight of project activities. Ownership and commitment improved significantly after the Medium Term Review (MTR). However, responsibilities among ministries and agencies were unclear at times and affected coordination and decision-making ability. There were also delays on important policy decisions: for instance, the Pay and Retention Scheme that required cabinet approval had not been obtained by project closure, and could not generate the expected positive effect on staff retention in the sectoral institutions.

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

The PIU had extensive experience with implementing Bank projects and was assessed to have adequate capacity to implement a technical assistance project. But the PIU performance was persistently hampered by delays in contract procurement, due to the high turnover of staff, frequent retraining was necessary and this significantly exacerbated capacity constraints. Finally, the PIU was overstretched to oversee other government-financed projects, with no prioritization between activities, and no clear division of responsibilities among staff members.

Implementing Agency Performance Rating

Moderately Unsatisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E framework was weak, because the PDO indicators were not easily attributable to project activities, and PDO indicators also were not precisely specified (for example, tourist arrivals were initially reported globally and not just from the targeted markets) and baselines and targets for some indicators were either not established or unclear. Progress was tracked entirely through the delivery of outputs such as action plans and organizational structures, and there was no benchmark or progress data on whether the delivery of these



outputs affected capacity. Another weakness of the results framework was the fact that some indicators had a political dimension and had to go to the Cabinet for approval, which could be influenced by factors outside the scope of the project. Other indicators at design were difficult to measure, such as the satisfaction of horticulture producers and buyers and these indicators had to be dropped at restructuring.

b. M&E Implementation

Before the project MTR, M&E quality was seemingly over-rated as Moderately Satisfactory, despite continuing lack of baseline data for some indicators, and lack of data on progress, due to slow start of project activities. The project restructuring aimed to correct the shortcomings of the M&E at design. Some intermediate indicators for horticulture and tourism were added to strengthen the causal chain, but a similar indicator was not added for capacity building, even though the MTR recommended it.

c. M&E Utilization

Because most of the indicators were process or output oriented, monitoring them closely allowed the team to identify delays in implementation of activities, and during the restructuring, proceeds were reallocated from slower to faster moving components. Since most M&E data were captured at output level (see ICR para. 27), they did not inform the conclusions at the outcome level.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

The project was classified as Category 'C' under OP/BP 4.01 Environmental Assessment, and no safeguards policies were triggered during the life of the project.

b. Fiduciary Compliance

Financial Management: The ICR did not report any major issues with fiduciary management during the project implementation, and the latter received clean and unqualified audits in 2013, 2014, and 2015 (ICR para 31).

Procurement: Procurement operations encountered serious delays, mainly due to (a) limited capacity of the PIU, late technical inputs to TORs by Government services; and (b) large workload at the Internal Tender Committee and high staff turnover within the SPIU. Post-procurement review shows that there were no



procedural gaps associated with procurement (ICR para 32).

c. Unintended impacts (Positive or Negative)

The ICR did not report any.

d. Other

The ICR did not report any.

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Moderately Satisfactory	Moderately Unsatisfactory	There were significant shortcomings in the project design and supervision
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

Instead of identifying lessons, the ICR provided a list of recommendations and findings derived from the project design and implementation, which underscored the importance of credible results chain, the need of realism in assessing capacity, timeframes and uncertainty, the advantage of leveraging sequencing and complementarity, and ensuring the Government's central role in coordination.

IEG draws two lessons:

1. **Governance and competitiveness improvements are not a one-shot operation**, they are long-term and multi-sector goals and have to be continued and sustained. Toward this end, the Borrower succeeded to secure the support of external partners (AfDB, IFC) who pledged resources to build on achieved results and



push for the sustainability of achieved outcome.

2. Careful sequencing of project activities can significantly increase synergies between components and amplify the expected outcome. The capacity-building activities (including M&E) that were part of the project could have been better linked with implementation and help avoid delays. In addition, as staff retention was a serious issue, it was arguably better to address that first before training staff who are subsequently likely to leave.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is a concise and candid account of the project design and implementation; it is centered around the assessment of progress made toward project objectives. Both the results framework and the analytical section of the ICR made an attempt to capture the project's contribution toward the achieved outcome. Instead of filtering lessons learned, the ICR identified recommendations and findings which are derived from the design and the implementation experience of the project. Aspects of the ICR that could have been improved are the following: (i) the presentation of the results framework needed more clarity, by eliminating the confusion between the date of the formally revised target values and the date of actual value achieved at project completion, and (ii) the ICR needed to strike a difference between the lessons learned and the recommendations and the findings derived from the project completion.

a. Quality of ICR Rating

Substantial