Report Number: ICRR0022973

1. Project Data

Project ID	Project Name
P129713	DRC Urban Development Project
Country	**Practice Area(Lead)**
Congo, Democratic Republic of	Urban, Resilience and Land

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-60340,IDA-H8420	31-Jul-2019	107,131,050.80
Bank Approval Date	**Closing Date (Actual)**	
09-May-2013	30-Jul-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	100,000,000.00	0.00
Revised Commitment	111,992,841.43	0.00
Actual	108,189,214.84	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Cynthia Nunez-Ollero	Fernando Manibog	Kavita Mathur	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (FA, p.5) and the Project Appraisal Document (PAD, paragraph 15), the Project Development Objective was "to improve access to basic services and strengthen urban and municipal management of the targeted cities."

The PDOs were changed twice. First, the May 2017 Additional Financing (AF) included "infrastructure" to "basic services" to better reflect the expanded scope of the project. Second, the January 2020 restructuring included a contingent emergency response component (CERC) following the 2018 Ebola outbreak in Eastern Democratic Republic of Congo (DRC).

The revised PDOs were restated: "to improve access to basic services and infrastructure, strengthen urban and municipal management of the Target Cities, and to provide immediate and effective response to an eligible crisis or emergency."

This review will assess the extent to which the project achieved the revised PDOs against the following separate objectives:

- to improve access to basic services and infrastructure of the Target Cities;
- to strengthen urban and municipal management of the Target Cities;
- to provide immediate and effective response to an eligible crisis or emergency.

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

08-Jan-2020

c. Will a split evaluation be undertaken?

Yes

d. Components

1. **Primary Infrastructur**e (US$50 million at appraisal, AF increased this to US$82 million, US$ 69.69 million actual). This component was to finance infrastructure investments such as roads, drainage, markets, water, solid waste, and electricity distribution lines in target cities. Each city was to receive an initial US$5 million and an additional allocation based on population size, recognizing that larger cities had more need. Cities were to receive between US$7 -12 million for investments in socioeconomic infrastructure. The target cities at appraisal were Bukavu, Kalemie, Kikwit, Kindu, Matadi, and Mbandaka. AF added three more target cities of Goma, Kisangani, Kolwezi. However, the following cities were dropped Kalemie, Kindu, Mbandaka, Kisangani, and Kolwezi in the 2020 restructuring. Bukavu, Kikwit, Matadi, Goma and Kananga were to be the target cities at closing.

2. **Urban Governance, including Project Preparation Advance or PPA** (US$48 million at appraisal, AF increased this to US$108 million, US$32.3 million actual). After the project became effective, the disbursed amount of a US$2 million PPA was integrated into this component. This component was divided into the following five sub-components:

- **Performance-based investments** (US$30 million at appraisal, AF increased this to US$70 million, US$6.4 million actual). This subcomponent was to finance Investments after cities have achieved performance criteria specified in contracts. Local governments were to achieve two sets of performance criteria to access each half of the investment funds. First, local governments were to achieve 5 minimum conditions. Second, local governments were to achieve a set of additional 13 performance criteria with a score of at least 65 percent (see Section 4 Efficacy below). Investments under this Performance-Based Fund Allocation System (PBFAS) were to improve governance by using accountability considerations. The funds were to be allocated by city population at US$16 per capita. Cities were to be allocated between US$2.6 -10.5 million.

- **Capacity support to cities** (US$12.8 million at appraisal, AF increased this to US$21.2 million, US$ 12.2 million actual). This component was to finance two types of expenditures: one, a Flying Capacity Building Team (FCBT) to assist target cities with on-the-job support on municipal and urban management; and two, on-demand technical assistance (TA) for target cities. The TA was to support cities in achieving their performance criteria, update their local development plans, and improve their financial management, improve the management of infrastructure assets, implement street addressing, and support civil society as they oversee local activities.
- **Capacity support to central and provincial government agencies** (US$2.5 million at appraisal, AF increased this to US$4.1 million, US$4.8 million actual). This component was to finance capacity building and technical assistance to the project oversight ministry responsible for urban planning, the Ministry of Urban Planning and Housing (MUH), and also to the Ministry of Decentralization (MINDEC), as well as specialized agencies involved in urban and decentralization sectors. This subcomponent was to finance the Annual Performance Assessments (APAs) of project cities, revise sector legislation, implement a sector database, and support local governments in implementing the activities under subcomponent 2(b).
- **Strategic studies** (US$0.5 million at appraisal, AF increased this to US$1.5 million, US$ 0.7 million actual). This component was to finance the mid- and end-of-project evaluations, beneficiary satisfaction surveys, and an assessment of the PBFAS.
- **Project operating costs** (US$2.2 million at appraisal, AF increased this to US$9.2 million, US$8.2 million actual) This component was to finance operating expenditures (recruitment of fiduciary staff, mission travel to project cities, environmental monitoring, and audits). Civil servants rather than consultant experts were to implement the project.

3. **Contingent Emergency Response** (Restructuring augmented this component with an original US$50 million, another restructuring reduced this to US$20 million, US$9.9 million actual). This component was to finance the capacity of the United Nations Children's Fund (UNICEF) to maintain a 90-day enhanced surveillance program in response to the second largest recorded Ebola outbreak in 2018 that killed more than 2,200 people. This epidemic was the 10th Ebola virus disease outbreak (EVD10). The World Health Organization (WHO) declared the end of the epidemic on June 25, 2020 (ICR, paragraph 37).

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

Project Cost: The original total project cost was US$100 million. With US$90 million in AF, the revised total project cost was US$190 million. Restructuring (see Dates and Restructuring below) reduced the project cost to US$112 million. The credit disbursed US$108.2 million. Funds were cancelled twice - US$70 million in 2020, and another US$8 million in 2021 (ICR, paragraph 19).

Financing: The International Development Association (IDA) fully financed this project with the original US$100 million and AF of US$90 million for a total of US$190 million.

Borrower Contribution: None.

Dates and Restructuring: The project was approved on May 9, 2013 and made effective on September 6, 2013. The Mid Term Review was conducted on January 27, 2017. The project was to close originally on July 31, 2019 but was extended twice - first, to November 30, 2022 (40 months), then back to July 30, 2021 or a total of 24 months. The government requested AF in 2017. The total project implementation period was about eight years. There were four level 2 restructurings:

- On June 8, 2016 to make the following changes: (i) replace the establishment of the urban sector database with TA to the Ministry of Urban Planning and Housing (*Ministère de l'Urbanisme et de l'Habitat* or MUH) and the Ministry of Decentralization (*Ministère de la Décentralisation* or MINDEC because the government's decentralization agenda was advancing slower than expected; (ii) improve the performance assessment instrument by dropping two performance indicators and modifying five others; (iii) reduce the scope of financial management and street addressing activities; (iv) assign to the FCBT the task of supporting local civil society; and (v) include civil society representatives in local government staff training programs.
- On May 4, 2017, to expand the scope of the project by adding three more target cities - Goma, Kisangani, and Kolwezi, bringing the total to 6; provide Additional Financing (AF) of US$90 million to support new activities in these cities; revise the indicators and target values; revise the PDO to "to improve access to services and infrastructure"; reallocate costs; and extend the closing date from July 31, 2019 to November 30, 2022. The new activities to be financed included support for community engagement, a study on the special investment and planning needs of Goma, and a study on its land tenure.
- On January 8, 2020, to revise the PDO a second time by adding a new objective to correspond to a new component (CERC), with an original allocation of US$50 million, and assign the Project Implementation Unit (PIU) of the Bank-financed Health System Strengthening for Better Maternal and Child Health Results Project (P147555) to manage it. These changes amended financing agreements. This restructuring reduced the scope of the project from nine to four target cities (Bukavu, Goma, Kikwit, and Matadi); reduced the performance-evaluation matrix to five base conditions; and focused the performance criteria on evaluating transparent and accountable financial management. The following activities were dropped from the project: street addressing; updating local development plans; and two studies - on the urban development needs of Goma and on land tenure.
- On August 13, 2020 to cancel US$70 million - US$30 million from CERC and US$40 million from Components 1 (Primary Infrastructure) and 2 (Urban Governance) - to address the socioeconomic impacts of COVID-19 and add Kananga, capital of the Kasai-Central Province, to the list of target cities. The activity to be financed in the added city was to stop gully erosion as this posed serious threat to key infrastructure in the city and to the only airport in the province. Planned investments that were not yet contracted were cancelled. The project closing date was brought forward from November 30, 2022 to July 30, 2021.
- On July 30, 2021 to cancel US$8 million.

Split Rating: A split rating of the outcome is undertaken because the PDOs were changed twice. The first, in 2017 AF to expand the scope of the project by increasing the target cities from six to nine and add "infrastructure" to "basic services." The second, in 2020 to add "immediate and effective response to an eligible crisis or emergency." By that time, the number of target cities have been reduced from nine to four, indicating a reduced ambition of the project (ICR, Table 2) accompanied by changes in target values of outcome indicators.

3. Relevance of Objectives

Rationale

The country was undergoing rapid urban growth. The 1957 urban planning legislation was outdated. The only master plans were over 30 years old. Unplanned cities proliferated, undermining their agglomeration contribution to economic growth. Unguided urban expansion was constraining actions to reduce urban poverty. The inadequate delivery of urban services was becoming more acute. Investing in a limited number of 'growth pole' DRC cities such as Bukavu, Kalemie, Kikwit, Kindu, Matadi, and Mbandaka, was expected to rectify the infrastructure deficits, and improve governance capacity to exploit the benefits of urbanization. The DRC constitution mandated the transfer of 10 percent of central government resources to subnational entities. This level of transfer had not been attained.

Country Context and Plans: The Democratic Republic of Congo (DRC) is a resource-rich country but remains one of the poorest globally. A long period of conflict devastated the country's population and economy. Infrastructure was destroyed and not maintained. Capacity to provide public goods and services was deficient. Governance institutions were weakened. A newly elected government in 2011 initiated economic policies and structural reforms to address some of these issues. The government operationalized the 2011 Poverty Reduction Strategy, emphasized governance, infrastructure investments, improved security, public financial management, the promotion of a modern public administration, and human development. The government adopted laws in 2016 to establish a National Equalization Fund (NEF) and a provincial and local civil service. However, implementing these reforms remained incomplete because local governments had limited means to carry out their mandates (Project Paper for AF, paragraph 9). In 2019, the country devised a National Development Plan to implement the Plan Quinquennial 2018-2022. The main development priorities were to achieve the Sustainable Development Goals, and to emphasize education, economic diversification in agriculture, and innovations. The PDOs were relevant to these aspirational plans.

World Bank Partnership: The objectives of the project were relevant to the World Bank's Country Partnership Framework (CPF) for DRC for 2021 - 2026. This CPF has two Focus Areas: (i) strengthening economic management to create an improved investment climate for private sector-led growth; and (ii) building human capital and enhancing resilience for social inclusion and sustainable growth. The CPF built on analytical work such as a 2018 Systematic Country Diagnostic (SCD), a 2021 Risk and Resilience Assessment update, territorial development analysis, spatial analysis, poverty analysis, and a 2020 Country Private Sector Diagnostic. The new CPF refocused Bank investments in provinces with higher concentration of poverty and influenced the January 2020 restructuring (see Dates in Section 2 above) to focus investments in cities in these provinces. The project was substantially relevant to the Bank's strategy for the country (ICR, paragraph 23). Kananga (in Kasai-Central Province, with higher poverty rates) was added as a target city to boost the project's relevance to the CPF. In addition, the CPF included objectives related to improved urban development, access to basic infrastructure services, and strengthened governance and transparency. The PDOs and the project were aligned with these focus areas. As part of the CPF, the DRC will have access to the Prevention and Resilience Allocation (PRA), a mechanism to supplement IDA country allocations for countries at risk of escalation of violent conflict to address the drivers of conflict (ICR, paragraph 24). Including CERC to the PDOs was relevant to the government’s preparedness and response capacity to cope with Ebola outbreaks and directly supports the CPF's objective to strengthen the resilience of targeted vulnerable populations in DRC.

World Bank Experience in the Country and in the Sector: This project followed a series of infrastructure rehabilitation projects in the urban sector using the ‘growth pole’ approach to decentralization embodied in the 2013–2016 Country Assistance Strategy (CAS). Beginning in 2001, the World Bank has financed 55 projects in the DRC worth nearly $9 billion, with US$4 billion going into infrastructure reconstruction and rehabilitation.

The innovations introduced under the operations, e.g., using civil servants to implement projects, and framing the project components to mainstream the country’s fiscal transfer architecture (the National Equalization or NEF) for all DRC local governments, made the project ambitious (ICR, paragraph 9). The PDOs appeared manageable for two reasons: first, outcome indicators were more at an intermediate level (access, without reference to quality and service standards of the infrastructure services to be delivered); and second, scope was limited to a few target cities. The experience from the performance-based funding mechanism would recommend the type of transfer and assessment that would apply to all local governments and increase the efficacy of decentralized expenditure.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve access to basic services of the Target Cities.

Rationale

Theory of Change (ToC). The project activities or **inputs** were to be determined by the target cities as part of their planning. These consisted of upgrading roads and drainage and the rehabilitation or construction of anti-erosion structures, markets, solid waste management, water supply and sanitation, and electricity investments. These inputs were to be implemented in the original 6 project cities - Bukavu, Kalemie, Kikwit, Kindu, Matadi, and Mbandaka. These were provincial capitals or principal cities with populations between 100,000 and 1 million. The original target cities were ‘growth poles,' experiencing rapid population increases. They were selected for impact and equitable distribution of available resources following the peace consolidation focus of the Bank's strategy for the country at that time. Equitable allocation of investments across provinces was an important element of stabilizing peace (ICR, paragraph 11).

Outputs were to include length of improved roads, drainage, number of markets, number of water connections, volume of solid waste collected, and length of and number of connections of electricity lines in these target cities. Outputs were also to include the number of person-days of employment created and new classrooms built.

Outcomes were the number of beneficiaries with access to all season roads, and direct beneficiaries of all project interventions. While this indicator is adequate to represent the increased access, there were no indicators to represent the quality or service standards met by the investments. The long-term outcomes were to be improved access to basic services of the target cities with no associated indicators. No assumptions were offered to increase the likelihood of achieving this objective.

OUTPUTS: Five original outputs were to lead to improved access to basic services in target cities:

- Rehabilitated 31.81 km of non-rural roads (original target, 11.90 km, target **exceeded**).
- 6.2 km of drainage including anti-erosion works was constructed (original target 2 km, target **exceeded**).
- 86.6 percent (original target 75 percent, target **exceeded**) of beneficiaries responded favorably that project investments reflected their needs.
- Additional beneficiaries with access to other services. Drainage works benefited 320,000 people and the constructed schoolrooms benefited 12,000 pupils and teachers. According to the ICR, the number of students doubled (no base information) beyond the national standards (not indicated), because of the new construction (ICR, paragraph 29).
- 737,070 person-days employment at project works sites were created (original target 3.5 million person-days, target **not achieved)**. Of these person-days achieved, six percent were females (original target 10 percent, target **not achieved**).
- 120 new classrooms in 10 schools were built (no target because these were undertaken during implementation) in Kikwit, Kindu, and Matadi.
- The ICR did not report on achievements in the number of markets (target 6), or water or electricity lines connections (no targets), volume of solid waste collected (no target).

OUTCOMES: Two original outcomes were to indicate improved access to basic services in target cities:

- 406,911 people were provided access to all-season roads within a 500-meter range (original target 76,000, target **exceeded**). The original target consisted of beneficiaries of the identified roads at appraisal and was expected to be revised at implementation.
- 419,240 were direct project beneficiaries (original target, 104,230, target **exceeded**) including 51 percent female (target 51 percent, target **achieved**).

Overall, the efficacy of the project to achieve this original objective is rated Substantial. The original outcome indicators were exceeded. However, two of the five output indicators that were to lead to these outcomes, were not achieved. The outcome indicators were at an output level but could reasonably reflect improved access.

Rating
Substantial

OBJECTIVE 1 REVISION 1

Revised Objective

To improve access to basic services and infrastructure of the Target Cities.

Revised Rationale

Revised Theory of Change: The ToC was revised to acknowledge the revised inputs and outputs because of the changes in the number of target cities introduced at AF and at restructuring. In addition, "infrastructure" was added to acknowledge the added activities. The same causal link followed for the inputs and outputs outlined in the original ToC above were valid for this revised objective. However, two restructurings later and one AF revised the target cities three times. First, AF added 3 more cities (Goma, Kisangani, Kolwezi); second, the first 2020 restructuring dropped 5 cities (Kalemie, Kindu, Mbandaka, Kisangani, and Kolwezi); and third, the second 2020 restructuring, added one other city. At closing, there were 5 target cities - Bukavu, Kikwit, Matadi, Goma, and Kananga.

Revised Inputs: The target values of the indicators were revised because of the changes in the number of target cities The AF and the restructurings revised the scope, and targets of the inputs. The revised inputs included by the August 2020 restructuring were works against erosion, support for community engagement, and two studies - one on the special investment and planning needs of Goma, and two, on its land tenure. These last revised four inputs, plus street addressing and updating of local development plans were dropped in the January 2020 restructuring.

Revised Output: The revised output included the number of completed erosion works. There were no outputs for the dropped inputs.

Revised Outcomes: Two parts comprised the revised outcome - first, availability of bidding documents, an output; and second, completed works, also an output. This indicator alone was insufficient to capture the outcome of the project interventions (see Section 9, M&E below). Target values of all outcome indicators were revised.

REVISED OUTPUTS: The original outputs with revised targets plus one other output related to the emergency works in the added target city of Kananga were to lead to improved access to basic services and infrastructure in the target cities.

- 31.8 km of non-rural roads (2017 AF revised target 34.85 km, increased in the January 2020 restructuring to 51.5 km, and then reduced in the August 2020 restructuring to 31.80 km; revised target **achieved**).
- 6.2 kilometers of drainage were constructed (2017 AF dropped this indicator but reinstated it in the August 2020 restructuring with a revised target 8.70 km, revised target **not achieved** because drainage investments in Goma were cancelled in the August 2020 and 2021 restructurings). This indicator measured the length of the drainage constructed relative to the road rehabilitation to improve runoff of surface water.
- 737,070 person-days of employment were created (2017 AF reduced the target to 2.2 million, January 2020 restructuring further reduced this to 1.2 million, and then to 730,000 person-days in the August 2020 restructuring, revised target **achieved**).
- Two heads of gully erosions in Kananga were completed (target was one erosion work, target **exceeded**). Technical designs, bidding documents, ESIAs and RAPs for the stabilization works on seven other erosion gullies were completed, achieving the target to complete the design of

nine identified gully erosions. The August 2020 restructuring added this output indicator and target values, target **achieved**). According to the ICR, the government was to finance the stabilization works of two other erosion gullies (ICR, Annex 1 Section B).

REVISED OUTCOMES: There was one added outcome to the original two outcomes above (with revised targets) to indicate improved access to basic services and infrastructure in the target cities.

- 406,911 residents (the June 2016 restructuring revised the target to 123,000, the May 2017 AF increased the target to 1,036,000; the January 2020 restructuring reduced this to 457,000, and in August 2020 restructuring further reduced to 391,000, revised target **exceeded**) were provided with improved urban living conditions. The improved conditions referred to the rehabilitated urban roads in eight cities, the construction of school facilities in three cities and the added investments to stop the advancement of gully erosion in Kananga. The anti-erosion works benefited about 15,000 persons. The United Nations Office for Project Services (UNOPS) completed technical designs for all nine erosion works. The remaining seven works could not be completed under the project. The government and the World Bank are discussing the financing of a project to control other major gully erosion in the city.
- 419,240 direct beneficiaries (the June 2016 restructuring revised the target to 1,073,000, increased in the May 2017 AF to 1,358,000, reduced in January 2020 restructuring to 742,000 and reduced further in August 2020 restructuring to 394,000, revised target **exceeded**). 52 percent were female beneficiaries (original target of 51 percent was not revised, target **achieved**).
- In the beneficiary satisfaction survey before the MTR, 86 percent (revised target not available) of project beneficiaries in the initial six target cities were satisfied that the project achievements met their needs. At closing, this was reported at 94 percent (no target). The beneficiary satisfaction survey also reported that more than 90 percent (no target) of school officials, teachers, and students in ten project schools were very satisfied with the rehabilitation and modernization efforts, and the acquisition of equipment. In some cases, the number of students doubled (no number), going beyond the national standards (not indicated).
- At closing, the impact assessment and beneficiary satisfaction survey reported that project investments reduced transport time by between 50 and 75 percent (no target) along rehabilitated roads. Beneficiaries interviewed for the socioeconomic impact assessment also reported that the market values of land and real estate along the rehabilitated roads increased by 30 to 60 percent (no targets). No price survey accompanied this claim. Data from the urban road agency Urban Road Agency (*Office de Voirie et Drainage* or OVD) indicated that the rehabilitation of roads in some cities increased the number of road accidents by 30 percent because of increased speed along rehabilitated roads.

Overall, the efficacy of the project to achieve this revised objective is rated Modest. The revised target outcome indicators were all achieved. However, the number of people provided with improved urban living conditions, and the project's total number of beneficiaries, were reduced by almost half due to cancelled funds. At closing, the outcome targets could be shown as "achieved" only because these were revised significantly downwards to match actual results just at the time of project completion. The outcome indicators remained unchanged and could reasonably reflect improved access but improved urban living condition was not clearly articulated.

Revised Rating
Modest

OBJECTIVE 2

Objective
To strengthen urban and municipal management of the Target Cities.

Rationale
Theory of Change: The ToC at closing showed a reasonable and probable causal link between the inputs leading to outputs and outcomes.

Inputs were to include technical assistance, training, and study tours to build the capacity of governing authorities at both the national and local levels and civil society organizations.

Outputs were to include technical studies, reports, manuals, training plans, surveys, impact assessments, technical audits, city performance contracts between the mayors, governors, and the Ministry of Urban Planning and Housing (*Ministère de l'Urbanisme et de l'Habitat or* MUH) that specify performance criteria in urban and municipal management responsibilities, and performance assessments that were conducted.

Outcome indicators were: (i) the number of cities qualifying for performance-based investment fund; (ii) the rollout of a performance-based fund allocation system piloted; and (iii) the number of cities with improved livability, sustainability, and/or management. All three outcome indicators were more at an output or intermediate outcome than at an outcome level. The third outcome indicator also did not articulate how "livability'" was measured beyond completing the infrastructure investments. An outcome was also to establish improved lines of accountability between local authorities (nominated mayors) and city residents. Like the ToC of Objective 1, no assumptions were identified to increase the likelihood of achieving this objective.

OUTPUTS: Seven original outputs were to lead to strengthened urban and municipal management in target cities:

- A 75 percent achievement (target 95 percent, target **not achieved**) that city quarterly budgets accompanied by narrative reports were generated, disclosed, and debated in a timely manner. Before the project, only annual reports with administrative matters were sent to the governor. Timely means no later than 30 days after the end of the quarter. Indicator measured the percentage of quarterly budget reports for 6 cities (percentage of 24 budget reports annually).
- Three cities met targets for maintenance of infrastructure (target five, target **almost achieved**) according to the performance criteria set out in the PIM.
- New urban sector legislation and regulation were prepared. A new urban code and related application decrees were prepared. Preparatory diagnostic work and a draft law were available. However, a planned substantial national consultation process and related updates to the draft law were not finalized. The application decrees were not completed. The indicator was reported as 50 percent achieved. The updated urban sector legislation and regulation were not finalized. A law was drafted and reviewed based on international standards and best sector practices (ICR, paragraph 36). The project facilitated extensive consultation processes; improved dialogue and working relationships among national agencies; and the foundation and training material to analyze and update the urban

sector legislation that may inform the Bank-funded Kinshasa Multisector Development and Urban Resilience (Kin Elenda) Project (P171141), with the UN-Habitat continuing its role as technical advisor to the government.

- The following studies and reports were completed:
    - updates of local development plans for target cities;
    - a study mobilizing local government revenue;
    - study on managing revenue generating local government assets;
    - an asset inventory and maintenance planning tool;
    - financial management manuals; and
    - training plans for local government staff. Training plans were implemented in all cities but some awareness raising activities were not completed at AF. “Basic package of training” refer to training in project implementation. A 50 percent rate of achievement was reported instead of the target number of cities (target six).
- MINDEC study tour in Senegal was completed.
- The following indicators were dropped at AF and therefore **not achieved**:
    - Sector database (original target one).
    - City budgets sent to the governor before the start of the fiscal year (original target six)
    - Cities completed their asset inventory (original target 6; this indicator included in maintenance performance above).
    - Cities assured that key staff received basic training (original target six). This indicator was replaced by one that an overall training plan was implemented.

OUTCOMES: Three original outcomes would reflect achievement of strengthened urban and municipal management in target cities:

- Four local governments (original target 5 of 6 cities, target **nearly achieved**) met base conditions and achieved at least 65 of 100 points on their annual performance assessment and accessed performance-based investments allocations. The Flying Capacity Building Team (FCBT) delivered TA to nine cities. An international firm conducted regular Annual Performance Assessments (APAs) of the target cities from 2014 to 2019 with three of four target cities achieving the 2018 APA performance criteria. The General Secretariat of the MINDEC piloted the 2019 assessment where four target cities achieved satisfactory scores. The cities of Bukavu, Goma, Kikwit, and Matadi met the targets of the performance criteria as of April 31, 2021 (ICR, Annex 5, paragraph 8 and Table 5-2).
- The National Equalization Fund (NEF)’s performance-based fund allocation system (PBFAS) for cities was not rolled out, target **not achieved**.
- Cities benchmarked by establishing sector and local government database to generate annual reports (original target four cumulative annual reports produced, target **not achieved** because this indicator was dropped in the June 2016 restructuring.

Overall, the efficacy of the project to achieve this objective is rated Modest because only one of three outcome indicators was achieved, albeit substantially. The outcome indicators were narrowly defined but reasonable to expect that urban and municipal management were indeed strengthened (see Section 9, M&E below).

Rating

Modest

OBJECTIVE 2 REVISION 1

Revised Objective

To strengthen urban and municipal management of the Target Cities.
The objective was not revised. The target outcome indicators were revised.

Revised Rationale

Revised Theory of Change: The AF introduced changes that had an impact on the ToC. Inputs and outputs were not revised but the outcome indicators and accompanying targets were revised. The link between project interventions and the PDO outcome indicator weakened. Cities were added and then reduced. But the causal logic of the inputs to outputs to outcomes, weak though it was, remained for this revised objective. The inclusion of the city of Kananga, and the implemented anti-erosion works was aligned with the objective even as the indicator itself was more of an output rather than outcome.

Revised Input: The January 2020 restructuring dropped the updating of local development plans. The planning objective was to be met by updating urban reference plans.

Revised Outputs: The January 2020 restructuring dropped the following outputs: the study on the urban development needs of Goma, its land study, and the sector database output was dropped.

Revised Outcomes: The 2017 AF revised the target values of two outcome indicators. One outcome indicator was added.

Revised OUTPUTS: The following revised output targets were to lead to strengthened urban and municipal management of target cities:

- A 75 percent achievement (revised target 70 percent, target **exceeded**) that city quarterly budgets accompanied by narrative reports were generated, disclosed, and debated in a timely manner. This achievement represented outputs from 3 cities.
- 50 percent of cities implemented annual training plans (AF added this indicator with a target of 80 percent, target **not achieved**)
- Three cities met targets for maintenance of infrastructure according to the performance criteria set out in the PIM (AF revised target from three to six, target **not achieved**)
- No markets (AF revised target to seven, target **not achieved**) were reported managed according to clearly defined management system, as specified in the PIM.
- The following studies were completed, as targeted:
    - Tools, manuals, and plans such as the asset inventory and maintenance planning tool, Financial Management Manuals, and training plans for local government staff were developed and implemented, as targeted. Urban planning software and equipment were delivered to the Kinshasa University Institute of Architecture and Urban Planning and the state Office for Studies in Urbanism and Architecture.
    - Timely, periodic external audits of local government accounts were completed as targeted.
    - Local development plans were updated for all project target cities, meeting target, including urban Plans for Bukavu, Goma, Kikwit, and Matadi as targeted.
    - The Urban Code was updated.

- Impact assessments, beneficiary satisfaction surveys, and project technical audits were conducted as planned, at midterm and at closing
- 86.6 percent (revised target at AF was 80 percent, revised target **exceeded**) of beneficiaries responded favorably that project investments reflected their needs. Of these beneficiaries 33,566 were female (revised target 554,064, target **not achieved**).

Revised OUTCOMES: The following revised outcomes strengthened urban and municipal management of the target cities

- AF added a new indicator regarding the number of cities with improved livability reflected in four cities that qualified for performance-based investments (target was five of six cities; the May 2017 AF revised this to seven of nine, the January 2020 restructuring revised this to three of five, revised target **achieved**) although this indicator is more of an output, this can be treated as an intermediate outcome with explanation for how livability was measured. All project cities benefited from improved livability, sustainability and/or management through project investments and technical assistance. including Kalemie where living conditions were reported to have improved but without data.
- The performance-based fund allocation system (PBFAS) was piloted, indicating an 80 percent numerical achievement (target 100 percent, target **not achieved**). The indicator was revised in 2016, to generate experience and recommend how the PBFAS can be mainstreamed. At closing, the recommendation was to develop a performance window in the NEF following this project. The revised indicator was **not achieved** because a national workshop to refine the recommendations was not held before the project closed (ICR, paragraph 32).
- 75 percent of beneficiaries (revised to 80 percent, target **almost achieved**) confirmed that the project investments reflected their needs.

Overall, the efficacy of the project to achieve this objective with revised outcome indicators is rated Modest. The target values of the outcome indicators were almost achieved. The indicators themselves remained insufficient to reflect achievement of improved urban and municipal management in the target cities. The achievement of the target scores in the APAs of the four cities in April 2021 (Bukavu, Goma, Kikwit, and Matadi) provide some justification that the cities achieved a level of enhanced capacity.

Revised Rating
Modest

OBJECTIVE 3
Objective
To provide immediate and effective response to an eligible crisis or emergency.

Rationale
Theory of Change: The January 2020 restructuring added this objective and allocated US$ 50 million to a Contingency Emergency Response component or CERC. The ToC was to provide inputs and outputs in response to the 2018 10th Ebola Virus Disease (EVD 10) outbreak in Eastern DRC. This outbreak was the world's second largest recorded and had killed more than 2,200 people. The inputs, outputs and outcomes

were reasonably linked although the outcome indicator to reflect achievement of the PDO was an output rather than an outcome. This ToC had no assumptions.

Inputs were to consist of allocating funds for CERC and processes designed to activate it. These processes included the approval of the CERC manual, and the development of contractual arrangements with the Project Implementation Unit (PIU) of the Bank-financed Health System Strengthening for Better Maternal and Child Health Results Project (P147555) to implement CERC and assign the United Nations agencies - the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) - to respond to the emergency.

Outputs were to consist of activating the CERC and financing the agencies that would implement the emergency response.

Outcomes were to be expressed as the number of new confirmed Ebola cases. This indicator, without noting decrease in number, was insufficient to reflect the outcome of response to the declared emergency.

OUTPUT:

- The process inputs were completed after some delay. Agreements were reached with the Health Project PIU, the UNCIEF, and the WHO. US$20 million was allocated to UNICEF and the WHO (original target was US$50 million, revised target US$20 million after the August 2020 restructuring cancelled US$30 million, revised target **achieved**). CERC disbursed US$10 million to UNICEF to continue their EVD 10 response by maintaining their 90-day enhanced surveillance program after the epidemic ended in June 2020 (target **partially achieved**). The contract with the WHO was not signed because of allegations of sexual exploitation and abuse against WHO employees in connection with the Ebola response (ICR, paragraph 63).

OUTCOME:

- The government activated CERC on June 23, 2020 but the WHO declared the end of the epidemic on June 25, 2020. No Ebola cases were reported or addressed (baseline 24, target to provide emergency response was **not achieved**). CERC was delayed because of two factors. First, the epidemic was thought to be over by February/March 2020 until a new case was reported in April 2020. Second, the input processes were delayed. When the government activated CERC, the last confirmed Ebola virus death was 40 days prior. Three days later, the WHO declared the epidemic over. The August 2020 restructuring approved US$10 million each to UNICEF and WHO to maintain a response capacity in case the epidemic reemerged. The US$10 million to UNICEF was disbursed on August 14, 2020 but the WHO portion remained unsigned because of team allegations of sexual exploitation and abuse against WHO employees in connection with the Ebola response.

Overall, the efficacy of the project to achieve this objective is rated Negligible. The objective of providing an immediate and effective response to an emergency was not achieved.

Rating
Negligible

OVERALL EFFICACY

Rationale

The overall efficacy of the project to achieve its original objectives is rated Substantial. The efficacy of the project to achieve the first objective is rated Substantial because the target outcome indicators were achieved or exceeded. However, these outcome indicators did not include the quality, and standards achieved by the outputs (roads, drainage, schools) even if the number of beneficiaries was reasonable to show improved access. The efficacy of the project to achieve the second objective is rated Modest because only one of three outcome indicators was achieved.

Overall Efficacy Rating

Substantial

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale

The revised overall efficacy of the project to achieve the revised PDOs is rated Modest. The overall efficacy of the project to achieve the second objective with revised outcome indicators is rated Modest. The efficacy of the project to achieve the third objective is rated Negligible because the outcome indicator was not achieved. The outcome indicators were also more of an output or intermediate outcome rather than an outcome of the project interventions to address the development problems posed by the PDOs. Moreover, there was a clear trend of setting significantly lowered targets to match (sometimes exactly) the low achievement at the time of the August 2020 restructuring, just one year before the project's closing date. There were instances when the actual achievements were markedly lower than the original targets, and magnitudes lower than the revised higher targets with AF.

Overall Efficacy Revision 1 Rating	**Primary Reason**
Modest	Low achievement

5. Efficiency

Economic Efficiency: At appraisal, a cost benefit analysis was conducted. Calculations used a 12 percent discount rate as the opportunity cost of capital. The estimated Net Present Value (NPV) for a range of investments identified at appraisal was at US$$18.6 million. The Economic Rates of Return (ERRs) ranged between 14 and 74 percent, with a weighted average of 29 percent.

At closing, the same cost benefit analysis methodology was used including the 12 percent discount rate. The NPV for the main road and drainage infrastructure investments or 56 percent of the total cost (US$ 62.3 million) was estimated at US$48.4 million for the project. The ERRs ranged from 8 to 80 percent for individual investments, with a weighted average of 25.1 percent. The cost-benefit analysis used the Roads Economic Decision (RED) model, applying ex-ante and ex-post traffic counting. Ex-post traffic was 135,000 vehicles per day, higher than the ex-ante traffic of 100,000 vehicles per day. However ex-post analysis showed that rehabilitation of two segments with combined length of 2.17 kilometers generated a negative NPV when applying a discount rate of 12 percent (but a positive NPV, if applying a discount rate of 6 percent percent).

Administrative and Operational Efficiency: The five restructurings, including one AF and two cancellations revealed the project's high level of ambition that did not match existing capacity. Risks were not adequately identified, such as the broad geographic scope that limited timely supervision of works. Mitigation measures proved insufficient such as reliance on the FCBT to fill in capacity gaps of decentralized entities that needed to enjoin the public to identify viable neighborhood investments. Procurement challenges, implementation capacity gaps, frequent project management changes, and COVID19 also led to implementation delays. Changes in target cities affected the scope of the project. By the January 2020 restructuring, the number of target cities were reduced from nine to four, also reflecting reduced ambition of the project. COVID-19 lockdown measures delayed materials delivery and hampered the conduct of field missions. Delays experienced in the PBFAS roll out, launch of local investments because of poor quality, and construction, portrayed the limits in the absorptive capacity at the local level. Time needed to select investments, agree on operating arrangements, verify land ownership, conduct required safeguards compliance all led to delays. The project cities also took too long to establish functional procurement units.

Overall, efficiency is rated Modest. The sub-project ERRs were overshadowed by operational inefficiencies. For lack of adequate analysis, it is unclear whether the project's investments and other physical activities were achieved at least cost, given the increased resources due to the AF yet modest to negligible efficacy ratings. In short, the project's value-for-money is doubtful and unclear.

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	✓	29.00	18.60 ☐ Not Applicable
ICR Estimate	✓	25.10	43.20 ☐ Not Applicable

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

6. Outcome

The relevance of the project's objective is rated Substantial. The project's overall efficacy is rated Modest. Its efficiency is rated Modest. Given the restructurings, which changed the PDOs, outcomes, outcome indicators, and targets, a split rating was applied to derive the outcome as shown in the table below.

	Outcome Targets at Restructurings and Additional Financing					
	Original (approval until First Restructuring)	Between First Restructuring until AF	AF until Second Restructuring	Between Second and Third Restructuring	Between Third and Fourth Restructuring	After fourth Restructuring
Relevance of PDO	**Substantial**					
Efficacy						
PDO 1 - To improve access to basic services	Modest	Dropped				
PDO 1 Revised - to improve access to basic services & infrastructure.		Modest	Modest	Negligible	Substantial	Modest
PDO 2 - To strengthen urban & municipal management	Modest	Modest	Substantial	Substantial	Substantial	Substantial
PDO 3 (New)- to respond to an eligible crisis.					Negligible	Negligible
Overall Efficacy	**Modest**	**Modest**	**Substantial**	**Modest**	**Modest**	**Modest**
Efficiency	**Modest**					
Outcome	**MU**	**MU**	**MS**	**MU**	**MU**	**MU**
Numerical value of Outcome	3	3	4	3	3	3
Cumulative Disbursements (US$ millions)	33.3	39.7	72.46	77.83	104.28	108.15
Disbursement (US$ million)	33.3	6.4	32.76	5.37	26.45	3.87
Share of disbursement	0.31	0.06	0.30	0.05	0.24	0.04
Weighted Value of Outcome	0.92	0.18	1.21	0.15	0.73	0.11
Final Outcome: 3.3 = 3.0 = MU	**3.3**					

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The following pose risks to the expected development outcomes:

- **Risk from the recurrence of Ebola Virus**. This is a substantial risk. According to the World Health Organization (WHO) the EVD 10 epidemic addressed in this project ended in June 25, 2020. This was closely followed by EVD 11 on February 2021. The WHO declared the epidemic over on November 18, 2021 after 119 cases and 55 deaths. On October 8, 2021, EVD 12 began with a new case of Ebola reported in North Kivu province. By October 16, 2021, three new cases, and one death, were confirmed in the Butsili health area in northeastern DRC, for a total of 5 confirmed cases with 3 deaths. The Congolese health services are following 308 of the 369 identified contacts. A vaccination program is in place to mitigate this risk.
- **Risk from escalation of violent conflict.** This is a substantial risk. The government and the World Bank continue to dialogue on decentralization, informed by the experience from the allocation system for performance-based investments piloted in this project. The NEF role in decentralization led to policy recommendations included in pipeline strategy documents. The Bank CPF for the period 2021-2026 noted DRC access to a supplemental IDA mechanism called the Prevention and Resilience Allocation (PRA). This allocation would be made available to countries with credible strategy to address the underlying drivers of conflict. The PRA requires a strong focus on Governance with specific milestones related to allocating financial resources to decentralized levels of government. The World Bank is planning a series of Development Policy Operations to mitigate this risk (ICR, paragraph 91).
- **Risk from discontinued maintenance practices of assets built**: This is a high risk. In this project, planning practices like allocating local government maintenance funds and enjoining civil society to maintain neighborhood investments were introduced. However, these initial efforts have not been systematically adopted or institutionalized. Community involvement came in too late in the planning process. The good practices initiated require follow through. Effective maintenance practices of infrastructure investments need to consider resources in designing future interventions.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank team designed the project to finance infrastructure investments after local governments achieved service performance targets to improve municipal management and access to basic services. The PDOs were relevant to both the country's plans to address rapid urbanization, and its need to build public sector capacity and the Bank's partnership strategy (see Section 3 Relevance of Objective above). Lessons learned from prior operations in the country informed design. One was to ensure that the Permanent Secretariat as implementing entity would retain the fiduciary responsibility but delegate contract management with local governments participating in bid evaluation committees. The preparatory studies also informed design. It concluded that relying heavily on local participation to advance decentralization could undermine results; and that local governments had limited resources and capacity to maintain infrastructure. Substantial risks because of weak governance systems and institutions were acknowledged. The country was emerging from a long period of conflict and remained classified under states experiencing Fragility, Conflict, and Violence (FCV).

To comply with the 2005 Paris Declaration on Aid Effectiveness, the Bank team designated civil servants in the Permanent Secretariat of the Planning Department of the MUH to implement this project as a pilot arrangement to strengthen local governance capacity. The ambitious design relied on fragile decentralized entities emerging from conflict to select viable neighborhood investments with accompanying investment plans. To mitigate the capacity risks, the Bank team added the FCBT to deliver training support. Two consultants (procurement and financial management) were to be phased out and replaced by the civil servants in the Permanent Secretariat who were expected to learn on the job. However, mitigating measures such as training, compensation packages, and career perspectives to attract and retain staff with the appropriate skillsets were not included. The ambitious design proposed substantial institutional activities in a sector that was more familiar with infrastructure rehabilitation and not construction since the end of the conflict.

The Bank team assessed readiness to implement without the benefit of an urban sector institutional organization assessment. The Bank team selected numerous cities across a wide area without sufficient assessment of implementation challenges brought about by limited and deteriorated infrastructure from decades-long conflict. This affected logistical challenges to carry out field supervision. The Bank team also designed labor-intensive construction techniques to be to be included in bidding documents whenever feasible. However, there was no mechanism to foster an increase in the labor content of public works or increase the percentage of women labor. The overall M&E design also did not monitor and evaluate the percentage of female beneficiaries (see Section 9 M&E below).

The quality at entry is rated Moderately Unsatisfactory. The over-ambitious design and lack of mitigating measures to accompany substantial project implementation risks led to this rating.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The Bank team carried out 18 supervision missions over an eight-year implementation period, including virtual missions during COVID19. Throughout implementation, the Bank team provided regular support to resolve operational and project management challenges. The World Bank team provided hands-on support through technical reviews of contracts and contract modifications. The Bank team increased frequency of supervision missions to the project cities, relied on other Bank teams for field support to strengthen relationships with local governments. The 2017 MTR revealed the over-ambitious design of the project. There was the poorly staffed Permanent Secretariat, who lacked incentives, adequate salaries, and bonuses. There were the unrealistic targets and PDO indicators. There was the lack of experience by the Permanent Secretariat with Bank-funded projects reflected in the difficulties encountered in selecting consultants, managing contracts, and quality assurance of outputs. The Bank team introduced corrective measures. Ad hoc technical assistance, such as in providing quality control of consultant outputs, gradual addition of consultant staff to the Permanent Secretariat, and by 2019, returning to a traditional PIU arrangement but retaining civil servants to learn on the job from more experienced consultants, all proved unable to address delays. In addition, the Bank team faced a volatile political environment that undermined the accountability feature of the performance-based investments. Local leaders remained accountable to the center rather than to its electorate.

The first restructuring was used to address more realistic performance metrics, indicators, and targets. Scaling up the project by adding cities and AF responded to the changing government priorities, but not the underlying causes of persistent implementation challenges. The AF expanded the geographic reach by adding more cities but, in less than two years, another restructuring reduced the scope to four target cities to bring underperforming projects in the portfolio to a close. The closing date of the project was advanced. The reduction of the geographic scope of the project in January 2020 was driven by a realignment of the Bank's portfolio to focus on a limited number of provinces and by the August 2020 restructuring the Bank team recommended that uncontracted planned works be cancelled and the level of ambition reduced to improve project outcomes. However, this proved too late.

The Bank's performance in ensuring the quality of supervision is rated Moderately Satisfactory. The frequent project restructurings reflected the Bank team's willingness to adapt to persistent capacity shortcomings, volatile operating environment, and the evolving government priorities. However, this response, also revealed a lack of a strategy.

Overall, the Bank performance is rated Moderately Unsatisfactory. The quality of the Bank's performance at entry is rated Moderately Unsatisfactory due to the significant shortcomings in providing mitigating measures to address implementation risk. The quality at supervision is rated Moderately Satisfactory because of inadequate attention to the persistent, underlying causes of serious implementation challenges, as well as responses that proved to be too late to make a difference.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

At appraisal, the M&E was designed to rely on the Ministry of Spatial and Urban Planning, Housing, Infrastructure, Public Works, and Reconstruction (*Ministère de l'Aménagement du Territoire, Urbanisme, Habitat, Infrastructures, Travaux Publics et Reconstruction*, later the Ministry of Urban Planning and Housing or *Ministère de l'Urbanisme et de l'Habitat* or MUH). Staff from the Division of Urban Statistics would develop an urban sector and local government database and be embedded at the Permanent Secretariat to collect and report project data as part of the M&E framework.

Baselines were collected at appraisal (PAD, paragraph 43, and Annex 7). The theory of change in the PAD (see PAD, Annex 1) linked key activities and outputs that would lead to five outcomes showing a sound causality. The objectives were specific although "infrastructure" had to be added at restructuring. The initial geographic coverage was well defined. However, some targets were underestimated such as the number of beneficiaries of the infrastructure investments limited to the those affected by roads only. Some indicators did not capture the contributions to be made by the outputs to project outcomes. Some indicators were not specific, some were not adequately measured, although most were achievable, relevant, and time bound.

There were missed indicators about the quality and service standards to be met by the infrastructure investments. Some indicators were to be created once neighborhood investments were identified at implementation. The M&E was to be institutionally embedded at the MUH, but the ICR noted its lack of project monitoring and reporting capacity (ICR, paragraph 68).

b. M&E Implementation

In the first years of project implementation, output data and other indicator data were not readily available. The Permanent Secretariat did not conduct timely analysis. The Permanent Secretariat field presence did not adequately monitor construction works. The FCBT filled some of the reporting gap, but the team was not tasked as a third-party monitoring agent. By 2015, the Permanent Secretariat staff increased field visit. Later, Bank staff based in the field carried out regular field visits. By then the M&E function was moved full time to the Permanent Secretariat with more capable M&E staff, and a technical assistant who provided regular updates to results data. The M&E implementation was strengthened by the Bank's Geo-Enabled Monitoring System (GEMS). Local focal points collected data. The Urban Road Agency (OVD) staff also carried out ex-post and ex-ante traffic counting and were trained during implementation to conduct economic analysis. For the MTR, and before project closing, technical audits, impact assessments, and beneficiary surveys were carried out. However, the impact assessments and beneficiary surveys were not conducted based on a rigorous methodology, and the Permanent Secretariat lacked capacity to provide adequate quality control.

c. M&E Utilization

The quality of data improved over time. Data was used to inform project restructurings. The APA of project cities informed decisions on technical assistance to retain, modify, or drop activities from the project. The economic analysis carried out during implementation by the OVD, under the Bank’s guidance, justified the project investments. The limited impact assessments supported other outcomes of the project. CERC monitoring was under the Health Project PIU and used weekly WHO reporting to inform CERC implementation.

Overall, based on significant shortcomings at design and implementation, the quality of M&E is rated Modest.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

Environmental and Social Safeguards: The project was classified Environmental Assessment category "B" and triggered three safeguard policies. These were Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). The Environmental and Social Management Framework (ESMF) included ‘chance find’ procedures related to physical cultural resources. A Resettlement Policy Framework (RPF) was prepared. The World Bank approved and published these documents in-country and in the World Bank's InfoShop on January 15, 2013. The Permanent Secretariat conducted the environmental screening and prepared Resettlement Action Plans (RAPs) and Environmental and Social Impact Assessments (ESIAs) for specific infrastructure investments although the Permanent Secretariat relied on the Bank team for quality control of inputs to ESIAs and RAPs. The ESMF and Resettlement Policy Framework (RPF) were updated and republished before the AF appraisal in 2017.

The Permanent Secretariat monitored and reported on compliance through quarterly safeguards reports. The RAPs identified 1,078 project affected persons (PAPs), 1,041 were compensated for a total amount of US$155,918. The Permanent Secretariat and local authorities were unsuccessful in contacting the remaining PAPs. The local governments reserved a compensation fund (US$18,984) should they succeed in reaching them.

Each target city established its Grievance Redress Mechanism. 41 complaints were registered. All were addressed and closed. 79 occupational health and safety incidents were recorded. 75 were indicative or minor accidents. Three were serious and one resulted in a serious injury and reported using the Environment and Social Incident Response Toolkit (ESIRT). Root cause analysis was carried out for the serious and severe accidents. Corrective measures were developed. All cases were addressed and considered closed before project closing. The Permanent Secretariat provided documentation concerning the treatment and full recovery of the person injured in the severe incident. One potential incident of sexual exploitation and abuse or sexual harassment was reported. The Bank's survivor-centered approach (outlined in the 'World Bank Gender-Based Violence Good Practice Note Addressing Sexual Exploitation and Sexual Harassment in Investment Project Financing Involving Major Civil Works') was followed to investigate the matter. No link to project activities was established.

Three cases of noncompliance with safeguards policies were: (i) construction works started before the contract had been signed; (ii) construction works started before the RAP was implemented; and (iii) a complainant reported being threatened by the provincial authorities after reporting a potential lack of compliance on a construction site in Mbandaka. Works were allowed to continue after the RAP was updated and corrective measures were undertaken. To avoid ineligible investments from starting, the Permanent Secretariat was to document the compliance with the safeguard instruments, submit to the Bank for no-objection before starting work. In the third case, a field mission determined the safety of the complainant. A safeguards compliance audit was carried out. No cases of noncompliance were discovered. Recommendations were made, including regular monitoring, training of project and local government staff, improving occupational health and safety, and establishing local complaints treatment committees. The safeguards audit was updated before project closing. No other cases of noncompliance were uncovered.

b. Fiduciary Compliance

Financial management: At appraisal, financial management arrangements and mitigation measures were adopted to meet minimum fiduciary requirements. A financial management consultant with World Bank financial management experience was recruited. A project accounting software was installed. The Permanent Secretariat submitted timely Quarterly Interim Financial Management Reports to the World Bank with comments. Unqualified annual audits of financial statements were submitted to the World Bank on time. The Health Project PIU reported on CERC implementation. UNICEF provided a financial report on

CERC-financed activities. Under the World Bank-UN Framework agreement two UN agencies, UN-Habitat and UNOPS, justified incurred expenditures but some outputs were delivered after the project closed and not reflected in the Bank's disbursements. After the loan disbursement deadline of January 31, 2022, the UNOPS was to reimburse the Bank for the undocumented balance of the advance paid.

Procurement: The Permanent Secretariat procurement capacity at appraisal exposed substantial weaknesses. Mitigation measures included the hiring of a consultant with World Bank procurement experience, training the Permanent Secretariat staff on procurement processes, and strengthening of procurement systems and processes. In addition, some project cities were expected to implement procurement activities after receiving TA from the FCBT and after the Mid Term Review. However, the project cities took too long to establish functional procurement units. Shifting some procurement functions to cities were not made. The project continuously suffered from procurement delays. Post-procurement reviews highlighted repeated shortcomings in updating the procurement plan. For example, the Permanent Secretariat had to relaunch a tender after a complainant pointed out that a contract was not part of an approved procurement plan. Shortcomings in contract management were also noted. For example, there were Instances of payments made against expired contracts, advance payment guarantees that had expired, or ineffective reimbursements. Post procurement reviews and the technical audits carried out twice during implementation discovered no cases of mis-procurement.

c. Unintended impacts (Positive or Negative)

---

d. Other

---

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR provided 7 lessons and recommendations (ICR, paragraphs 92-98). The more important ones are presented below with slight modifications:

- **Civil servants may implement projects to build institutional capacity but may best be approached in an incremental manner to mitigate implementation challenges.** In this project, civil servants were to implement the project to build their future project implementation capacity. However, at project start, it became evident that their limited experience and skills sets were not sufficient to advance the project. Expert consultants who filled all positions in the PIU were matched with counterpart civil servants to transfer knowledge. Appraisal did not adequately identify the underlying capacity constraints in an FCV context, the impact of low salaries, lack of incentives, and close relations with the political leadership, making them prone to short-term political priorities. There was no evidence that knowledge transfer took place. An in-depth analysis of gaps in skills and other constraints, such as salaries and bonuses, prior experience, and reporting structures may offer a basket of options in using civil servants to implement projects. A more incremental approach to strengthening capacity while gradually transferring responsibility may be a good strategy.

- **Technical assistance for building capacity needs to design modalities that do not encourage poor performance.** In this project, the FCBT helped local governments improve their APA scores. However, the local government administrations relied on this assistance reflecting the limited absorptive capacities of local governments. The Permanent Secretariat was also unable to supervise and direct the work of the FCBT. Clarifying roles and responsibilities between the municipal authorities and the FCBT, with corresponding resource allocation (time and human resources) would enhance outcomes.
- **Performance-based financing systems may help establish accountability mechanisms at the national and local levels**. In this project, design incorporated performance factors such as public consultations on budget planning and implementation, and external audits of local government accounts. These helped strengthen the accountability of the local authorities to its constituents. However, DRC mayors are nominated rather than elected. As a result, they also have a strong accountability to higher-level authorities that nominated them. This arrangement undermines the design of the performance-based approach to establish accountability to constituents.
- **Operationalizing citizen participation at the design stage may strengthen the outcomes of local government service delivery.** In this project, the FCBT was to support the community participation aspects of the project. A citizen engagement approach started after the MTR in 2017. NGOs were recruited to support this approach in each city In March 2021. Before project close, the NGOs facilitated the creation of community structures in a constructive collaboration with local governments to maintain infrastructures. Local governments provided technical support and minor equipment. However, the processes need more time to fully stabilize.
- **Local governments without prior planning experience in preparing urban neighborhood-level investments need strong Institutions to address land and resettlement issues.** In this project, the initial performance-based investments were delayed several years because of difficulties in settling the management arrangements (of a local park in Matadi) and assuring land availability (for commercial facilities in Kikwit). In the end, these investments were dropped. That decision may have been avoided if the local development plans carried out during project preparation had included operational considerations for settling land swaps or managing needs of public space. The experience led to limiting activities under component 2A to school rehabilitation due to relative technical simplicity, known operating arrangements, and absence of land ownership issues.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided a comprehensive narrative of the operations. The report followed the guidelines. It provides a candid picture of the shortcomings and the numerous capacity challenges that the operations faced. Tables were helpful throughout the report to clarify the project's implementation performance. The annexes provided additional information, particularly Annex 5 which laid out the use of the performance-based investments in the target cities to provide a fuller picture of the project outcomes. Lessons were based on the project operations, particularly the outcome of the efforts to use civil servants in project implementation. The theory of change at closing laid out the project's intent to use the PBFAS to establish government accountability to its constituents. The narrative provided some evidence to support the ratings, albeit limited in quality, handicapped by the deficient indicators and the modest features of the M&E framework. Analysis of the evidence was aligned to the challenges outlined in the ICR. Minor shortcomings related to the lack of description in the use of resources to address the socioeconomic impact of COVID19 (ICR, paragraph 19(d)); the 34 pages exceeding the recommended 15; and Annex 5 not cited in the Table of Contents.

a. Quality of ICR Rating
Substantial