



1. Project Data

Project ID

P131864

Project Name

Kabul Urban Transport Efficiency Improve

Country

Afghanistan

Practice Area(Lead)

Transport

L/C/TF Number(s)

TF-17061

Closing Date (Original)

31-Dec-2019

Total Project Cost (USD)

76,301,352.18

Bank Approval Date

03-Apr-2014

Closing Date (Actual)

31-Dec-2020

IBRD/IDA (USD)

Grants (USD)

Original Commitment

90,500,000.00

90,500,000.00

Revised Commitment

76,301,352.18

76,301,352.18

Actual

76,301,352.18

76,301,352.18

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) as stated in the Grant Agreement dated April 11, 2014 (schedule 1, page 4):

" To improve road conditions and traffic flows on selected corridors of Kabul ".

The PDO as stated in the Project Appraisal Document (PAD, page 14):



(i) Improve road condition and traffic flows on selected corridors of Kabul; and (ii) strengthen the capacity of the Kabul Municipality (KM) to deliver transport services.

As per the OPCS/IEG guidelines, this review is based on the PDO stated in the Legal Agreement.

**The achievement of the project development objectives in Afghanistan is assessed following the same methodological approach. This applies to all projects closed by June 30, 2021.*

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

No

c. Will a split evaluation be undertaken?

No

d. Components

There were three components (Grant Agreement, page 4).

1. Road Infrastructure. The estimated cost at appraisal was US\$68.94 million. The actual cost was US\$67.19 million. This component planned to rehabilitate selected road segments of priority city corridors in Kabul. Activities in this component: (i) rehabilitating road surfaces, pedestrian walkways and roadside drains; (ii) installing street lights; and (iii) implementing road safety and traffic control measures.

2. Technical assistance (TA) and studies. The estimated cost at appraisal was US\$13.71 million. The actual cost was US\$2.45 million. This component planned to finance TA assistance activities to strengthen Kabul municipality's (KM) capacity. Activities in this component: (i) priority interventions for city center accessibility, including detailed designs for interventions such as fly overs, junction channelization and signalization for alleviating congestion at the city center; (ii) public transport feasibility study for potential high capacity transport corridors; (iii) traffic management and road safety capacity building activities to KM.

Two studies in this component (The area accessibility and street optimization in Kabul City Center study and the public transport feasibility study) were cancelled, with the Level 2 project restructuring (discussed in section 2e). However, the activity associated with the public transport feasibility study was reinstated based on the request from the Ministry of Finance.

3. Project Management Support. The estimated cost at appraisal was US\$7.85 million. The actual cost was US\$6.66 million. This component planned to improve the KM's institutional and human resources capacity. Activities in this component: (i) improve design review and site supervision; (ii) promote knowledge sharing through seminars, workshops and studies; and (iii) project management support.

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

Project cost. The estimated cost appraisal was US\$90.50 million. The actual cost was US\$76.30 million (US\$14.2 million less than the appraisal estimate).



Project financing. The project was financed by the Afghanistan Reconstruction Trust Fund Grant of US\$90.50 million. The amount disbursed was US\$76.30 million. US\$14.2 million of the Grant was undisbursed. The ICR (paragraph 37 and 70) reports that a total of US\$12.0 was cancelled by the Bank (US\$10.0 million was cancelled with the project restructuring due to the cancellation of the technical assistance activities. and US\$2.0 million was cancelled to support the Bank's COVID-19 emergency response project. The ICR provides no information on how the balance of US\$2.20 million of the Grant was used. The United States Agency for International Development (USAID) provided parallel financing for complementary activities aimed at building KM's capacity.

Recipient contribution. Recipient contribution was not planned at appraisal. There was no recipient contribution during implementation.

Dates. The Bank approved the project on April 3, 2014, and the project became effective on April 11, 2014, with a planned closing date of December 31, 2019. However, the project was extended for twelve months and closed on December 31, 2020.

Other changes. The Bank supported the following changes through a Level 2 restructuring on December 19, 2019.

- extended the closing date by a year from December 31, 2019, to December 31, 2020, for completing the ongoing activities and conducting a study to develop the Urban Transport Strategy for Kabul.
- cancelled US\$10.0 million in lieu of the cancellation of the two studies discussed in section 2d.
- updated the results framework.

3. Relevance of Objectives

Rationale

Country and sector context. Poverty levels in Afghanistan is high, with 36% of the population below the poverty line, and over 50% of the population considered to be vulnerable at appraisal. Afghanistan is also a highly aid-dependent country in conflict with extremely weak institutions. As a result, the World Bank classifies as a fragile state, due to its weak institutions and its vulnerability to instability, conflict and violence.

Two decades of conflict in Afghanistan led to an influx of internally displaced people over the 2002 - 2013 period from rural to urban areas, with 36% of the internally displaced people settling in Kabul, the capital city. Alongside this growth in urban population, private car ownership increased in Kabul, with 600,000 vehicles for a population of five million. Much of Kabul's transport facilities, including pavements, sidewalks, traffic circles, drainage systems, traffic signals, trolley buses and almost all of the transit buses was either damaged or destroyed, following the prolonged war from 1992 - 2001. The key challenges facing Kabul's urban transport sector were weak institutional capacity for planning investments, inadequate planning tools, outdated road engineering practices and business procedures, exacerbated by limited capacity of the agency staff.



Government strategy. The PDO was in line with the national priorities articulated in the Afghanistan National Peace and Development Framework (ANDP) for 2017 - 2021. This document highlighted the importance of building urban infrastructure, especially transport and drainage infrastructure. The ANDP for the period beyond 2021 is currently under preparation.

Bank strategy. The Bank financing for this project was a good use of resources, given the fragile context and the government's weak implementation capacity. At appraisal, the PDO was broadly aligned with all the strategic pillars of the Interim Strategy (ISN) for 2012 - 2014: (i) building legitimacy and capacity of institutions; (ii) equitable service delivery; and (iii) inclusive growth and jobs. The Bank's Country Partnership Framework (CPF) for 2017 - 2021, specifically identified the need for urban development. The pillar one of the CPF articulated the need supporting institutional capacity of KM to improve urban infrastructure, and improving the effectiveness and accountability of municipalities to deliver essential social services. The concept note of the Bank's current systematic country diagnostics, which is currently under preparation, highlights the need for improving urban mobility in Afghanistan.

Prior Bank experience. The Bank has a long history of engagements financing projects in KM (since 2005), including the Kabul Urban Road Improvement Project (2007 - 2011). Given the fragile context and the limited implementation capacity the scope of this project, was similar the previous Bank-financed project, and confined to activities aimed to rehabilitate segments of the corridors and strengthen KM's institutional capacity.

The PDO formulation itself is output-oriented, however the theory of change presents relevant and clear expected outcomes at higher levels. The relevance of the PDO is assessed as substantial.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve road conditions and traffic flows on selected corridors of Kabul.

Rationale

Theory of change. The outputs such as, rehabilitating road surfaces (including pedestrian walkways, roadside drains and streetlights), road safety and traffic control measures, together with technical assistance activities aimed at strengthening KM's capacity for traffic management and increasing their capacity for operational and maintenance, were aimed at improving road conditions and traffic flows on the selected corridors of Kabul. The causal links between the activities, outputs and outcomes were logical. **One shortcoming in the theory of change is that results framework does not have any key outcome indicators for monitoring the capacity building and institutional strengthening project activities (even though this component accounted for 15% of the grant).** The outcomes were likely to aid in the long-term



development outcomes of enhancing economic growth and improving access to jobs and markets in Kabul. The intended outcomes were predicated on these assumptions: (i) the road conditions and traffic management improves; (ii) the capacity of KM improves for maintaining the road assets; and (iii) there is collaboration between the road sector agencies.

Outputs (ICR, pages 9 - 11 and pages 22 - 27).

- As stated in the results framework, the project aimed at rehabilitating selected segments of roads in four priority corridors of Kabul city. Forty kilometers (km) of roads in four priority corridors of Kabul city were rehabilitated, with pedestrian walkways and road side drains. This exceeded the target of 32 km. Streetlights were installed on 40 km of the rehabilitated roads, exceeding the target of 32 km of roads.
- The rehabilitation of roads was expected to increase the percentage of roads that were in good/fair condition. 94% of the trunk roads were reported to be in "fair" and above condition when the project closed, as compared to 84% (there were no targets for this indicator).
- The Wazir Abad canal (6.95 km) was reconstructed) exceeding the target of 6.5 km. The ICR (paragraph 23) notes that district four, where Corridor four was located, was a low-lying area, prone to flooding in the wet season due to water runoffs from areas of higher elevations. The drainage system was ineffective due to the low hydraulic gradient and the high underground water table. The primary roads that formed part of the project roads were in very poor condition due to flooding and weakening of the base, sub-base, and subgrade layers due to water saturation. Rehabilitating these roads without addressing the seasonal flooding would not be sustainable, as road conditions would deteriorate following the next wet season. As a result, the project reconstructed the 6.95 km of the Wazir Abad drainage canal as part of the road rehabilitation under this project.
- Traffic engineering measures (such as, junction channelization, signals, and pedestrian crossing facilities), were completed as targeted. Thermoplastic road marking was applied, and traffic sign boards were installed over 30.62 km from the project savings under this component.
- The capacity assessment of KM's operational and maintenance (O&M) department was completed as targeted.
- KM and the project implementation Staff were trained during implementation. KM engineers were trained in traffic management and road safety. The O&M department staff were trained in financial management and budgeting. There were no targets for these indicators.
- Engineering designs (including environmental and social safeguards documents) were prepared for an additional forty km of priority roads.

The following activities were not completed as targeted.

- The technical assistance for priority interventions for city center accessibility, as the project was unable to find a qualified consultant given the conditions in Afghanistan.
- The Kabul Urban Mobility Plan (KUMP). The ICR (paragraph 25) observes that the terms of reference for this activity was completed in February 2020. The consultant for this activity was to be hired by May 2020, and this activity was to be completed in six months. However, this activity was not completed.

Outcomes.



The outputs of activities described above, were expected to contribute to two outcomes: (i) increase the number of people with access to an all season road; and (ii) increase the average vehicle speed on the roads during off-peak hours.

- Based on maps and data collected by the Central Statistical Organization (CSO) of Afghanistan, 58,977 people who lived within a 500 meter range of roads, had access to an all season road when the project closed, far exceeding the rather conservative target of 5,000 people.
- Average vehicle speed on the selected corridors during off-peak hours increased to 35.86 km/hour, as compared to 18 km/hour at the baseline (There were no targets for this indicator).

Although the two outcome indicators are sufficient to measure the achievement of the outcome, there were no outcome indicators to assess the institutional strengthening activities of the project.

Efficacy of the objective is assessed as substantial.

Rating

Substantial

OVERALL EFFICACY

Rationale

Overall efficacy of the objective is assessed as substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic analysis. An economic analysis was conducted for activities associated with rehabilitating segments of the road network, using the Highway Development Management Model (HDM -4). These activities accounted for 76% of the appraisal estimate and 88% of the actual cost. The project benefits were assumed to come for savings in vehicle operating cost (VOC). The ex-post Economic Internal Rate of Return (EIRR) ranged from 22.1% to 87.5% (as compared to the ex-ante EIRRs ranging from 20.8% to 93%). The analysis indicated that the project was economically viable, with the overall ex-post EIRR at 32.8%, as compared to the ex-ante EIRR of 31.3%. Savings of nearly US\$10.0 million was realized due to the competitive bidding process. These savings were partly used for rehabilitating few more priority roads. Despite the challenging circumstances in the country context, most of the planned activities were completed, and the project closed with 97% of the grant utilized and the project closing date extended by a year.



Administrative and operational issues. Institutional strengthening and capacity building activities (component 2 and three activities) accounted for about 15% of the appraisal estimate (US\$13.71 million out of the total grant of US\$90.50 million. According to the ICR (paragraph 14), during the project Mid-Term Review (MTR), the implementing agency informed the Bank that the preparation of the capacity building plans had been awarded to a consultant from KM's internal resources, and that the feasibility study would be completed by March 2018. The implementing agency would then hire a consultant to prepare the plans once the feasibility study was complete. This activity was however, subject to serious delays and eventually the grant funds for the institutional strengthening activities was drastically reduced from US\$13.71 million to US\$3.71 million through a project restructuring. This eventually led to the cancellation of US\$10.00 million of the grant.

In sum, although the economic analysis was robust, efficiency is assessed as modest due to the shortcomings that led to the rather drastic reduction in the scope of institutional strengthening activities.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	31.30	76.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	32.80	88.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

Relevance of the PDO is assessed as substantial. Efficacy of the objective is substantial. Efficiency is however modest, due to the rather drastic reduction in the scope of the institutional strengthening activities under the project. Taking these ratings into account, overall outcome is assessed as moderately satisfactory.

a. **Outcome Rating**
Moderately Satisfactory

7. Risk to Development Outcome

Political risk. There is high political risk to the development outcome. The ICR (paragraph 73) notes that following the political change in Afghanistan during August 2021, there is considerable uncertainty regarding



the availability of qualified staff in KM, and funding for operations and maintenance. Further, there is uncertainty regarding donor support to Afghanistan in the near term. Given the likelihood that there may be political changes in the country context that are detrimental to the ultimate achievement of the development outcome, political risk is high.

Government ownership/commitment. Given the uncertainty in the country context, there is a high risk to the development outcome from government commitment and ownership through supportive policies and budgetary provisions for maintaining the activities created under this project.

8. Assessment of Bank Performance

a. Quality-at-Entry

The team prepared this project on the experience from the previous Bank-financed project in KM (the Kabul Urban Roads Improvement Project). The lessons incorporated at design included: (i) having a simple design and few key objectives given the fragile country context; (ii) considering the fragile setting, limiting the number and size of the number and size of contracts that could be awarded to a single contractor to an appropriate level to mitigate the risk of poor implementation performance of a single contractor; (iii) the previous Bank-financed project demonstrated weak implementation capacity at KM. To address this risk, this project ensured having a fully-functional Project Implementation Unit (PIU) well before the grant became effective and; (iii) addressing the drainage problem to ensure the durability of road pavements (PAD, paragraph 23).

The implementation arrangements made at appraisal, proved to be appropriate during implementation. This included the KM headed by the Mayor in charge of implementation. A dedicated PIU located in the KM was in charge of day-to-day project implementation (PAD, paragraph 24).

The Bank identified several risks at appraisal including high and substantial risks in the country context, the weak implementation capacity and governance risks. The team incorporated several mitigation measures associated with technical design and ensuring compliance with environmental and social safeguards. Even with these measures, the project risk was assessed at appraisal as substantial, given the fragile condition in the country context (PAD, page 18).

The arrangements made at appraisal for safeguards and fiduciary compliance were appropriate (discussed in section 10).

There was a shortcoming in M&E design, with no targets specified for the institutional strengthening/capacity building components of the project, which accounted for 15% of the grant (discussed in section 9).

Quality-at-Entry Rating

Moderately Satisfactory



b. Quality of supervision

The Bank conducted twelve supervision missions during the project lifetime (roughly twice a year missions) (ICR, paragraph 68). The supervision team, included a Task Team Leader (TTL) and a co TTL (transport specialists), fiduciary and technical specialists. The entire task team was either based in Kabul or in the region. This aided in consistent engagement with the counterparts and responding to government and project agency requests for guidance. (ICR, paragraph 67). The support provided by the team aided in fiduciary and safeguards compliance (discussed in section 10). Following the Mid-Term Review, the team identified savings due to the procurement process, and reached agreement with the government to cancel US\$10.0 of the grant in lieu of the cancellation of the capacity building activities. Subsequently, the Bank cancelled US2.0 million to support COVID-19 emergency response. The Borrower's ICR (page 38) notes that the core Bank team made a detailed assessment of the project throughout its implementation cycle to ensure that necessary arrangements were made for completing project activities.

There were moderate shortcomings in supervision. One, it is unclear if the supervision team proactively made an effort to support the capacity building activities, and two, the weaknesses in M&E design were not rectified during implementation (discussed in section 9).

In sum, overall Bank performance is assessed as moderately satisfactory.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The two key outcome indicators - the number of people in urban areas with access to an all-season roads within a 500 meter range and the average vehicle speed on the road corridors - were sufficient for measuring the achievement of the project objective and attributable to the project. The Project Implementation Unit (PIU) was responsible for M&E including collecting the data for monitoring performance.

However, M&E framework had shortcomings. One, there were no key outcome indicators for monitoring the institutional strengthening and capacity building activities of the project (which accounted for 15% of the grant at appraisal). Two, the end target was not specified for the indicator associated with average vehicle speed on the road corridors. and three, the target for the first indicator (the number of people with access to all-season roads was unrealistic, given that the number of people with access to all-season road when the project closed was 58,977, over ten times the set target of 5,000.



b. M&E Implementation

The ICR (paragraph 52) notes that the M&E was implemented as designed. The data collected through maps and available data from the Central Statistical Organization (CSO) of Afghanistan was used for monitoring the number of people with access to all-season road. The KM collected traffic count data from the four roads for monitoring the average vehicle speed on the project areas.

However, the lack of indicators for monitoring the institutional strengthening components of the project and the absence of end target value for some indicators were not addressed during implementation.

c. M&E Utilization

The data collected was used for monitoring project performance and informing decision-making during implementation. The ICR (paragraph 53) notes that the project restructuring, the decision to extend the closing date and partial cancellation of the grant was based on inputs from the M&E system.

In sum, M&E is assessed as modest in view of the shortcomings at design and during implementation.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as a Category B (partial assessment) project under the World Bank safeguard policies, triggering three safeguard policies at appraisal; Environmental Assessment (OP/BP 4.01); Physical Cultural Resources (OP/BP 4.11); and Involuntary Resettlement (OP/BP 4.12) (PAD, Datasheet).

Environmental safeguards. As the specific physical works, particularly details of the drainage canal along the road will only be known during implementation, an Environmental and Social Management Framework (ESMF) was prepared and publicly disclosed at appraisal to guide the preparation of site-specific Environmental and Social Management Plans (PAD, paragraph 69).

The project complied with the environmental safeguards (ICR, paragraph 56). The project had a dedicated environmental specialist who oversaw the preparation of the Environmental and Social Management Plan (ESMP) and was responsible for monitoring. The ICR (paragraph 58) notes that there were some minor issues relating to Occupational Health and Safety (OHS) arrangements at some project sites. However, immediate actions were taken to remedy them. The project also ensured tree plantations along the segments/alignments and revised the road design to incorporate road safety measures.

Physical cultural resources. This safeguard was triggered as some of the proposed roads were located within the old city areas rich in cultural resources. The ESMF prepared at design was to address these issues. The ICR does not report any issues of physical cultural resources during implementation. The team clarified that there were no issues with the safeguards on physical cultural resources.



Involuntary resettlement. A Resettlement Policy Framework (RPF) was prepared and publicly-disclosed at appraisal to address land acquisition and resettlement issues during implementation (PAD, paragraph 66).

The ICR (paragraph 58) observes that as only a few roads had minor land/asset impacts (with less than 200 Project Affected Persons (PAPs), an Abbreviated Resettlement Action (ARAP) was prepared during implementation. The ICR notes that project affected forty seven business stalls and the KM provided fabricated shops to the affected people. The ICR (paragraph 60) notes that the project instituted Grievance Redress Mechanism (GRM). The GRM received 122 grievances and these were successfully resolved when the project closed.

b. Fiduciary Compliance

Financial management. The PAD (page 59) notes that a Project Management Unit (PMU) established in KM was responsible for financial management, in view of the weak implementation capacity in KM. An assessment of the financial management conducted at appraisal, identified several high risks such as the country context and the weak implementation capacity. Even with mitigation measures, financial risk was rated as substantial at appraisal.

The ICR (paragraph 63) notes that the financial management arrangements were satisfactory during implementation. The Interim unaudited financial reports were submitted on time, except on a few occasions, and there were no overdue audit reports or unsettled ineligible expenditures when the project closed. The team clarified that the audits were unqualified. The ICR notes that in 2016, the Bank noted a few instances of asset use for non-project purposes, and the payment of allowances to civil servants without the approval of the Ministry of Finance. However, the project addressed these issues to the Bank's satisfaction within the time frame.

Procurement. The PMU established in KM was responsible for managing procurement. The Bank conducted a procurement assessment at appraisal. Given the complexities of some items to be procured (road maintenance machinery and certain engineering assignments for which there were limited suppliers and consultants), the assessment highlighted the need for a system of accountability with clearly defined responsibilities and delegation of authority on who has control of procurement decisions, an effective management system known to the bidding community, and a resolution of complaints/disputes at appropriate stages of the procurement cycle.

The ICR (paragraph 65) notes that procurement performance was assessed as moderately satisfactory. This was due to a combination of factors including delays, repeated mistakes necessitating re-bidding and a few cases of major deviations. However, the ICR reports no case of mis-procurement.

c. Unintended impacts (Positive or Negative)

d. Other



11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Efficiency is rated modest.
Bank Performance	Satisfactory	Moderately Satisfactory	Shortcomings at quality at entry and during supervision.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR draws the following main lessons from the experience of implementing this project, with some adaptation of language.

1. A simple design would be helpful especially in countries with fragile settings. The design in this project entailed the project to be implemented with local capacity, despite the deteriorating security situation in the country.

2. The strong local presence of the Bank team can help in project implementation. The continuity of the local presence of the Bank team in this project helped the project agencies to establish a close working relationship with the Bank.

3. Adapting the World Bank guidelines for fragile, conflict and violent countries can aid in effective project implementation. For example, relaxing some of the procurement post qualification requirements given the fragile context, made it possible for a greater number of local contractors to participate in the bidding process.

4. A careful examination of the availability of international consultants is especially required in fragile countries. The project was unable to find consultants for undertaking institutional strengthening activities and this eventually led to the cancellation of these activities in this project.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well-written. The ICR provides evidence in a parsimonious fashion. It concisely summarizes the salient points and clearly links evidence to findings. The ICR candidly discusses the issues in a fragile setting. The ICR draws good lessons from implementing this project and the lessons are clearly linked to the narrative.



The results framework is logical and the ICR provides a good elucidation of the links between the project activities, outputs and outcomes. One important feature of the ICR is its tight presentation.

The ICR does not provide information on why a portion of the grant was not disbursed.

a. Quality of ICR Rating
Substantial