Report Number: ICRR0023484

1. Project Data

Project ID	Project Name
P127241	TZ-Intermodal & Rail Development Project
Country	**Practice Area(Lead)**
Tanzania	Transport

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-54140	31-Jul-2019	270,762,000.77
Bank Approval Date	**Closing Date (Actual)**	
24-Apr-2014	30-Sep-2022	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	300,000,000.00	0.00
Revised Commitment	300,000,000.00	0.00
Actual	270,762,000.77	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Gouthami Padam	Vibecke Dixon	Kavita Mathur	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The project development objective (PDO) as stated in the PAD (Page 9) and Financing Agreement (Schedule 1, Page 5) was **"to deliver a reliable open access infrastructure on the Dar es Salaam-Isaka rail segment"**.

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

No

c. Will a split evaluation be undertaken?

No

d. Components

The project included four components:

Component A: Improvement of Rail Infrastructure (appraisal estimate - US$216.8 million plus US$15.7 million in contingencies; actual cost at closing – US$244.18 million). This component aimed to do the following: i) rehabilitation, upgradation, and maintenance of selected railway track sections requiring urgent repairs on the 970 km long Dar es Salaam-Isaka line; ii) rehabilitation of "weak" bridges to increase the capacity to a minimum of 15 tons/axle load; iii) implementation of Train Control and Track Warrant Systems; and iv) track, bridge, maintenance, and installation works supervision.

Component B: Rolling Stock (appraisal estimate - US$17.5 million plus US$1.8 million in contingencies; actual cost at closing – US$ 15.95 million). This included the procurement of three new locomotives, 44 wagons, a track recording car and civil engineering rolling stock. New container block train rolling stock was to be dedicated as part of the introduction of a new intermodal Tanzania Railways Limited (TRL)-operated service between Dar es Salaam and Isaka.

Component C: Development of Isaka Terminal, Ilala Terminal, and Dar es Salaam Port Platform (appraisal estimate - US$12.7 million plus US$2.6 million in contingencies; actual cost at closing – US$1.42 Million). This component aimed to support the development of three intermodal container terminals to allow for more efficient modal transfers to and from the rail. Specifically, it included i) the design and civil works to construct rail exchanges in the terminal in Isaka; ii) the design and civil works to construct rail exchanges in the terminal in Ilala and iii) the design and implementation of civil works to upgrade and re-align rail exchanges in Dar es Salaam port particularly in and around the container depots in the port.

Component D: Institutional Strengthening and Capacity Building (appraisal estimate - US$32.9 million; actual cost at closing – US$9.21 million)**.** This component intended to support project preparation and additional technical support to the implementing agency - Reli Assets Holding Company (RAHCO), TRL and the Surface and Marine Transport Regulatory Authority (SUMATRA). The main elements were: i) Preparatory Design studies; ii) Enhancement of information technology tools including the establishment of a Management Accounting Information System (MAIS) for TRL, RAHCO and SUMATRA; iii) Setting up of the Project Implementation Team (PIT); iv) Capacity Strengthening of TRL; and v) other capacity strengthening measures for TRL, RAHCO, SUMATRA, and Ministry of Transport (MoT).

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

Project Cost. The actual project cost is US$ 270.76 million, lower than the appraisal estimate of US$300 million. As explained below under project financing, this was mainly due to exchange rate fluctuation.

Project financing. The project was financed by IDA, with a total project cost at appraisal of US$300.00 million. The actual cost at closing was US$270.76 million. This was mainly due to exchange rate fluctuation during project implementation that resulted in a reduction in USD allocation.

Borrower contribution. There was no Borrower contribution at appraisal. During implementation, the project was required to pay value added tax (VAT), which was exempted during the second project restructuring of June 2019. This VAT payment of US$39.6 million on works contracts was borne by the Government as counterpart funding (ICR, para 11).

Dates. The project was approved on April 24, 2014, and became effective on March 30, 2015, and scheduled to close on July 31, 2019. It was extended twice on June 12, 2019 (for 22 months) and on April 21, 2021 (for 16 months). The final closing date was September 30, 2022.

Other changes. There were three restructurings during the project lifetime. However, there were no changes to the project components or to the indicator values.

During the August 15, 2014 project restructuring, there was a reallocation of disbursement categories. The amount of SDR 3,300,000 that was allocated for Project Preparation Advance (PPA) during appraisal was not disbursed and thus there was a reallocation of disbursement categories (ICR paragraph 19)

During the June 12, 2019 project restructuring, the project closing date was extended by 22 months from July 31, 2019 to May 31, 2021 to allow for full completion of project activities. In addition, the following changes were made:

- One intermediate indicator was added following the merger of TRL and RAHCO to form Tanzania Railway Corporation (TRC), which became the implementing agency; and
- Targets for all indicators (**two PDO indicators** and eight intermediate indicators) were refined based on the implementation progress.
- The project components remained the same, but the component costs were adjusted to reflect changes in commitments and completion projections. The overall project cost of US$300 million remained unchanged.

During the third restructuring of April 21, 2021, the final closing date was extended to September 30, 2022. The primary reason for this project extension was to allow for the completion of project activities that were impacted by the Coronavirus Disease (COVID-19) pandemic to achieve that PDO. This restructuring did not involve any additional changes to project indicators or components.

Split rating. The PDO, project scope and its key indicator targets did not change during implementation. As a result, a split evaluation is deemed unnecessary.

3. Relevance of Objectives

Rationale

Country and sector context. Tanzania, with its vast size of approximately 947,000 km2 and a population of 61.5 million, holds a prominent position as the largest country in East Africa. Surrounded by several landlocked countries, Tanzania serves as a vital economic driver and acts as a maritime gateway and trade hub for these neighboring nations, which rely on it for freight movement. When the Tanzania Intermodal & Rail Development Project (TIRP) was identified, regional freight movement through Tanzania was characterized by long transit time, extensive delays, and high transport costs. It was important to improve the country's overall logistics performance to enhance productivity and competitiveness and enhancing the country's rail network, particularly along the central corridor that connected from Dar es salaam to the landlocked neighboring countries.

Alignment with Government strategy. The PDO aligns with Tanzania Development Vision 2025, which is the country’s overarching strategy for growth and poverty eradication. The country’s current five-year development plan FYDP III (2021/22 - 2025/26) specifically aims to strengthen private sector capacity and facilitate investment and trade. TIRP's provision of railway infrastructure and policy reforms for third party operations align with this objective.

Alignment with Bank strategy. The PDO aligns with the World Bank's Africa Regional Integration and Cooperation Assistance Strategy (FY18-23), specifically priority 1, which aims to generate economic dynamism along regional economic corridors. The strategic priority also aims to reduce infrastructure gaps (including rail infrastructure), improve physical connectivity, and increase private sector leveraging in regional infrastructure, which were all addressed in the project. In addition, the PDO is also consistent with the World Bank's strategy for Tanzania outlined in the Country Partnership Framework (CPF) (FY2018-22). One of the focus areas of the CPF is to “enhance productivity and accelerate equitable and sustainable growth”. This includes specific objectives related to Tanzania's potential as a trade hub and improving transport connectivity for rural areas. The CPF highlighted the need to upgrade the rail network connecting the port to the rest of the country and neighboring countries, and this is in line with the TIRP.

Previous World Bank Experience. The project was expected to complement the Bank-financed East Africa Trade and Transport Facilitation Project (Credit Number 4149-TA), which was under implementation at the time of project appraisal, and ongoing economic and sector work on developing a Regional Transport Intermodal Strategy and Action Plan in the countries of the East Africa Community (EAC), along the Central and Northern Corridors, including Lake Victoria and Lake Tanganyika.

The project included investments aimed at providing a reliable rail infrastructure service and delivering open access rail infrastructure. As discussed in the theory of change below, the links between the project activities and intended outcomes were logical. The PDO was relevant to the Bank strategy and Government Strategy and would also complement prior World Bank activities in the region and sector.

Level of the PDO. However, while there is clear alignment between the project’s development objectives and the country- and WB strategies, the objective is pitched at a level that does not adequately reflect a potential solution to a development problem. While acknowledging the difficulty of the operational environment, a shortcoming here was that the objective was at a very low level (i.e. at the input/activity-level) of the logical chain. “To deliver a reliable open access infrastructure on the Dar es Salaam-Isaka rail segment” alone is not outcome focused and does not help in understanding what development results were expected as a consequence of the project whether those results were improved trade efficiency and improved income or other factors affecting community livelihoods. These may be longer term targets but tracking them and identifying them is an important aspect of a successful development operation. Hence, this review rates the relevance of the PDO as **Substantial.**

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
To deliver a reliable open access infrastructure on the Dar es Salaam – Isaka rail segment.

Rationale
Theory of change.

The project did not present a theory of change (ToC) at appraisal because none was required at the time. The results framework provided the causal logic that linked the original inputs to outputs and outcomes. The ICR prepared a ToC. The project was to use the project's inputs—IDA credit—to finance activities such as (a) rehabilitation, upgrade and maintenance of rail tracks, (b) procurement of rolling stock, and (c) development of intermodal terminals. The expected outputs were improved rail track, increased availability of rolling stock, and upgraded terminals. These outputs were expected to lead to the intermediate outcomes of improving rail operations and safety, and increasing commercial train speed, capacity and freight volume – thereby contributing to the achievement of the project objective of delivering a reliable service between Dar es Salaam – Isaka rail segment. The project was to finance institutional strengthening and capacity building activities, capacity strengthening of rail agencies and institutions, and clear direction for open access railway network (i.e., provision of non-discriminatory access to the railways network to third parties). These institutional strengthening activities would lead to outputs such as the enhancement of IT tools and the establishment of Management Accounting Information System (MAIS), strengthened capacity of the key institutions (TRC and MoWTC) and the implementation of an open access Rail policy, contributing to the delivery of a reliable open access infrastructure on the Dar es Salaam-Isaka rail segment.

The causal links between project activities, outputs and intermediate outcomes were logical, clear and convincing and does not have any logical gaps. The indicators identified for the outputs and outcomes are measurable and logical. The part of the ToC related to Institutional Strengthening and Capacity Building did not have any corresponding indicators, and were thus not adequately monitored or reported on in the results framework (RF) or ICR.

Outputs:

- 607.75 km out of the targeted 970 km of the railway track was rehabilitated. Target not achieved.
- 377 out of 389 targeted bridges were repaired. Target not fully achieved. The partial achievement of these two indicators can be attributed to several factors. There was a delay in project effectiveness and the procurement of contractors and goods, resulting in a gap between the initial assessment of track and bridge conditions in 2012/13 and the actual start of work in 2018. Train operations continued during this period, leading to further deterioration of the tracks and bridges. As a result, the available budget for refurbishment was impacted, and the focus shifted to the sections that were in the worst condition. These factors contributed to the reduced length of sections that could be refurbished within the project timeframe.
- Average commercial speed increased from 11 kph to 40 kph, which exceeded the target of 30 kph.

- 149 wagons were made available on the train between Dar es Salaam Port and Isaka terminal to improve the loading capacity, not fully achieving the target of 160.
- The three intermodal terminals were not developed. Target not achieved.
- The average loading and unloading time per a train in each terminal remained at the baseline level of 12 hours, not achieving the target of 4 hours.
- The axle load capacity went up from 13.8 to 18.5 axle-load tons (beyond the target of 15 axle-load tons) from Dar es Salaam to Tabora.
- The Management Accounting Information System (MAIS) was established and being integrated with the Government implemented Enterprise Resource Management System (ERMS) in line with all parastatal entities in Tanzania as indicated in the ICR. Target was achieved.
- Business unit for the block train was properly staffed and functioning, as targeted.
- A five-year Business Plan for Tanzania Railways Limited (TRL) was not put in place, and the target was thus not achieved.
- Maintenance program and internal arrangement between the Cost Center and Business Units were not achieved.
- The implementation of an open-access Rail Policy that would have helped reform railway operations to allow for third-party operators was not fully achieved. This required a legal amendment of the Tanzania Railways Act of 2017, which was not done by the time of project closure.

In addition to the achievements listed in the RF, the ICR also reported on the following achievements not identified in the RF and hence without target values:

- Capacity Building was provided to the Land Transport Regulatory Authority (LATRA) through knowledge exchange with successful regulators of railway systems with similar institutional arrangements and work with a Regulatory Consultant to develop open access regulations for Tanzania,
- Fifteen technical staff from LATRA, TRC, MoWTC-Transport and TAZARA were trained on a range of transport planning and rail safety topics.

Outcomes:

The outputs described above were expected to result in increased reliability of rail service between Dar es Salaam and Isaka and an effective implementation on open access environment, where there was adequate capacity made available for third-party operators in rail operations.

The main outcomes realized were:

- 366 containers (Twenty-foot equivalent units or TEUs) were shipped by direct project beneficiaries as opposed to a target of 6,000 per year. Baseline was 308. This was far below the target set because block train operations had not commenced. The construction of rail exchanges in the Isaka and Ilala terminals and the upgrade and re-alignment of rail exchange in the Dar es Salaam Port was also not completed.
- Open access rail operations had not started at the time of project closure and the target of having 2 daily slots for third party block trains between Dar es Salaam port and Isaka terminal was not achieved.

Overall, the project did not achieve any of the two outcome indicators and therefore was unable to achieve the objective to provide delivery of a reliable open-access infrastructure on the Dar es Salaam-Isaka rail segment. However, while the project did not achieve its planned outcomes, it did achieve some of its planned outputs and it laid the groundwork necessary for achieving them (as outlined in the project team's correspondence to IEG (07/12/23)). The achievement of this objective is thus rated **Modest.**

Rating
Modest

OVERALL EFFICACY

Rationale
As described above, the main outcomes were only barely achieved. Hence, the overall efficacy is rated **Modest**.

Overall Efficacy Rating	Primary Reason
Modest	Low achievement

5. Efficiency

Economic Efficiency.

The efficiency of the project was evaluated based on an economic evaluation and a financial assessment of project implementation. The efficiency analysis reported in the ICR was based on an ex-post cost-benefit analysis (CBA) approach, which used the same methodology as the analysis at appraisal stage and was based on both financial and economic analyses at discount rates of 10 percent and 12 percent respectively. The economic model measured the economic impact of the project as net costs and benefits over a period of *25* years (2014-2039), discounted at 12 percent discount rate. While the financial analysis assessed the financial returns on the investment after project execution over the same period, discounted at 10 percent discount rate.

The economic evaluation showed that the project had a positive net present value (NPV) of US$49 million at completion, compared to the NPV at appraisal of US$79 million. Results from the financial analysis also showed positive returns, with an NPV of US$54 million at completion, as compared to an ex-ante NPV of US$42 million. An analysis of the risks was conducted assuming a one-year delay in the operationalization of the container train service and open access, failure in the implementation of both services and when the traffic levels are lower than forecasted by 40 percent. The results showed that the project was robust to the implementation delays of both container train service and open access operations but was sensitive to traffic fluctuations and failure to provide both the container and open access services (ICR, para 44).

<u>The ICR (para 45) observed that the lower ex-post NPV on the economic analysis was mainly due to significant changes in both costs and benefits between the preparation and appraisal period</u>. The total investment cost was

lower at completion than at appraisal (US$340million as opposed to US$364million). The investment was delayed, and there were changes in major operating costs such as salaries, fuel consumption, and maintenance. Revenues decreased upon completion due to lower traffic at completion (416,866 tons) than projected during the appraisal phase (750,000 tons).

Administrative and operational efficiency.

The project faced several administrative and operational challenges, including delays. Limited capacity of RAHCO, procurement delays, delays in the operationalization of open access operations and the operation of the new block train container service, exchange rate fluctuations between the US dollar and Special Drawing Rights (SDR), have all contributed to some funding shortfalls and implementation delays. Many of the project's activities were delayed in their contracting and then during implementation, resulting in some activities being scaled down and remaining partially incomplete when the project concluded.

The Efficiency is rated **Modest**. The delays led to an increase in costs and operational issues that brought down the NPV, and the project was only able to achieve some of its planned outputs.

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	✓	15.50	0 ☑ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

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

6. Outcome

The relevance of the PDO to the Government strategy and the current Bank strategy is rated Substantial, efficacy was rated Modest due to low achievements, and efficiency was rated Modest. Hence, the project's overall outcome is rated Moderately Unsatisfactory.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

Institutional and Capacity Risk. There is a substantial risk that the Tanzania Railways Corporation (TRC) might not be able to build capacity and improve its maintenance program and adopt modern asset management techniques to ensure the sustainability of the assets and project outcomes.

Government commitment. Implementation of open-access rail operations, which is a core part of the project, could not be completed by project closure as the amendment of the Tanzania Railway Act, 2017 was not completed. There is a substantial risk that open access policy may not be implemented.

Environmental Risk. Flooding at the Kilosa-Gulwe section has happened before and can cause serious damage to the train operations in that corridor also in the future. The ICR noted that this is a substantial risk to the project's sustainability and finding a permanent solution would be crucial to prevent disruptions and damages to train operations.

8. Assessment of Bank Performance

a. Quality-at-Entry

During the preparation stage, the World Bank engaged important stakeholders to design the project, and also took into account lessons from previous railway projects in Tanzania and the region. A risk assessment was conducted, and it identified significant risks that included the lack of capacity in RAHCO. While some mitigation measures were taken, they proved to be insufficient. As a result, lack of readiness led to a one-year delay in the project becoming effective and additional delays occurred later. Unforeseen risks such as the global pandemic and budgetary constraints also impacted the project toward the end of the project period.

The PDO was prepared with the assumption that serious delays would not hinder its achievement. Given that legislative measures were necessary to ensure an open access policy and the completion of the entire investment was needed before operations of block container train, this assumption was risky. It was also known that portions of the rail line were prone to intermittent flooding, and a strategy to address this issue was not in place.

The quality-at-entry was **Moderately Unsatisfactory.**

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The World Bank team was responsive to project demands during implementation but could have been more proactive and involved (ICR, para 82). During the implementation of the project, there were long delays that resulted in further deterioration of infrastructure and increased refurbishment costs. Issues such as inadequate wording in the new Tanzania Railway Act, misunderstandings regarding VAT arrangements, and coordination problems between TRC and the Tanzania Ports Authority were not identified in a timely manner. The ICR states that "while these issues were also the responsibility of other parties, the team's supervision could have identified them in time". Despite these shortcomings, the team conducted regular implementation support missions (at six-monthly intervals), additional technical missions and field visits as needed and provided support to increase capacity through training and workshops.

The project had sustained support from the task team members who had familiarity and trust with the client. It had only three TTLs throughout its lifespan of nine years and benefitted from long engagement by most of its task team, with low turnover of technical, safeguards and fiduciary staff. Although a request for additional financing to complete pending activities was not approved due to a change in World Bank Environmental and Social Safeguards Policy, it was agreed to process a follow-on project (TIRP-2) to address incomplete activities and provide scaled-up support for maximizing development objectives achievement.

The quality of supervision was **Moderately Satisfactory**.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
During the project's appraisal, institutional arrangements were designed to ensure that the indicators would be measured, monitored, reported, and disseminated according to the operation's methodology.

While the PDO was pitched at the activity-level of the results chain, relevant intermediate results indicators were identified to monitor the progress towards achieving the objectives and completion of project activities. Indicators to measure institutional strengthening and capacity building were not identified, and activities related to these activities were not monitored or reported on. During the 2019 Level II restructuring, the results framework was revised to add an intermediate indicator. These indicators were specific, measurable, and targeted to assess the project's achievements.

b. M&E Implementation
The MoT had the overall responsibility of monitoring and evaluating the project outcomes. The Ministerial Delivery Unit, established at the MoT, was also responsible for TIRP's M&E. By project closure, two PDO indicators and nine intermediate results indicators were used to monitor the outcome of the project. Due to delays and lack of capacity, achieving the targets proved to be unrealistic within the timeframe set for the project and the M&E was not effectively carried out (ICR, para 71 & 72). Quarterly progress reports were supposed to be submitted by the Project Implementation Team (PIT) under RAHCO, but their

delivery was not sustained. Other reports that monitored implementation, including Interim Financial Reports and the Consultant's monthly reports on works were satisfactorily delivered.

c. M&E Utilization

Progress was tracked based on the Results Framework and all indicators were routinely updated and reported in the ISRs. However, one intermediate indicator "average loading and unloading time per train in each terminal" was incorrectly updated from the 17th ISR archived in August 2021 and this incorrect reporting continued in all the following ISR's. This may be attributed to the inadequate follow-up of the M&E and the poor data recording at either the Dar es Salaam port or the terminals (ICR, para 73).

Overall, M&E quality is rated **Modest**.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was assigned Environmental Category "B" and three safeguards policies were triggered. These included - Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12).

The ICR stated that the project undertook various measures to address environment and social compliance. An Environmental and Social Impact Assessment (ESIA) was undertaken during project preparation, Environmental and Social Management Plans (ESMPs) and other Environmental and Social (E&S) tools were developed to guide implementation. All serious incidents and fatal accidents were registered in the Occupational Safety and Health Accident's register/logbook, and reported to the World Bank. The project also developed and implemented a COVID-19 Contingency Plan to ensure the safety of the project's teams and communities. A final inspection was conducted in December 2021 to ensure the closure of all outstanding issues by the contractors before handing over the decommissioned sites.

A Grievance Redress Mechanism was effectively implemented in the project area and the ICR noted that all grievances were resolved. The contractor's Gender-Based Policy, Labor Influx and Community Engagement Plans were cleared and well implemented. The Abbreviated Resettlement Action Plan was audited. All the plans were implemented.

The PAD stated that "TIRP's rehabilitation and upgrading works may involve significant earthworks and therefore have the potential to trigger the Physical Cultural Resources safeguards policy" but the ICR did not report on measures taken to address this. The team informed IEG (June 15, 2023) that the Physical Cultural Resources safeguards policy was not triggered in practice as no chance-finds were encountered during project (works) implementation.

The ICR reports that the Environmental and Social compliance was satisfactory.

b. Fiduciary Compliance

Financial Management. The project provided quarterly Interim Financial Reports that were considered satisfactory and acceptable by the World Bank, and they were submitted in a timely manner. The ICR states that a total of seven audits were conducted by the Controller and Auditors General (CAG) throughout the project's duration, and no significant issues were reported. A final project audit is scheduled to take place after the end of the FY in June 2023, with the report expected by December 31, 2023. Internal control issues such capacity challenges in the Internal Audit department were identified during the project implementation. However, overall, the planning and budgeting, accounting, external audit, and disbursement arrangements were deemed satisfactory. A final financial management assessment concluded that the financial arrangements at TRC were adequate to support project operations, leading to the proposed TIRP-2.

Procurement. The project experienced delays in processing procurement activities at the early stage of project implementation. The COVID-19 pandemic impacted goods that were to be shipped from abroad and a few procurement issues were reported. According to the ICR, other procurement contracts were completed within the contractual time. In total, the project processed and managed 58 contracts (38 consultancies, two non-consultancies, twelve goods and six works) which were carried out in accordance with World Bank Procurement Guidelines.

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Satisfactory	Moderately Unsatisfactory	There were significant shortcomings in the Quality at Entry, specifically in terms of underestimating the high risks of limited capacity and long delays, and inadequate mitigation measures. The quality-at-entry is rated Moderately Unsatisfactory, which gives an overall

			Moderately Unsatisfactory Bank Performance rating despite the Moderately Satisfactory supervision rating.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

- **Rail projects relying on railway reforms may experience significant delays if a strong buy-in from different levels of government is not sufficiently secured.** It is crucial for rail projects relying on such reforms to have a strong buy-in from different levels of government when implementing challenging institutional reforms. In the case of TIRP, the determination and buy-in from relevant agencies and the ministry were evident through their efforts to amend the Tanzania Railway Act of 2017. In addition, intermediate targets that show progress on difficult institutional reforms help monitor and adjust the course of such reforms as required. Since the need for an amendment to the law only became clear during implementation and affected the timeline, intermediate targets on the progress of reforms tends to be useful.

- **If sufficient flexibility is not built into the project design, its inability to respond to changes in institutional arrangements may impact its implementation**. Teams should consider this risk, especially when working in an economy that is heavily investing in infrastructure and its related capacity and set up adequate mitigation measures including establishing requirements that will retain the trained or already experienced personnel for the transition period; and building extra time in project implementation to account for potential changes.

- **M&E can be affected if the Institutional arrangements are not implemented as designed.** Addressing this challenge would require enhancing the capacity of implementing agencies in developing and implementing robust M&E designs and frameworks. The project faced shortcomings in the M&E design and implementation and established institutional arrangements for results monitoring were not followed adequately, as described earlier.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is clear and provides a detailed overview of the project. The evidence and analysis presented is adequate for evaluating the performance of the project. One shortcoming in the ICR is that the revised targets after the restructuring could have been specified properly, but the rest of the information that is needed to draw conclusions is available. The report is results-oriented, and the discussion is based on what the project was able to achieve on the ground. The ICR draws good lessons from the experience of implementing this project and they were based on evidence and analysis. Overall, the quality of the ICR was **Substantial.**

a. Quality of ICR Rating

Substantial