



## 1. Project Data

<b>Project ID</b> P152659	<b>Project Name</b> Gambia Electricity Support Project	
<b>Country</b> Gambia, The	<b>Practice Area(Lead)</b> Energy & Extractives	
<b>L/C/TF Number(s)</b> IDA-57870,IDA-D1140	<b>Closing Date (Original)</b> 31-May-2021	<b>Total Project Cost (USD)</b> 18,857,882.38
<b>Bank Approval Date</b> 10-May-2016	<b>Closing Date (Actual)</b> 31-Mar-2020	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	18,500,000.00	0.00
Revised Commitment	18,385,411.40	0.00
Actual	18,857,882.38	0.00

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## 2. Project Objectives and Components

### a. Objectives

As per the Financial Agreement (FA) on page 5, "the project development objective (PDO) is to increase the availability and reliability of electricity supply for existing customers". The statement of the PDO in the project appraisal document (PAD) on page 7 was identical to the one in the FA and was unchanged until the project closure.



The assessment of project performance will be based on the parsing of the PDO in two sub-objectives as follows:

- (i) To increase the availability of electricity supply for existing customers, and
- (ii) To increase the reliability of electricity supply for existing customers.

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

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

At appraisal, the project had three components, which were revised three times as described below:

At appraisal, the project had three components, which were revised through three restructurings in March 2017, August 2017, and March 2019 as described below:

**Component 1: Expansion of available generation capacity at Kotu and Brikama. Cost at appraisal of US\$7.0 million, Actual amount of US\$16.80 million.** This component was originally to fund investments aimed at rehabilitating the Kotu and Brikama power plants. Specific investments included (a) the purchase and installation of two new Heavy Fuel Oil (HFO) engines; (b) the rehabilitation of an HFO engine at Brikama power plant; and (c) the rehabilitation of damaged equipment and the provision of operational reliability to improve plant efficiency at the Kotu power plant.

- **Revised Component 1:** During the March 2017 restructuring, the Component 1 was renamed as "Increase Electricity Supply" and aimed "to increase electricity capacity and supply" with the following changes taking place: (i) the subcomponent b was modified to finance the rehabilitation and repair of additional engines, (ii) the funding for subcomponent c for the rehabilitation activities in Kotu was put on hold until additional sources of financing were identified, and (iii) a subcomponent d was created for fuel purchase with an allocation of US\$8 million. During the August 2017 restructuring, changes were as follows: (i) an additional US\$3 million was allocated from Component 2 and 3 to cover the funding of the cross-border lines, (ii) bring back auxiliary equipment at Kotu to help stabilize supply, and (iii) to cover full cost of replacement engine at Brikama. During the March 2019 restructuring, the budget for rehabilitation of damaged equipment in Kotu was increased to reflect a cost overrun.

**Component 2: Reduction of technical and commercial losses in the Great Banjul Area (GBA). Cost at appraisal of US\$4.5 million, Actual amount of US\$0.70 million.** At appraisal, this component aimed to fund investments in the transmission and distribution network to improve the continuity and quality of



supply. Specific investments included the acquisition of new transformers and the replacement of other equipment, and the metering improvement.

- **Revised component 2:** During the March 2017 restructuring, Component 2 was reduced in scope and financing with the removal of the upgrading and rehabilitation of existing distribution systems in the GBA, thus delaying the network upgrades until new financing became available. During the August 2017 restructuring, Component 2 resources were reduced as a cost saving, and the corresponding amount was allocated to Component 1. During the March 2019 restructuring, there was an increase in the number of prepaid meters to be financed from 13,000 to 23,000 and the cancellation of network upgrades.

**Component 3: Institutional Strengthening and Project Implementation Support. Cost at appraisal of US\$7.0 million, Actual amount of US\$1.00 million.** At appraisal, this component aimed to finance (i) a four-year service contract for NAWEC management support to reform the utility (b) installation of a new IT system to streamline NAWEC's operations, and (c) the funding of an owner's engineer to support implementation including procurement, and (d) finance capacity building activities and strategic studies.

- **Revised Component 3.** During the August 2017 restructuring, resources devoted to funding the service contractor and owner's engineer contracts for component 3 were canceled and allocated to Component 1. During the March 2019 restructuring, there was a cancellation of the planned SCADA system training.

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

**Project Cost.** At appraisal, the total project cost was estimated at US\$18.5 million. At closing, all resources were disbursed, and the actual total project cost was US\$18.5 million. The operational Portal shows a different amount (US\$18.9 million), arising from exchange rate variation. As explained above, there were major category reallocations and changes in costs for each of the three components during the project's three restructurings.

**Financing.** At appraisal, the project financing was estimated at US\$18.5 million, provided by an IDA credit of US\$12.46 million, and an IDA grant of US\$6.04 million. As the total cost amounted to US\$18.5 million, all funds were totally disbursed.

**Borrower Contribution.** At appraisal, there was no planned borrower's contribution and there was none during project implementation.

**Dates:** The project was approved on May 10, 2016 and became effective on August 16, 2016. The project went through three level-2 restructurings as follows: (i) the two first restructurings took place successively on March 23, 2017 and August 31, 2017 and brought in changes in the results framework, and the components and costs, (ii) the third restructuring took place on March 14, 2019, with changes in the results framework, components and costs, the loan closing date, the safeguard policies triggered, and the implementation schedule. A medium-term review was completed on May 07, 2018, and the project was closed on March 30, 2020, 14 months ahead of the original closing date.



### 3. Relevance of Objectives

#### Rationale

**Country Context:** At project appraisal, the Gambia was a Fragile, Conflict and Violence-Affected (FCV) country and was in a major political crisis. The project implementation coincided with a political transition, which profoundly shifted the political landscape within which the project was being implemented. As a result, while this project initially suffered from the adverse effects of the political crisis, it was a positive factor to the new government, as the latter used it to partially address the people's expectations for improved electricity service. Significant investments and technical assistance provided by the project were instrumental to revitalizing both the operational and financial viability of the energy sector. This project intended to address some of the most urgent needs to stabilize the energy sector of a fragile economy by improving the delivery of energy services as a contribution to creating the conditions for economic growth. Finally, the PDO was aligned with one of the eight strategic priorities of the Government's 2018-2021 National Development Plan, which aimed at building the country's infrastructure and restoring energy services.

**The PDOs were consistent with the World Bank's re-engagement strategy:** Because of the FCV situation of the country, the only World Bank's instrument of dialogue was a Country Engagement Note (CEN) covering the FY18-FY21 period, which aimed to provide the critical short-term assistance needed to address macro-fiscal challenges. The CEN and the Systematic Country Diagnostics (SCD) were together expected to inform the 2021 Country Partnership Framework (CPF). This was the first energy project of the World Bank in The Gambia, and the PDO was fully aligned with one of the two objectives of the CEN aimed at restoring macroeconomic stability and promoting inclusive growth.

**The project scope was to fund emergency work to maintain critical support to energy, but local implementation capacity was inadequate:** The project was designed as a small undertaking from the outset, with limited components that were even scaled down during restructuring operations to take into account the constraints on the ground. The provision of TA reinforced the local capacity and delivered the project activities with support of the Bank team's expertise. The project's flexible approach aimed to address the country's emergency situation by promoting regional trade through the financing of the 30 kV cross-border lines and by funding investments that can stabilize energy supply and attract other stakeholders into the sector. Strengthening access to energy was one of the critical activities necessary to address bottlenecks hampering country's sustained growth and services.

The relevance of objectives is rated Substantial. While there was a congruence between the PDO and the country's priorities and the Bank's reengagement strategy, implementation readiness was an issue.

#### Rating

Substantial

### 4. Achievement of Objectives (Efficacy)



## **OBJECTIVE 1**

### **Objective**

To increase the availability of electricity supply for existing customers

### **Rationale**

#### **Theory of change**

There was no theory of change either in the PAD or in the three restructuring project papers that could establish the linkage between the project activities and the PDOs supported by the World Bank's financing. The ICR constructed a result chain (Figure 2), which outlined the mechanism through which project activities were to result in outputs and outcomes. This review draws from the ICR material to present the results chain underlying the process of achieving the two project development sub-objectives.

The theory of change toward increasing the availability of electricity supply for existing customers was that the project was to fund activities aimed at rehabilitating engines, constructing cross-border MV lines, replacing equipment and ensuring maintenance of plants, and building technical capacity. Expected outputs included increased electricity supply, expanded electricity imports, and improved expertise. The targeted outcomes were an enhanced energy access, and a larger number of project beneficiaries. Assumptions underlying the theory of change were (i) a successful domestic political transition, (ii) a continuous presence of the donor community that was to provide the needed financial support for a country facing an internal economic crisis, and (iii) a climate favoring regional cooperation and integration to enable energy imports.

Resources reallocation within and among categories did not affect the above described theory of change. During the successive restructurings of 2017 and 2019, the first component activities to expand the electricity generation and transmission capacity were replaced by those supporting the increase of electricity supply, and both of which remained consistent with the original PDO. Moreover, the cancellation of certain activities of the components 2 and 3 reduced the scope of the outcome, without changing the original goal.

### **Outputs**

- Three new engines were acquired and installed at Kotu and Brikama;
- Import capacity investments enabled the construction of two cross-border MV lines in Barra and Farafenni; and
- Distribution lines were constructed or rehabilitated, partially achieving 62 percent of the target, reaching 31 km against a target of 50 km. Delays in the physical investments on the Senegal side of the border caused the lower-than-targeted performance.

### **Outcomes**

- The increased availability of electricity for existing customers was achieved through restored generation capacity of 21.8 MW against a target of 22MW, and through the purchase of 21,000 tons of fuel;
- The new cross-border lines enabled (i) electricity import of 6,875 kVA, representing 153% of the revised target value of 4,466 kVA, and (ii) the provision of 24/7 access to electricity in villages across



the North Bank, and the target value was nearly achieved, reaching 314 GWh against a target of 317 GWh;

- The target of the direct project beneficiaries was exceeded by 31 percent, reaching 744,432 against a target of 570,000; and
- The target for female beneficiaries was also achieved, reaching 51 percent of total beneficiaries.

### **Rating**

Substantial

## **OBJECTIVE 2**

### **Objective**

To increase the reliability of electricity supply for existing customers

### **Rationale**

#### **Theory of change**

The theory of change toward increasing the reliability of electricity supply for existing customers is based on the project funding activities aimed at procuring and installing prepayment meters and smart meters, building expertise within the electricity utility, and attending all grievances submitted by the energy customers. Expected outputs included (i) the number of installed meters, (ii) the number of trained staff and hired consultants, and (iii) the number of grievances resolved. The above outputs were to lead to the following outcomes: (i) increased ability to measure electricity consumption and losses, (ii) the reduction of technical and commercial losses, and (iii) the quality energy supply and continuity to the customers through the reduction of forced outages and voltage drops. Assumptions identified under the first sub-objective are applicable in the context of this sub-objective.

### **Outputs**

- 23,000 prepayment meters and 300 smart meters were procured and installed, fully achieving the indicator target;
- Capacity building target was achieved, including the hiring of a Consultant to restructure the National Water and Electric Company Ltd (NAWEC) debt and the training of 10 staff; and
- 100 percent of the total grievances received were processed, fully achieving the target.

### **Outcome**

- The increase in generation capacity helped the system to reduce the number of voltage drops and the system-wide blackouts. In absence of the availability of classic indicators used to measure the frequency or duration of blackouts, T&D losses were used as a proxy for service quality;
- The procurement of prepayment meters enabled NAWEC to shift existing customers from old and faulty credit meters, to new calibrated prepayment meters, helping to significantly reduce losses;



- The transmission and distribution losses were reduced from a baseline of 25 percent in 2016, to 19 percent in 2019, significantly surpassing the target of 22 percent;
- The financial viability of NAWEC improved as a result of reduced technical and commercial losses, and generation has grown at a rate of 6 percent per annum over the project life, while cash collected has grown at over 10 percent per annum.

### Rating

Substantial

## OVERALL EFFICACY

### Rationale

The overall efficacy is rated as Substantial, as most PDO indicators were either achieved or nearly achieved. Toward increasing the availability of electricity supply, achieved results were: (i) restored generation and supply capacity and increased electricity import and (ii) the provision of 24/7 access to electricity in GBA and in villages across the North Bank, and (iii) expanded direct project beneficiaries, including women. Toward increasing the reliability of electricity supply, achieved results were: (i) reduction of the number of voltage drops and wide blackouts, (ii) the shift of existing customers from old and faulty credit meters, to new calibrated prepayment meters, helping to significantly reduce losses, and (iii) the reduction of transmission and distribution losses, and improved financial viability of NAWEC.

### Overall Efficacy Rating

Substantial

## 5. Efficiency

The ICR conducted an ex-post update of the economic and financial efficiency of the project (ICR, para 28-32 and Annex 4) using the same methodology adopted at appraisal stage. The update was based on the actual values realized in the three years of implementation, and adjusted for the changes in project activities brought in during the three restructuring operations.

**Economic and financial efficiency.** Assessment methodology used at appraisal stage was replicated at closure. However, the underlying data was updated using the actual values realized in the three years of implementation, as well as accounting for the changes in project activities through the restructurings. Given the different nature of activities financed through the project – short-term emergency fuel supply, and as well as long-term investments - the results of the ex-post economic and financial analysis are presented with and without the fuel supply included (ICR, Annex 4).



The project's economic internal rate of return (EIRR) and the net present value (NPV) at project appraisal were estimated respectively at 23.1 percent, and US\$29.4 million. Actual values of the EIRR, and the NPV at closing were respectively 29.7 percent and US\$12.7 million. The EIRR when fuel purchase is excluded came up to 11.4 percent, a lower achievement, but still above the 6 percent hurdle rate. This lower value reflects the lower (40-50 percent) utilization rate of the engines financed by the project, which is based on the first 2-3 years of operations. Financial analysis at project appraisal concluded that the Financial internal rate (FIRR) would be 45.1 percent, with an NPV estimated at US\$79.6 million. Actual values at closing were 27.7 percent for the FIRR, and US\$12.0 million for the NPV. The lower level of the closing values arose from the stationary nature of the tariffs, which did not increase by 5 percent per year as assumed during project appraisal. The ex-post efficiency analysis demonstrates that the project delivered economically and financially viable activities, despite a lower utilization rate driven in part by lack of maintenance. The sensitivity analysis shows that the results are robust even when taking extreme assumptions on willingness-to-pay, utilization rates, and fuel prices.

**Operational and administrative efficiency:** While the ICR did not report on this subject, there are elements supporting some performance indicators in the areas of operational efficiency as follows: (i) it is uncommon to find a Bank's project closing 14 months ahead of the revised closing date and still deliver a satisfactory outcome. While this is a sign of efficiency, this occurred primarily because a portion of the project activities was transferred to a recently approved project, and (ii) the three restructurings showed operational flexibility that contributed to adjusting the project implementation to the on-the-ground realities.

## Efficiency Rating

Substantial

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	✓	23.10	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	29.70	0 <input type="checkbox"/> Not Applicable

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

## 6. Outcome

The relevance of objectives was substantial, because of their congruence with the country's priorities, and the World Bank's strategy in a FCV context, but implementation readiness was an issue. Both the project's efficacy and efficiency were substantial. Key results toward the first sub-objective included (i) an increased generation and supply capacity and electricity import, (ii) the provision of 24/7 access to electricity in GBA and in villages across the North Bank, and (iii) an expanded direct project beneficiaries, including women. Achievements toward the second objective included (i) the reduction of the number of widespread blackouts, (ii) the significant reduction of transmission and distribution losses, and (iii) an improved financial viability of NAWEC. Efficiency





was substantial at closing based on positive NPVs, EIRRs, and FIRRs. Overall outcome is rated as Satisfactory.

**a. Outcome Rating**  
Satisfactory

## 7. Risk to Development Outcome

With respect to the availability of electricity, the key risk is the absence of a robust maintenance plan. NAWEC's financial cash flow challenges have led in the past to lower reliability and breakdowns of the electricity systems. Therefore, it is critical that effective arrangements be developed within NAWEC to enhance its financial viability and maintenance of the electricity generation, transmission and distribution infrastructure. The reforms and investment activities scheduled under a follow-on project should strengthen the NAWEC's financial position and enable the maintenance of electricity systems and ensure their sustainability. The cross-border interconnection lines financed by the project are enabling imports from Senegal, and there are no concerns with regards to the performance on this investment. It is important to ensure adequate metering on the Gambian side of the border to monitor accurately the quantity of imported energy.

With respect to improved reliability of electricity supply, achieved outcome relative to the reduction of T&D losses is expected to be maintained or improved through the new project, which intends to support NAWEC toward improving service quality and supporting the preparation and implementation of a loss reduction strategy. The new Gambia Electricity Restoration and Modernization Project (P163568), whose objectives are to improve: " (i) the operational performance of the Project Implementing Entity (NAWEC); and (ii) the capacity of the Project Implementing Entity to dispatch variable renewable electricity", was originally approved in May 2018, and obtained an additional financing in July 2020. Key activities of this ongoing project aim to expand on project's achieved outcome in the areas of electricity availability and reliability.

## 8. Assessment of Bank Performance

**a. Quality-at-Entry**

Issues related to the project quality-at-entry are discussed in the ICR in the para 49-52, and 77-78, and key features are summarized below.

The design of the project was strategically relevant as reflected by the PDO, which had an emergency connotation as it aimed "to increase the availability and reliability of electricity supply for existing customers", indicating that the project was not about modernization, but to rehabilitate the functioning of existing systems in the energy sector. The project was typically tailored to match an FCV context, given its simplicity and flexibility, which could enable to adjust quickly to the changing country and sector context. To ensure the medium and long-term feasibility of the project, the ICR indicated that



technical and economic aspects were addressed at appraisal, but it noted that the financial viability of NAWEC and sustainability of reforms were not captured enough, because the FCV context was not conducive to embarking on complex reforms and upgrading in the energy sector. Because of its strategic pitch, the project prevailed despite subsequent crises and set the stage for much needed investments from other donors.

The results framework and M&E arrangements suffered from the FCV context of the country, which is known for unreliable data. For instance, the operational context could not enable the use of a standard indicator of electricity reliability consisting in reducing the time of blackouts for existing customers, and a proxy indicator was used instead.

The key risks identified at appraisal included the country's political, technical, and security systems and the limited local capacity. Mitigation measures included the simplicity and flexibility of the project design, and the search for a coordinated and close collaboration with key stakeholders and partners in the country's energy sector, as well as the provision of budget for building a monitoring and evaluation framework.

Overall quality-at-entry was satisfactory, as the project matched an FCV context, whereby technical, financial and economic issues were addressed thoroughly, and identified risks were mitigated. Similarly, and as a complement to this section, the project team addressed correctly the implementation and M&E arrangements and environmental aspects, which will be discussed under Section 10 and 11 below.

### **Quality-at-Entry Rating**

Satisfactory

### **b. Quality of supervision**

Key developments related to the quality of supervision were discussed in the ICR in paragraphs 53-60 and 79-81, and the issues raised are summarized below.

Project supervision was monitored closely to factor in the FCV context, with over 25 project support and supervision missions in total. Shorter support missions were conducted in between supervision missions to monitor project activities and provide strategic advice to use in future deeper sectoral reforms. One of the task team leaders was located in neighboring Senegal so as to maintain frequent contact with key local stakeholders. Implementation status and results reports (ISRs) were regularly prepared and used by Bank's management to provide inputs for accelerating project implementation. The project's substantial efficacy arose in part from the proactivity and the flexibility of the local counterparts and the Bank team's ability to adapt and make the needed changes to support the implementing agency to respond to the emergency situation and restore electricity supply. Flexibility from both the Borrower and the Bank management enabled the initiation of three different project restructurings, which enabled timely response to changing needs on the ground.

Commitment and leadership from the highest levels of the government enabled the creation of an energy task force aimed at lifting obstacles and facilitating successful implementation of project



activities. Weaknesses experienced included the failure to constitute a steering committee and frequent changes in the management of the energy utility.

Implementation and M&E arrangements reflected the Borrower's weaknesses in the areas of quality of human resources and organizational capacity. Staff in the PIU was not dedicated to the project and had no procurement experience and no prior experience in the implementation of Bank projects. Moreover, the energy utility did not have adequate expertise and experience in the management of environmental and social safeguards, which resulted in poor oversight over contractors and non-compliance with some of project requirements. However, the project team exerted quality control of data supplied by the implementing agencies, and capacity building took place through trainings and workshops, and the hiring of an international consultant.

Overall, quality of supervision was highly satisfactory, due to the flexibility and stability of the Bank team, which took advantage of a political change to achieve results in a difficult context.

### **Quality of Supervision Rating**

Highly Satisfactory

### **Overall Bank Performance Rating**

Highly Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The coverage of the M&E design in the ICR was sparse. It only touched upon the significant data gaps and the low institutional capacity at appraisal which hampered the choice of adequate indicators to monitor the progress towards the project's outcomes. Only two main outcome indicators were initially identified to monitor progress towards increasing the availability and reliability of electricity. The FCV context during project preparation hindered the quality work necessary to ensure the soundness and the comprehensiveness of the results framework. For instance, a generic indicator to assess the reliability of electricity supply is the reduction in the number of hours during which customers experience blackouts, but this was never chosen. The FCV context also led to the prevalence at appraisal of weak institutional arrangements for data collection and M&E arrangements.

### **b. M&E Implementation**

The ICR provided adequate information on key aspects of the M&E implementation in the paragraphs 62-65, and key features developed therein are summarized below:



- Most indicators selected by the team were specific and measurable, and the results framework was flexible and adaptable to factor in the adjustments to changes on the ground, which has significantly helped the project implementation;
- Performance indicators were revised three times, twice in 2017, and the last time in March 2019 to reflect the changes in the components and the category reallocation of resources. The project team made key changes to PDO indicators, including an indicator capturing electricity generated, to include investments to rehabilitate capacity and the purchase of fuel and a new indicator to measure fuel import capacity. Added or revised indicators during the various restructurings were more ambitious than those used at the outset;
- The project team remained in contact with the representatives of implementing agencies in charge of data collection related to indicators, and exerted quality control to ensure that the data was collected and treated appropriately. The presence of a task team leader in a neighboring country facilitated close coordination with project stakeholders and facilitated coordination in monitoring the M&E system; and
- Throughout the period of project implementation, the project team built the capacity of the PIU to serve in the management of subsequent projects.

### **c. M&E Utilization**

The ICR coverage of the M&E utilization was very limited. This review draws mainly from the meeting with the TTLs, who reported on the M&E utilization as detailed below:

- The project team used the information gathered during frequent support missions to collect data and monitor progress towards achieving outcomes and report on key issues through the mission aide memoires, ISRs and management letters;
- Real-time exchanges between the country office-based team and the PIU helped to ensure the timely identification and resolution of key implementation issues to keep the project on track;
- In the last year of implementation, monthly reports were prepared and shared by the PIU combining reporting on this project and the follow-on project, indicating that capacity building supporting the M&E system had borne fruit; and
- Because of the continuous adjustment of the results framework to the changes in the project components and resources reallocation, shifts in the project results are principally attributable to the project and the M&E activities.

### **M&E Quality Rating**

Substantial



## 10. Other Issues

### a. Safeguards

The ICR coverage of the safeguards issues in paragraphs 68-73 was comprehensive and is summarized below:

At appraisal, the project was classified as a category B project, implying that the impacts of the planned investments were expected to be of low intensity. The triggered safeguards policy was for Environmental Assessment (OP 4.01), and an Environmental and Social Management Plan (ESMP) was prepared and published. During the August 2017 restructuring, the project expansion led to the inclusion of the construction of cross-border lines, enabling the import of electricity from Senegal. Consequently, a new ESMP was prepared and published in August 2017, and an Environmental and Social Impact Analysis (ESIA) was prepared for each of the two cross-border lines financed by the project.

In the context of the March 2019 restructuring, the OP4.12 on Involuntary Resettlement policy was triggered to account for the construction activity of the Kanuma-Amdalai distribution line, which was in non-compliance with the safeguards requirements. About 100 trees were cut during the construction, damaging non-critical infrastructure such as fences. Tree-replanting and compensation elements were satisfactorily implemented and a grievance redress mechanism was made operational. Moreover, an Abbreviated Resettlement Action Plan (ARAP) was implemented with 101 out of the 103 Project Affected People (PAPs) being compensated. Compensation for the two remaining PAPs has been placed in an escrow account to be available for the PAPs for a period of two years. Finally, NAWEC signed a Memorandum of Agreement with the Department of Forestry to agree on a systematic approach to replace trees impacted through its activities. Capacity building and specific trainings in E&S safeguards was given high priority, including the hiring of an international consultant that led to quick resolution of environmental and social issues that were identified thereafter.

An independent environmental audit report highlighted some concerns with regards to occupational health and safety (OHS) in the power plants and sludge management at Kotu and Brikama. Audit report recommendations are being implemented in the context of the follow-on project. Overall, the project successfully complied with requirements of the Operations Safeguards Policies OP4.01 and OP4.12, through implementation of environmental and social assessment instruments and capacity building.

### b. Fiduciary Compliance

The ICR coverage of fiduciary issues (para 75-76) was concise, but key issues were presented as summarized below:

**Financial Management:** The technical capacity and experience of implementing agencies (NAWEC and PIU) to manage fiduciary responsibilities at appraisal was limited. With regards to financial management, the Interim Financial Reports (IFRs) were timely and satisfactorily prepared, and the accounting system was effective. The audit reports were issued with unqualified opinions and recommendations from the external auditor were implemented. Significant capacity building in fiduciary aspects was provided to the PIU with the support of international consultants.



**Procurement:** During implementation, procurement was downgraded in the ISR to Moderately Satisfactory due to the poor quality of bidding documents and improper procedures. The procurement review found in some cases that advance payments amounted to 100% whereas the maximum allowance was 30%. Capacity building was provided, including the hiring of an international consultant, and in the end the procurement challenges did not affect significantly the achievement of project outcomes.

**c. Unintended impacts (Positive or Negative)**

The ICR did not identify any.

**d. Other**

The ICR did not identify any.

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Highly Satisfactory	Highly Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

The ICR identified several lessons and recommendations arising from the experience of project implementation, and the most salient lessons are paraphrased below:

(i) **Simplicity in project design and flexibility in implementation are necessary to operate effectively in an FCV context.** The PDO and the project components were simple, and this enabled the Bank team and the Borrower to integrate emergency developments in the sector and in the country context, and to build better the needed trust and capacity to pave the way for more complex operations and reforms in the future.

(ii) **Effectiveness in an FCV context requires significant resources and dedication from the Bank's and Borrower's teams.** Exceptionally, the Bank's team was dedicated to this operation, as there was limited rotation of TTLs despite the FCV context throughout the four-year period of project implementation. Two senior staff shepherded successively the design and implementation of the project from the outset until its closure, including increased budget resources for intensive



supervision. Their dedication enabled sustained support to the capacity building and advice to the implementing agencies, which contributed significantly to achieved outcomes.

(iii) **In an FCV context, the Bank's team needs to earmark enough resources to ensure compliance with key aspects of project implementation (procurement and E&S safeguards notably).** In the context of this project, technical capacity in the areas of procurement and E&S was generally weak, and implementation could not proceed if these aspects were not handled correctly. Procurement involved complex procedures and contracts and E&S safeguards had to deal with sludge management issues and having in place a functional grievance redress mechanism. The above tasks were addressed through sustained capacity building and training, and the hiring of adequate international expertise.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR is concise and is generally consistent with Bank's guidelines. Key strengths include (i) the comprehensiveness and the depth in the presentation of the theory of change and the achieved results, (ii) the internal consistency of the analysis linking the project activities and the achieved outcome, and (iii) the learned lessons as they reflect the experience of project implementation. The key weakness is that the operational and administrative efficiency was not discussed adequately.

#### a. Quality of ICR Rating Substantial

