



## 1. Project Data

<b>Project ID</b> P149599	<b>Project Name</b> LA - Power Grid Improvement Project	
<b>Country</b> Lao People's Democratic Republic	<b>Practice Area(Lead)</b> Energy & Extractives	
<b>L/C/TF Number(s)</b> IDA-56750	<b>Closing Date (Original)</b> 31-Mar-2020	<b>Total Project Cost (USD)</b> 29,183,193.66
<b>Bank Approval Date</b> 23-Jun-2015	<b>Closing Date (Actual)</b> 31-Mar-2021	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	30,000,000.00	0.00
Revised Commitment	30,000,000.00	0.00
Actual	29,399,844.69	0.00

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## 2. Project Objectives and Components

### a. Objectives

The project's development objective was "to help improve efficiency and reliability of power distribution in the selected load areas served by EDL". This was as per the Financing Agreement, 2015, p.6, as well as the Project Appraisal Document (PAD), p.17.



In the analysis that follows, the PDO can be parsed as follows: (i) “to help improve efficiency of power distribution in selected load areas served by EDL”, and (ii) “help improve reliability of power distribution in selected load areas served by EDL”.

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

No

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

No

**d. Components**

**Component 1:** Smart metering, distribution improvement and distribution losses reduction (**Estimated cost at appraisal:** US\$19 million; **Actual cost at closing:** US\$21.43 million). This component supported the rehabilitation, improvement and automation of power distribution and metering infrastructure and equipment in the selected load areas to introduce smart metering, improve the reliability of power and reduce distribution losses in selected parts of the distribution network. This component included rehabilitating power distribution lines, upgrading of conductors, increasing transformer capacity, placement of capacitors for reactive power and voltage control, installation of load break switches and reclosers, etc.

**Component 2:** Electric utility information service (**Estimated cost at appraisal:** US\$6 million; **Actual cost at closing:** US\$6.64 million). This component improved EDL’s information system by (a) supply and installation of communications hardware and software links to support advanced metering and distribution automation. (b) extension of the geographic information system to support power distribution O&M, and (c) supply and installation of an updated corporate financial management information system (FMIS).

**Component 3:** Institutional capacity building and project implementation support (**Estimated cost at appraisal:** US\$5 million; **Actual cost at closing:** US\$1.32 million). The component included (a) power system software, distribution equipment, testers and other instruments, (b) consultancy for the electric utility information system, (c) support to measure distribution system performance indicators, and (d) project implementation support and incremental operating costs. This component was meant to enhance EDL’s institutional capacity to use new technologies to address distribution losses and improve power grid efficiency. The ICR notes (p.10) that although only US\$1,32 million was spent under this component, in total expenditure on institutional capacity building and project implementation support, spread across all the components, actually aggregated slightly more than US\$5 million.

**Component 4:** Contingent emergency response (**Total approved: US\$0; Actual cost at closing: US\$0**). The objective of the contingency emergency response component (with a provisional zero dollar allocation) was to allow for the reallocation of financing in accordance with the IDA Immediate Response Mechanism to provide a rapid response to disaster or emergency events, as needed. The component would have financed expenditures on a positive list of goods and/or specific works and services required for emergency recovery. No relevant disaster or emergency actually occurred; hence the contingency component was not utilized.

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



### Project Cost and Financing

The original financing amount of US\$30 million, covering the total cost of the project, came entirely from an IDA credit. Actual costs of the project at closing amounted to US\$29.39 million, or 97.7 percent of the total. As mentioned earlier, although Component 3 was significantly curtailed, actual expenditures on institutional capacity building and project implementation support – spread the three main components - amounted to US\$5.18 million, or slightly more than the amount originally allocated under Component 3.

### Borrower contribution

No borrower contribution was envisaged as part of the project's financing.

### Dates

The project underwent a Level 2 restructuring on March 27, 2020, which extended the closing date by 12 months to March 31, 2021. The restructuring allowed project cost savings (from major goods and services packages contracted at lower prices than initially estimated) to be utilized for new activities, such as delivery of safety equipment; also to waive two financial covenants, and drop one intermediate results indicator and align project targets with the new closing date. The project subsequently closed on (the revised) schedule.

## **3. Relevance of Objectives**

### **Rationale**

#### Country and Sector Context

With a per capita GDP of US\$1,660 in 2013, Lao PDR was one of the poorest countries in Southeast Asia. However, at the time of the project's inception it was undergoing a rapid economic expansion, boosted by the resource sector and supported by public investment in basic infrastructure. Underlining a policy shift towards establishing a rules-based system for governing trade and private sector development, the country completed its accession to the World Trade Organization in 2013.

Over the two decades prior to appraisal of the project, Lao PDR's energy strategy had focused on hydropower development, a national electrification program and export of electricity. Access to electricity had increased enormously, from 15 percent in the mid-1990s to nearly 90 percent in 2014. Notwithstanding this success, the domestic power market continued to be prone to low reliability of power and pressures to import electricity in certain parts of the country, on account of underdeveloped and inefficient transmission and distribution networks and seasonality of domestic hydropower. Demand for power had meanwhile continued to grow – driven by the commercial and industrial sectors - in recent years, along with the rising electrification rate, the peak load growing at 13 percent per annum on average. To meet the rising demand, Lao had to import about one-third of its electricity requirement from neighboring countries. In 2013, some 1,205 GWh were imported - 80 percent from Thailand, 18 percent from China and 2 percent from Vietnam – at a cost of US\$65 million or about 0.6 percent of estimated GDP in that year.

At the time of appraisal, the key challenges facing the Lao electricity sector included inadequate domestic (hydro) generation capacity for consumption, especially in the dry season (November – April), lack of a



nationally connected power transmission grid, and inadequate transmission/distribution fees for T&D business. While the power sector had achieved a major degree of success by increasing electrification, the power grid was increasingly facing new challenges related to the rapid growth of demand for electricity. The main challenge were persistently high distribution losses (averaging 13 percent in 2014, with some areas experiencing over 20 percent) and sub-standard electricity services, including low reliability of supply due to overloading of the distribution grid, particularly in the main load areas.

### Alignment with Country Strategies

The World Bank Group (WBG) has been supporting Lao PDR's electricity sector since the 1960s, with a special focus on rural electrification since the 1980s. The project, which was intended to address the above key challenges, marked a shift in focus of WBG engagement from increasing access and rural electrification towards improving efficiency and reliability of electricity supply. High distribution losses were a fundamental problem for the electricity utility (EDL), contributing to its troubled financial condition, as it was forced to purchase additional power to cover the excessive losses, which it could not recover in terms of revenue. At the same time, the low reliability and quality of power supplied affected the smooth running of industrial and commercial activities, leading some customers to provide expensive back-up equipment. Against this background, modernizing the electricity distribution network, with a view to reducing losses and improving reliability was and remains a key national priority.

The objectives of the project were consistent with the WBG Country Partnership Strategy (CPS) FY12-16, being aligned with all three themes, of (a) competitiveness and connectivity, (b) sustainable natural resource management, and (c) inclusive development with a cross-cutting theme of stronger public sector management. Improving the quality and reliability of power was expected to have a positive impact on competitiveness; the reduction of distribution losses would result in the saving of energy and reduced need for new generation; the cross-cutting theme of stronger public sector management would be supported by an improvement in the financial management system of the state-owned electric utility, EDL. The project's objectives remained substantially relevant to the new Country Partnership Framework (CPF), FY17-21, aligning with the CPF's Focus Area 1 of (i) "Supporting inclusive growth" and its Objective 1.3 of "Investing in infrastructure for growth and inclusion" and its cross-cutting theme of strengthening institutions and systems for improved policy implementation.

Based on the above, Relevance of Objectives is rated Substantial.

### **Rating**

Substantial

## **4. Achievement of Objectives (Efficacy)**

### **OBJECTIVE 1**

#### **Objective**

"To help improve efficiency of power distribution in selected load areas served by EDL"



## **Rationale**

### Theory of Change (TOC)

The project was designed to help improve the efficiency and reliability of power distribution in selected load areas served by EDL (all those served by all existing MV distribution lines in Xaythany district – a total of 22 lines covering 127 km – connected to some 239 km of LV lines). Towards this end, a broad causal connection could be drawn between the project's activities and its outputs and outcomes. Key activities were grouped under three active components: (a) smart metering and infrastructure & equipment upgrades to medium and low voltage distribution lines, (b) provision of a modern electric utility information system, and (c) institutional capacity building and implementation support. These activities produced a variety of outputs, including (i) rehabilitated medium and low voltage lines and installed smart meters, (ii) installed communication hardware and software links, expanded Geographical Information System (GIS) to support distribution operation & maintenance (O&M), and updated financial management information system (FMIS), and (iii) software, instruments, consultant support and trainings. These in turn led directly to PDO-level outcomes, to help improve power distribution efficiency and reliability.

While the activities were broadly appropriate to achieving the desired outcomes, the theory of change (TOC) discussion in the ICR does not specifically analyze whether they were of adequate scale to create a critical mass for change. Also, the TOC was based on the assumption that EDL's financial condition remained adequate to carry out an effective distribution modernization program.

### **Outputs**

- 15,163 residential electric meters installed, against a target of 15,000 (target achieved), replacing old residential analog meters. It was expected that this would help bring down distribution losses by supporting time-of-use tariffs, and by facilitating automatic meter reading.
- 1,875 non-residential meters installed, to replace old mechanical meters, were installed, against a target of 1,500 (target exceeded).
- 366 km of distribution lines were rehabilitated, against a target of 300 km (target exceeded). Overloaded medium-voltage transformers, and medium and low-voltage lines were replaced, along with capacitors, load-break switches and re-closers.

### **Outcomes**

Improved efficiency of power distribution was measured in terms of reduction of distribution losses – both technical and non-technical. As specified in the results matrix, electricity losses per year in the project area were measured by the difference (in percentage terms) between total net injected generation and total energy billed to customers (PAD, p.20). This emphasis on the impact of key technical improvements, rather than on bill collection or theft control activities, was appropriate given focus of the project's activities (ICR, p.14).

On this basis, the objective of improving efficiency in load areas served by EDL was achieved as reflected in the fact that electricity losses were successfully reduced from their baseline of 24 percent to 14.3 percent by closing and 14 percent two months later (as confirmed by EDL) against the target of 14 percent. This was



aided by the implementation and commissioning of smart metering, which had expanded to cover some 20 percent of customers in the district by project closing.

Direct project beneficiaries under the project expanded from a base of 207,000 to 306,000 – exceeding the target of 297,000.

On this basis, with all outcome and intermediate outcome indicators having met their targets, achievement of this objective is rated High.

### **Rating**

High

## **OBJECTIVE 2**

### **Objective**

“To help improve the reliability of power distribution in selected load areas served by EDL”

### **Rationale**

#### Theory of Change (TOC)

As mentioned above, the project was designed to help improve the efficiency and reliability of power distribution in selected load areas served by EDL (all those served by all existing MV distribution lines in Xaythany district – a total of 22 lines covering 127 km – connected to some 239 km of LV lines). Towards this end, a broad causal connection could be drawn between the project’s activities and its outputs and outcomes. Key activities here included equipment upgrades to medium and low voltage distribution lines and to utility information systems, as well as the installation of an expanded GIS to support distribution Operation & Maintenance.

Reliability of power distribution was evaluated in terms of (a) the average interruption frequency per year in the project area, and (b) the average duration of outages in the project area. Towards this end, the following key indicators were used: (i) the System Average Interruption Frequency index (SAIFI), and (ii) the System Average Interruption Duration Index (SAIDI). At appraisal, it was noted that EDL did not have the data to record these indexes since the company lacked the equipment to record the interruption data at final consumer level. Hence estimation of baselines had to wait upon installation of digital meters and utility information management systems. Baselines were established subsequently during project implementation, with the help of specialized consultants, and reflected metrics at the end of 2018. However, though there was no accurate assessment of SAIDI available at approval, a dramatic improvement in SAIDI was in fact observed to have taken place between 2012 and 2018 (according to the ICR, by a factor of 20 times. See: ICR, p.14). Substantial progress in SAIDI and SAIFI was similarly observed since project approval in June 2015, well in excess of the targeted reduction levels.

### **Outputs**



- Common to Objective 1: 366 km of distribution lines rehabilitated against a target of 300 km (target exceeded). Overloaded medium-voltage transformers, and medium and low-voltage lines were replaced, along with capacitors, load-break switches and re-closers.

- As part of strengthening the utility information system:

(A) 183 staff trained on procurement, STEP, project management, etc., against a target of 50.

(B) Issuance of financial statements: The number of months needed to issue financial statements reduced from a baseline of 9 to 3, an improvement over the target of 4 months.

(C) Updated financial action plan for financial sustainability: The Third Financial Action Plan was completed, as per the target, and endorsed by EDL and MEM.

- Average duration of outages in the project area: From a baseline of 2.35 hours (calculated as of December 2018), and a target of 2.12 hours, actual achievement was 1.0 by 2019 – a significant overachievement. On account of many storm incidents and severe weather events during the latter part of 2020, the average duration registered an increase to 2.40 hours at the beginning of 2021. Notwithstanding this volatility however, the general trend in the SAIDI was clearly downwards (SAIDI having shown a 20-fold improvement between 2012 and 2018).

## Outcomes

Reliability of power distribution improved substantially in the load areas selected, over the duration of the project. The frequency of average interruptions per year was reduced drastically, from a 2018 baseline of 19.14 to 10.30 by closing, significantly lower than the target of 17.23. This, achievement was despite the fact that the population of customers in the selected load areas at closing was larger (70,268) than at approval (47,060).

Based on the above results, and taking into account the difficulty of establishing accurate baselines at approval, the project substantially achieved this objective.

## Rating

Substantial

## OVERALL EFFICACY

### Rationale

It is seen from the above that the project achieved its two objectives. Since there were no other EDL or other development partner's investments carried out in the geographical project areas during the period, achievement can for the most part be directly attributed to the project. Efficacy was rated High for one objective and Substantial for the other. Overall efficacy is hence rated Substantial.





### Overall Efficacy Rating

Substantial

### 5. Efficiency

The economic internal rate of return (EIRR) for the project at closing was estimated at 35.8 percent, with a Net Present Value (NPV) of US\$61.2 million which was comparable to the estimated rate at appraisal of 37 percent and NPV of US\$62.9 million. The project’s financial internal rate of return (FIRR) at closing was an estimated 19.3 percent, with the NPV at US\$149 million, both of were closely comparable with the FIRR and NPV estimated at appraisal of 20 percent and US\$1534 million.

#### Operational/Administrative Efficiency

Overall the project was implemented without any cost overrun, with physical implementation running relatively smoothly (the only exception being the fact of the accidental death of one worker, which led to a three-month hiatus to investigate the root cause and institute improved safety protocols). The major works were essentially completed prior to the onset of the covid-19 restrictions, including border closures, in March 2020. However, a one-year extension was agreed to facilitate the installation and commissioning of the new advanced metering and use the projected project savings to provide an electronic HR/payroll system and new safety equipment.

On this basis, the project’s efficiency is rated Substantial.

### 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	✓	37.00	0 <input checked="" type="checkbox"/> Not Applicable
ICR Estimate	✓	35.80	0 <input checked="" type="checkbox"/> Not Applicable

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

### 6. Outcome

The project’s development objectives remain substantially relevant to the needs of the LAO PDR’s electricity sector, as well as to the WBG’s current CPS for Lao PDR. Its overall efficacy was rated Substantial, the project having achieved its key development objectives. Its efficiency is similarly rated Substantial, on the basis of both





economic analysis and Operational/Administrative efficiency considerations. As such, its overall outcome is rated Satisfactory.

**a. Outcome Rating**  
Satisfactory

## 7. Risk to Development Outcome

Key risks to development outcome include: (a) Technical risks, arising from a possible deterioration over time in reliability/efficiency of electricity supply as a potential consequence of rapidly rising demand for electricity; (b) Financial sustainability risks, arising from the possibility of electricity tariffs remaining too low over the foreseeable future - resulting in insufficient investment in the power system to properly operate and manage the distribution network, and a shortage of finance for on-going maintenance; (c) Risks arising from weather-related disruption and damage to infrastructure. These risks are presumed to be relatively low, in keeping with the progress made by the sector to date (ICR, pgs. 23-24). Financial risks in particular were being addressed by the Government through a review of electricity tariffs, which the World Bank was conducting at the request of the authorities via the Bank-supported technical assistance for capacity building project for the hydropower and mining sectors.

## 8. Assessment of Bank Performance

**a. Quality-at-Entry**

The project design was aligned with a larger EDL investment program already under way, aimed at making fundamental improvements to the electricity network through introduction of a distribution automation system, a fault-detection, investigation & restoration system, and a distribution management/SCADA system, in four provinces. The project was intended to coordinate with these activities and focus on a specific fast-growing district (Xaythany) that had the highest distribution losses in the country. As noted by the ICR (p.23), the technical design of the project was sound and well targeted. The project design was relatively straight-forward and self-contained, and sized so as not to necessitate additional co-financing to supplement IDA resources. The project's key performance indicators (KPIs) were built around the commonly-used SAIDI and SAIFI indicators, which had not previously been monitored by EDL. As such, baseline values for these KPIs could only be collected after building up adequate measurement capability at EDL, a process that took nearly three years.

Planned implementation arrangements were generally appropriate, taking account of the Bank's fiduciary and safeguards policies. EDL had prior experience of working with the Bank on earlier projects and this project was consistent with EDL's usual business activities, aided by specialist consultants and contractors who would be procured under the project. Key risks identified revolved mainly around fiduciary aspects and EDL's financial position. An FM capacity assessment of EDL, conducted in 2015, confirmed that the utility had adequate FM systems and capacity in place to satisfy the Bank's OP/BP 10.00 with respect to financial management. Based on a procurement capacity assessment, it was decided to engage a dedicated procurement specialist for the duration of the implementation period. To



address EDL's financial liquidity problems, the Bank and IFC jointly facilitated the Lao PDR authorities in developing the Second Action Plan for Financial Sustainability of EDL and the Lao Power Sector Financial Action Plan for 2013-17.

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

Satisfactory

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

The project was adequately supervised. The Bank team conducted 11 bi-annual supervision missions over a five-year period, providing implementation support from the country and regional offices. The ICR notes (p.20) that ISRs prepared were generally well-detailed and provided a candid assessment of issues and progress. The team was adequately engaged in implementation issues. When, for instance, a workplace accident involving a live power line led to a fatality, the Bank team recommended implementation of a safety checklist procedure and form completion for a power shutdown operation be done before work restarted, rather than afterward, as had been the practice. The Bank also recommended that EDL regularly conduct internal safety audits as part of the utility's safety management system. When EDL's overall financial condition worsened during the project period, the Bank team took steps to review and waive two covenants related to the utility's financial performance. In addition, under a parallel project, the Bank undertook a review of electricity tariffs and a social assessment on tariff affordability in the design of a new tariff instruction after 2017.

The ICR (p.35) notes that development partner dialogue and coordination were well integrated during project implementation. The Bank team worked with donors in advance of the NBI annual donor and annual governance meetings to ensure that all parties – particularly the NBI governance structure – were aware of the funding situation due to shortfalls of country contributions or other liquidity issues.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

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

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

According to the ICR (p.21), the results framework was fairly clear and straightforward. Baselines for the SAIFI and SAIDI indicators had to be set during implementation because of a lack of adequate measurement capacity and tools at the project's appraisal stage. However, proxy data available in the PAD allowed a reasonable estimate of the original values in the ICR, enabling a robust assessment of the results to take place.



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

The M&E function was satisfactorily managed for reporting by EDL. EDL monitored progress of the components against the performance indicators and prepared annual progress reports on project implementation. Though it took nearly three years, EDL was able to establish baseline values for the indicators that did not already have them at appraisal, and these were validated by the Bank. Technical assistance activities had their own M&E mechanism. A Mid-Term Review was held in early 2018 to take stock of the project's implementation progress.

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

M&E processes and results were utilized at each stage of project implementation. Key data from the project, particularly for SAIFI and SAIDI, were fundamental for optimizing effective O&M of the distribution network.

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

Substantial

## **10. Other Issues**

### **a. Safeguards**

The project was classified as Category B at entry and triggered the following policies at appraisal: OP 4.01 (Environmental Assessment), OP 4.11 (Physical Cultural Resources) and OP 4.12 (Involuntary Resettlement). OP 4.01 was triggered because some mitigation measures needed to be implemented during the civil works to minimize site-specific impacts on the environment. Environmental and social risks arising were limited on account of the rehabilitation nature of the project, with no involuntary resettlement or land acquisition being involved. The impact was limited to the voluntary donation of some land for the installation of some 50 power poles along a 9 km section of provincial public road and was located in the paddy fields. As regards OP 4.12, protocols for voluntary land donation and a Resettlement Policy Framework were included in the Environmental and Social Management Plan (ESMP). OP 4.11 was triggered as a precautionary measure to avoid impacts to stupas, pagodas and other cultural resources. The initial site survey did not reveal any physical cultural or historical resources within the existing 22 kV distribution right of way. A detailed survey to identify any such resources at the site of the new power poles was conducted during the implementation phase.

As mentioned in the ICR (p.22), the project complied with the triggered safeguards policies. The safeguards rating at the close of the project was Satisfactory for both environmental and social safeguards.



**b. Fiduciary Compliance**

According to the ICR (p.22), the financial management (FM) area presented some challenges that (with one exception – timing of audited financial statements) were eventually resolved. Deficiencies were noted in compiling a project asset register, updating contract management arrangements, documenting the use of funds in Designated Account (including explaining questionable expenditures) and the timing of audited report submission. Two irregularities flagged by the audited reports of 2018 and 2019 relating to improper use of project funds and overstatement of some consultancy expenses were resolved by EDL top management, once they were flagged to them. Given that the project closing date was March 31, 2021, it was decided to extend the period of the 2020 financial report to cover the first quarter of 2021. The audited report for this consolidated period is expected to be available during the third quarter of 2021.

The FM performance rating was Moderately Unsatisfactory at project closing.

As regards Procurement, the procurement team included some members from EDL’s procurement office, with support from an international procurement consultant. All packages under the project were procured and procurement performance was rated Highly Satisfactory at project closing.

**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	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Modest	Substantial	M&E was adequate to measure progress under the results framework
Quality of ICR	---	Substantial	

**12. Lessons**

IEG derives the following lessons drawn from the ICR:

**1. The Project illustrates the importance of structuring operations on the basis of sound and well-targeted technical design, supported by adequate institutional capacity building.** The design of the project was relatively straight-forward and well-contained, and supported by adequate governance structures. The selected district had the highest level of distribution losses in the country, making it an obvious candidate for project selection. Though improvements could have



been made in sector regulation, this would not have affected the viability or progress of the operation. The experience gained from the project could subsequently be scaled up and replicated in other load areas with high losses.

**2. The long delay in setting baselines for some key indicators was a reminder that good project preparation can sometimes take a long time.** There can be a tension between the need to deploy IDA resources quickly and the need to take the time to undertake the up-front work needed to prepare the project thoroughly. Key M&E issues also need to be flagged to counterparts early during appraisal to facilitate planned operations.

**3. Though it is tempting for multilateral financing institutions to introduce ambitious financial covenants with a view to improving the condition of large state-owned utilities, these can often be challenging to implement in the course of a single investment operation.** Sustained progress is most likely to happen in the context of an on-going and future involvement, allowing supportive policies sufficient time in which to evolve.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR is well written and internally consistent and it provides a fair amount of detail on implementation. The achievement of objectives is adequately analyzed. Weaknesses in the M&E system and elsewhere are highlighted and discussed, although the rating of the M&E system is too strict; while some baseline values were only established three years into the project, the results framework itself was sound and the M&E system was well set up. Apart from that, the narrative supports the ratings and available evidence. One area which lacked adequate detail was the discussion of the Bank's quality of supervision, treatment of which was relatively cursory.

#### a. Quality of ICR Rating

Substantial

