Report Number: ICRR0023968

1. Project Data

Project ID	Project Name
P150357	Local Roads Improvement Project
Country	**Practice Area(Lead)**
Moldova	Transport

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-85560,IDA-57470	31-Mar-2021	70,058,487.15
Bank Approval Date	**Closing Date (Actual)**	
30-Oct-2015	31-Jul-2023	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	80,000,000.00	0.00
Revised Commitment	73,889,751.21	0.00
Actual	70,058,487.15	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to both the International Development Association (IDA) Financing Agreement (p.5) dated April 28, 2016, and the Project Appraisal Document (p.6) dated October 8, 2015, the project objective was “to provide safe and sustainable local road accessibility to education, health and market facilities along selected corridors” in Moldova’s national road network.

At the second project restructuring in January 2019, a second sub-objective was added to the project objective to read as follows: “to provide safe and sustainable local road accessibility to education, health and

market facilities along selected corridors and enhance local road management capacity" (Restructuring Paper, Report No.: RES34668, p.6).

The institutional strengthening in local road management capacity was an intended outcome of the original project design. The project objective, therefore, was revised to adequately capture the institutional strengthening outcomes as a result of the technical assistance activities implemented under the second component. While the revision of the project objective does not require a split assessment of the project outcome, one will be undertaken because of the substantial narrowing of the project scope at the same restructuring that resulted in a decrease in the key associated outcome targets (see Second Project Restructuring below).

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

Yes

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

Yes

Date of Board Approval

31-Jan-2019

c. Will a split evaluation be undertaken?

Yes

d. Components

The project was to support Moldova's National Development Strategy by improving local population's road access to education and health services, and farmers' access to markets while strengthening the local road management capacity of the authorities. The project consisted of two components:

A. Rehabilitation and Maintenance of Local Road Network. *(Appraisal cost: US$82.5 million; actual cost: US$ 69.7 million)*

This component was to finance the following activities for improved road access: (a) Rehabilitation and upgrading of approximately 300 kilometers (km) of priority regional and local roads; (b) supervision of all civil works carried out under this component; and (c) preparation of feasibility studies and design of the civil works to be implemented under this component and the design and implementation of the routine maintenance works on the project roads.

B. Institutional Strengthening. *(Appraisal cost: US$5.0 million; actual cost: US$5.0 million)*

This component was to finance technical assistance activities to strengthen the road management capacity in the country as follows: (a) Strengthening the State Roads Administration's (SRA) institutional capacity through trainings and development and implementation of a sustainable model for decentralization of road management; (b) development and adoption of standards for local roads planning, design, and construction; (c) strengthening of the monitoring and evaluation (M&E) system of the Road Fund expenditures; (d) implementation of a framework for local roads maintenance (i.e., preparation of bidding documents for the maintenance activities to be implemented under the first component, provision of

technical advice and validation of design and costs of the maintenance works); (e) design and implementation of a local roads safety program including the introduction of the Safe Villages concept, implementation of an education campaign on road safety, and conducting local road safety audits); and (f) support in project implementation and monitoring and evaluation (M&E).

Revised Components

At the second project restructuring in January 2019, the length of the roads to be rehabilitated under the project was substantially reduced from 300 km to 150 km because of the changes in the technical aspects of the rehabilitation works that were necessitated following the completion of the detailed designs. This resulted in fewer schools and hospitals with access to improved roads (see the Second Project Restructuring in the following section).

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

Project Cost: The project cost was originally estimated at US$87.5 million. The project closed on July 31, 2023, with an actual cost of US$74.70 million. The actual cost was significantly lower than the cost estimated at appraisal mostly because of the exchange rate fluctuations between the Special Drawing Rights (the currency used in the financing agreements) and the United States dollar, and lower costs.

Financing: At appraisal, the IDA credit amount was estimated at US$65.0 million and the International Bank for Reconstruction (IBRD) loan amount at US$15.0 million. At the first project restructuring in March 2016 before effectiveness, the IBRD loan was cancelled and the IDA credit was increased by US$15 million to US$80.0 million because of the changing availability of IDA funds for Moldova (ICR, p.14). The project disbursed US$70.1 million, and the undisbursed amount of US$6.0 million was cancelled at the fifth project restructuring. The remaining difference was because of the exchange rate fluctuations. At the time of project evaluation, all project funds were accounted for.

Borrower's contribution: At appraisal, the borrower's contribution was estimated at US$7.5 million to cover the cost of the design of the works and maintenance. At project closing, the actual borrower's contribution was US$4.6 million.

Project Restructurings: The project was restructured four times.

- **First Project Restructuring (March 1, 2016 – Level 2):** The World Bank's Board of the Executive Directors approved the project on October 30, 2015, but the IBRD Loan Agreement and the IDA Financing Agreement could not be signed because of the absence of an authorized government in Moldova between October 29, 2015 and January 20, 2016, when a new government was appointed. This delayed project effectiveness, but the project preparations continued during that period. In this restructuring, the originally negotiated IBRD Loan of US$15.0 million was cancelled and the IDA Credit was increased by the same amount because of the changing availability of IDA funds for Moldova. Additionally, the IDA Financing Agreement was amended to include the retroactive financing of up to US$4.0 million of the project preparation activities and advanced contracting of project activities until project effectiveness.
- **Second Project Restructuring (January 31, 2019 – Level 1):** The restructuring was required because of significant project implementation delays during the previous 27 months since effectiveness in August 2016. These delays were assessed, at the time of a mid-term review in

October 2018, to have become a high-risk to the achievement of the project objectives. After the finalization of the detailed road designs, it was assessed that the initial designs were not technically optimal; therefore, the more costly full pavement was required together with improvements in drainage, other structures, safety, sidewalks, access to properties, and utilities. Because of the design change, the estimated cost per km for the project roads increased from US$230,000 to US$410,000. This resulted in a substantial reduction in the project scope; the length of the roads to be rehabilitated decreased from 300 km to 150 km with fewer schools and hospitals gaining access to improved roads. At this restructuring, the project objective was revised to adequately capture the project outcomes in institutional strengthening (see section 2.a. Objectives above). Some indicators in the results framework that were no more relevant or were captured by other indicators were dropped. The project closing date was extended by one year from March 31, 2021 to March 31, 2022 to allow the procurement and implementation of road rehabilitation contracts that were significantly delayed because of frequent changes in the senior management of the transport sector, insufficient interest from bidders because of design complexities and unfamiliarity with the novel rehabilitation technique introduced by the project, cancellation of bids because of substantially higher prices, and poor performance of the contactor and the supervision consultant hired for the works on two major project corridors that led to the termination of both contracts. The World Bank and the SRA agreed on an action plan to complete procurement and start civil works within 2019; a one-year project closing date extension was, therefore, assessed to be sufficient to achieve the project outputs and outcomes.

- **Third Project Restructuring (October 27, 2021 – Level 2):** At this project restructuring, the project closing date was extended by an additional year from March 31, 2022 to March 31, 2023 to allow time for the completion of the project activities that could not be implemented because of the delayed mobilization of the equipment and staff by the contractors during the COVID-19 pandemic lock-down in Moldova. There were also some design changes requested by the local communities related to pedestrian facilities, additional drainage infrastructure, and retaining structures. As these requests were to increase the development impact of the project's intervention, the project implementation agency agreed to design changes, but these resulted in additional unplanned delays in civil works' implementation.
- **Fourth Project Restructuring (March 20, 2023 – Level 2):** The project closing date was extended by an additional four months to allow the completion of the project activities (under three contracts signed with the same international contractor) that were delayed because of the supply chain disruptions and the unavailability of construction materials caused by Russia's invasion of Ukraine. Ukraine was a major exporter of construction materials to Moldova before the start of the conflict. The physical progress rates of the three contracts were 91.5 percent, 92.5 percent, and 75.9 percent, respectively.
- **Fifth Project Restructuring (July 19, 2023 – Level 2):** The project was restructured to cancel an outstanding balance of about US$6.0 million from the IDA credit, which could not be disbursed (although committed) because of the co-funding of the civil works on Corridor 16 (a project corridor) by the Road Fund. The use of the Road Fund funds resulted in a credit saving amount of about US$6.0 million. Because of the limited time left until project closing, the balance amount was cancelled and returned to the IDA pool to be recommitted to another project within the same fiscal year.

Dates: The project was approved on October 30, 2015 and became effective on August 19, 2016 (see the First Project Restructuring entry above for delayed effectiveness). The Mid-Term Review was conducted in October 2018. The original project closing date was March 31, 2021, but it was extended by 28 months

(please see second, third, and fourth project restructurings above for the reasons of project closing date extensions). The project closed on July 31, 2023.

Disbursement Percentages

The disbursement percentages shown in Table 1 will be used in deriving the weights to be applied to the project's efficacy before and after the second project restructuring to calculate the outcome rating.

Table 1

Project Objective	Disbursed Amount	Disbursement Percentage
Before Restructuring	US$ 5.41 million	7.8 %
After Restructuring	US$ 64.65 million	92.2 %
Total	**US$ 70.06 million**	**100.0 %**

3. Relevance of Objectives

Rationale

The project objective was highly aligned with the World Bank's current strategy as defined in the Country Partnership Framework (CPF) for the Republic of Moldova, FY2023-2027. The project sought to address the development problem of the rural population's insufficient access to schools, health facilities, and markets because of inadequate road infrastructure. The government's decision to reduce the number of schools and public hospitals to better and more efficiently serve the rural population was adversely affected by the inadequate road infrastructure that restricted the rural population's access to these facilities. Additionally, the poor condition of the rural roads was a barrier to the development of agricultural sector because of inadequate access of farmers to the markets. The project was to address this problem by rehabilitating or upgrading major rural road corridors and introducing contract-based maintenance to ensure the sustainability of improved and safer road conditions and strengthening the local road management capacity in the country. The project objective directly corresponds to the second High-Level Outcome (HLO) of the CPF, i.e., Increased Human Capital, and supports the achievement of Objective 2.1. Increase the quality and relevance of education services, and Objective 2.2. Improve the quality and accessibility of health services under this HLO. The project objective also corresponds to the third HLO of the CPF, i.e., Increased Resilience to Climate Change and Crises, and supports the achievement of Objective 3.2. Promote green and resilient investments in infrastructure and agriculture.

The project objectives were highly relevant to the country context. Aiming at improving the rural populations' access to fundamental public services and markets, the project objective was sufficiently outcome-oriented and appropriately pitched for development status and capacity in the country as described in the CPF. The achievement of these objectives would have been expected to contribute to the narrowing of the demographic inequality between urban and rural areas and address the inequality of opportunity of rural and disadvantaged populations by improving the service delivery (CPF, p.15). There were no fragility issues in the operational context that could have risked achieving the project objective. The project objective was also aligned with the objectives of the country's National Development Strategy 2030, which included the sustained improvement of the transport infrastructure with a focus on local road infrastructure and public transport (ICR, p.15).

The project objective was sufficiently ambitious. The project benefited from the experience gained and capacity created during the implementation of the World Bank-financed Road Sector Support Project (P100929), the objective of which was to reduce road transport costs for road users in Moldova by improving the condition and quality of its road network and the way it is managed. The project also benefited from the World Bank's analytical work including the Transport and Logistics Strategy 2013-2022 (ICR, p.15). Therefore, with its focus on improving access to fundamental public services and markets, rather than focusing simply on improvements in road transport conditions (such as improved road conditions or reduction in travel time, transport costs, or vehicle costs), the project objective was sufficiently challenging.

Overall, the relevance of the project objective is rated High.

Rating
High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
To provide safe and sustainable local road accessibility to education, health and market facilities along selected corridors.

Rationale
Theory of Change of the Project

The project inputs (IDA credit and technical assistance) were to be used to finance the rehabilitation and upgrading of selected local road corridors and implementation of institutional strengthening activities. The investments activities were to result in 300 km of local roads rehabilitated and upgraded with safety measures under performance-based maintenance contracts. The technical assistance activities were to result in local road planning, design, and construction standards developed and adopted, the Road Fun expenditure monitoring and evaluation system strengthened, a framework for local roads maintenance framework created, and local road safety program improved. The intermediate outcomes expected from these outputs would have been increased number of schools, health facilities, and regional markets accessible through these rehabilitated or upgraded local roads, sustained road conditions because of regular maintenance, and strengthened local road management capacity including the sustainability of the Road Fund. These results would have been expected to lead to improved access of the rural population to education and health facilities, improved economic activity because of the easier access of farmers to local markets consequently leading to improved human capital and reduced poverty narrowing the development level between urban and rural areas. The project's theory of change was typical for a road project with expected intermediate outcomes directly related to improved access to fundamental public services and markets in a predominantly agrarian economy. While improvements in education and health services and access to markets depend on various other factors (such as availability of school bus services, provision of ambulatory services, retaining

teachers and health service professionals in the rural areas, organization of local markets, and availability of other agricultural supports), the project's intervention through the rehabilitation or upgrading of local roads and strengthening of the local road management capacity would have been expected to have a direct impact on improving the local population's sustained access to such services. The achievement of the project objectives depended on the critical assumptions that there would be sufficient contractor capacity to deliver the project works and that the government would approve and adopt the policy amendments recommended under the project related to strengthening local road management capacity. Overall, the causal links from project activities and outputs to expected intermediate outcomes were direct and valid, and the achievement of the project objective could be attributed to the project's intervention, but the achievement of the long-term outcomes in education, health, and market services would depend on additional factors.

Outputs

- **Roads rehabilitated, Rural:** The project financed the rehabilitation or upgrading of about 150 km of rural roads on 14 road sections and reopened them to motorized traffic. The original target was 300 km. The revised target is 150 km.
- **Completed subproject roads and access links under maintenance contracts:** The indicator is cumulative and measures the length of roads rehabilitated under the project that are under maintenance contracts. The contracts were to be financed by the Road Fund resources. The achievement was 150 km against the original target of 400 km (The revised target is 200 km). The target of this indicator does not match the target of the previous indicator because these contracts were to include access roads to villages in the project area but outside of direct corridor link.
- **Number of engineered speed calming measures and pedestrian crossings implemented in village sections:** The project implemented 144 speed calming measures and pedestrian crossings as targeted. This indicator was added to the results framework at the project restructuring in January 2019.
- **Length of new sidewalks in village sections:** The project financed the construction of about 81 km of sidewalks against the target of 69 km. This indicator was added to the results framework at the project restructuring in January 2019.
- **Road and village sections with satisfactory post-construction road safety audits:** This indicator measures and assesses the road safety level for each road corridor before and after the rehabilitation of upgrading using road safety audit compliance. At project closing, 43 road safety audits were completed on six road sections and, as the project team confirmed, the remaining 47 road safety audits on eight road sections were completed after project closing. The target was 90 audits and was not revised. The contractors addressed the shortcomings found in these audits within the Defect Liability Period (such as missing traffic signs or invisible road markings), and all road sections satisfied the road safety criteria.
- **Number of children trained with road safety awareness campaigns in project areas:** The project provided training to 5,192 children attending schools on road safety. The target was 2,500 children and was not revised.

The results framework included the following indicators at appraisal, which were dropped at the project restructuring in January 2019. The reasons for dropping these indicators are taken from the ICR (p.13).

- Number of villages with road safety improvements: The road safety audits captured the achievement of this indicator.

- Pilot multi-year area-wide maintenance contract: The rural accessibility index captured the achievement of this indicator (see Outcomes below).
- Effective reporting of local road maintenance expenditures, as evidenced by SRA monthly and annual reporting: This indicator was not relevant because the management of local roads was transferred from SRA to Local Public Authorities (LPAs) during project implementation.
- Number of girls trained in road safety awareness campaigns in project areas: This indicator was deleted because it was a gender breakdown of the indicator "Number of children trained with road safety awareness campaigns in project areas."
- Procurement performance for sub-project roads: actual versus planned commitments: Not relevant to measure the achievement of project outputs.

Outcomes

- **Rural Accessibility Index:** This indicator measures the percentage of rural population in the project area who live within 2 km (typically equivalent to a 20-minute walk) of an all-season road. An all-season road is motorable all year by the prevailing means of transport, often a pick-up or a truck that does not have a four-wheel drive. The target was 95 percent of the rural population have access to an all-season road. The achievement was 100 percent from a baseline of 66 percent, but this indicator takes only the 150 km of roads rehabilitated or upgraded under the project, not the original target of 300 km of roads.
- **Number of schools connected by rehabilitated/upgraded local corridors:** Under the project, 70 schools gained access to all-season roads. The original target was 162, which was revised down to 70.
- **Number of health facilities connected by rehabilitated/upgraded local road corridors:** Under the project, 31 health facilities gained access to all-season roads. The original target was 71, which was revised down to 30.
- **Number of villages connected to regional market facilities by an improved local road corridor:** Under the project, 41 villages gained access to regional market facilities. The original target was 94, which was revised down to 41. A specific regional market was determined for each road corridor that referred to the main regional city within the area of influence of the corridor.
- **Direct project beneficiaries:** A total of 81,300 people (representing 5.45 percent of the rural population in Moldova) benefited from roads rehabilitated or upgraded under the project. The original target was 185,000 people, which was revised down to 81,000.

The results framework included the following indicators at appraisal, which were dropped at the project restructuring in January 2019. The reasons for dropping these indicators are taken from the ICR (p.13).

- Condition of project local roads corridors: This indicator was to measure the improvement in the International Roughness Index of the roads rehabilitated or upgraded under the project. However, because of the change in the technical design of the roads, this indicator was deemed irrelevant.
- Female beneficiaries: This indicator was deleted because it was a gender-breakdown the indicator "Direct project beneficiaries."
- Schooled-aged beneficiaries: The achievement of this indicator was captured by the direct project beneficiaries.

In addition to the indicators in the results framework, Social Surveys were conducted at the start and end of the project to evaluate the impact of the project's intervention. According to the findings of these surveys, road utilization for educational purposes increased from 6.3 percent to 19.0 percent, health care services from 40.6 percent to 53.8 percent, and the sale of goods increased from 9.2 percent to 14.2 percent (ICR, p.17). The survey findings also show the positive impact of the project's intervention on other road uses, such as transit to another destination increasing from 23.7 percent to 45.2 percent, travel to work including agricultural work from 23.2 percent to 38.5 percent, and access to administrative services from 14.1 percent to 41.4 percent. While these increases cannot be fully attributed to the project's intervention, they, nevertheless, show a significant increase in road utilization facilitated by improved road conditions.

The surveys also assessed the beneficiaries' satisfaction with road conditions including safety features. The tables included in the ICR (p.18) provide detailed information about the survey findings for road conditions. According to these findings, the ratio of beneficiaries who were very satisfied with general road conditions increased from a mere two percent before the project to 72 percent after the project. The findings also show that the majority of the beneficiaries are highly satisfied with safety on roads. For example, 65 percent of the beneficiaries were very satisfied with road signs availability (six percent before the project), 58 percent with the condition of drainage systems (two percent before the project), 64 percent with the availability of traffic and crash metallic barriers (three percent before the project), and 56 percent with the conditions of pedestrian crossings (two percent before the project). These findings directly relate to the project's impact on road conditions and show that the project's intervention resulted in a significant improvement in road safety. The post-construction safety audits identified some shortcomings in the safety features installed on the roads, but the contractors addressed these shortcomings within the Defect Liability Period after project closing.

The ICR (footnote 8, p.19) defines the sustainability of road conditions as "designing, constructing, and maintaining roads in a way that minimizes negative impacts while ensuring their long-term functionality and resilience by practicing required routine, periodic, and ad hoc maintenance." The evidence shows a significant improvement in the road conditions, including its safety measures and an increase in the beneficiaries' satisfaction, but the results framework did not fully capture the sustainability of road conditions and the access to education and health services and market facilities. The use of permanent pavement structure with two bituminous layers in the rehabilitation and upgrading of the roads increased the quality of the roads to a higher standard that should be expected to last longer and require less extensive maintenance (ICR, p.19). The project roads are under the defect liability period, and funds have already been allocated for their maintenance for 2024. The international consultant hired under the project provided consultancy services to the SRA for the review and modification of a Road Asset Management System (RAMS) to adopt it to the Moldovan context. The RAMS is successfully piloted at the local government level. The project also developed an overall road policy framework and a road maintenance and safety framework. To ensure the sustainability of road maintenance, the project successfully developed and piloted a multi-year Performance-Based Maintenance Contract (PBMC) for the Balti raïon (an administrative unit in Moldova), which led to the amendment of the legal framework for the implementation of such multi-year contracts in June 2023 (ICR, p.20). The implementation of these frameworks and the further development of the PMBCs will be supported under the follow-on World Bank-financed Moldova Rural Connectivity Project (P180153). However, the long-term regular maintenance of the roads will depend on the availability of public funds, which is assessed to be a high risk to the sustainability of development outcomes (see section 7. Risk to Development Outcomes below).

Overall, the project successfully rehabilitated the selected local road corridors with improved safety measures and increased capacity for regular maintenance, but the project scope was significantly narrowed because of the change in the road technical designs (see Second Project Restructuring entry in section 2.e. above). This

significantly reduced the number of people who gained sustainable access to schools, health facilities, and markets through project-rehabilitated or upgraded local roads. Therefore, the project's efficacy before the second restructuring in achieving the project objective to provide safe and sustainable local road accessibility to education, health, and market facilities along selected corridors is rated Modest.

Rating
Modest

OBJECTIVE 1 REVISION 1
Revised Objective
To provide safe and sustainable local road accessibility to education, health and market facilities along selected corridors (The objective was not revised but the project scope was narrowed).

Revised Rationale
Theory of Change

Please see the theory of change under Objective 1

Outputs

Please see the outputs under Objective 1

Outcomes

Please see the outcomes under Objective 1.

At the second project restructuring in January 2019, the project scope was narrowed because of the change in the technical design of the roads, which was more expensive than the technical option selected at appraisal. This resulted in a revising down of the project targets for schools, health facilities, and markets connecting to rehabilitated or upgraded roads, and the number of people benefiting from access to these services. The revised targets for each indicator affected by the project scope narrowing are given in the above section for Objective 1. When assessed against the revised targets, the project's efficacy in achieving the project objective to provide safe and sustainable local road accessibility to education, health and market facilities along selected corridors is rated Substantial.

Revised Rating
Substantial

OBJECTIVE 2
Objective
There was no Objective 2 in the original project.

Rationale
The project did not have a second objective at appraisal but one was added at the second project restructuring.

Rating
Not Rated/Not Applicable

OBJECTIVE 2 REVISION 1
Revised Objective
To enhance local road management capacity.

Revised Rationale
Theory of Change

Please see the theory of change under Objective 1

Outputs

The results framework did not include indicators to capture technical assistance outputs. The ICR provides the following information:

- A Local Road Prioritization Method was developed. This method included a multi-year upgrade plan for the regional roads network developed by using multicriteria identification and prioritization, HDM-4 Roadwork Programming Analysis for the regional roads network, and a multiyear pavement management plan for the regional roads. Eleven members of SRA staff were trained in using HDM-4.
- A Road Asset Management Policy was developed under the project. The policy introduced a modern asset management system covering all types of roads under the responsibility of the SRA.
- A Road Asset Management System (RAMS) was reviewed and modified according to the Moldovan context to be piloted by three raïons. The RAMS includes “a Q-GIS database for all road assets with layers of basic features, a video application for collecting road network data, an Excel-based tool for prioritizing maintenance based on biannual defect data, a set of guidelines for identifying, classifying, and selecting appropriate maintenance strategies for different Pavement Surface Condition Indices (PSCI), and guidelines for conducting road safety inspections” (ICR, p.20).
- Design and construction methods for local roads were developed.
- A framework for local roads management and maintenance was developed, along with the preparation of the Performance-based Maintenance Contracts (PMBCs) and related bidding documents.
- The effectiveness of the Road Fund expenditures was assessed, and a review of the Road Fund Law was conducted, which produced actionable recommendations. Based on these recommendations, the Moldovan Parliament approved the amended law on May 25, 2023.

Outcomes

- **Consistent and Transparent Local Road Prioritization Method adopted and applied by SRA and selected LPAs:** The project developed the necessary technical infrastructure for the SRA and LPAs to plan their road rehabilitation and upgrading and trained the SRA personnel as explained in the outputs section above. The method is currently at the piloting stage for road prioritization, and the Ministry of Infrastructure and Regional Development is in the process of developing and promoting the official implementation of the method through a ministerial order (ICR, p.20).
- **Appropriate design and construction methods are adopted for local roads:** These methods developed under the project were adopted to be implemented in all local roads that should consequently lead to the standardization of local roads.

The ICR reports the following outcomes that were not captured by the results framework.

- As a result of the amendment of the Road Fund Law, an administrator was appointed to manage the fund. The administrator is now responsible for revenue generation, accountability, utilization of the funds by the LPAs, monitoring, and reporting. The amendments to the law increased the autonomy of the Road Fund from the government's annual budgetary processes, so that multi-year funding will be available for road maintenance. The Road Fund plays an important role in providing funding for the maintenance of regional and local roads.
- The Road Asset Management Policy provides a solid framework for SRA to manage the roads under its responsibility. The SRA has already prepared an institutional plan to implement the policy. The project's intervention resulted in an institutional capacity strengthening in road asset management, but the successful implementation of the policy depends on the SRA's regular review of the policy and development of the institutional operational plans based on those reviews in accordance with the road asset management approach developed under the project (ICR, p.20).
- The project contributed to the capacity development of the LPAs through the piloting of the RAMS in three raïons, i.e., Singerei, Straseni, and Cahul. The RAMS is fully operational in Singerei. Provided with the data from the RAMS, the Singerei LPA efficiently uses the funds provided by the Road Fund to upgrade and maintain the local roads under their responsibility. The data from the RAMS helps the LPA to prepare evidence-based cases for road prioritization, which helps them withstand the political pressures to some extent. The next step is the scaling-up of the RAMS to the other 29 raïons in the country.
- The multi-year PMBC developed under the project was piloted in the Balti raïon, which was funded by the Road Fund. The amendment of the Public Finances Law allowed the implementation of the PMBC for three years, which was not possible before the amendment because of the annual budgetary process in Moldova. This was a significant development to ensure the availability of the funds for road maintenance, which directly supported the achievement of the first objective, i.e., the sustainability of road access.

The project was successful in initiating the road management capacity strengthening in the SRA and the LPAs. The project successfully delivered the project's technical assistance outputs through the development of road sector related planning and maintenance frameworks, amendment of the Road Fund Law and the Public Finances Law to ensure the availability of funds for road management on a multi-year basis, piloting of the road asset management system at the LPA level and piloting of the PMBC. The trainings given to the SRA and LPA personnel would have been expected lead to capacity development at these institutions. However, the sustainable implementation of the various policies, plans, and methods developed and the scaling-up of the systems and maintenance contracts piloted under the project would require further support.

The follow-on World Bank-financed Moldova Rural Connectivity Project (P180153) is designed to achieve these objectives among others.

Overall, the project's efficacy in achieving the project objective to enhance local road management capacity is rated Substantial.

Revised Rating
Substantial

OVERALL EFFICACY

Rationale

Before the January 2019 restructuring, the project had one objective to provide safe and sustainable road accessibility to education, health, and market facilities along selected corridors. The project was successful in providing safe access to these facilities but because of the narrowing of the project scope at the project restructuring, the project had a positive impact on a substantially fewer number of people in the project areas. Additionally, although the project established the mechanisms of the sustainability of the road conditions through routine and periodic maintenance, these mechanisms require further support for mainstreaming and scaling up. Overall, the project's efficacy in achieving the project objective before the project restructuring is rated Modest.

Overall Efficacy Rating
Modest

Primary Reason
Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale

As discussed in the previous section, the project was successful in providing safe accessibility to education, health, and market facilities to the revised number of people under its narrowed scope. At the project restructuring, "to enhance local road management capacity" was added as the second objective to capture the project's results under the second component designed for institutional strengthening. The project was successful in initiating the road management capacity strengthening in the SRA and the LPAs, which should be expected to directly contribute to the sustainability of road conditions and, hence, accessibility of public services. However, further support is needed to mainstream and scale up the development and implementation of road plans, policies, methods, road asset management systems, and multi-year performance-based road maintenance contracts, and the further strengthening of the Road Fund, which plays a crucial role in funding road maintenance works. The World Bank is expected to provide this additional support under the Moldova Rural Connectivity Project (P180153). The efficacy of the project in achieving each project objective is rated Substantial. Hence, the project's overall efficacy in achieving the project objectives after the project restructuring is rated Substantial.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Economic Analysis

At appraisal, a cost-benefit analysis was conducted on a sample of eight road sections in four road corridors (that were selected using a detailed road prioritization criteria among 28 road corridors) to assess the economic viability of the project's intervention. The sector standard Roads Economic Decision (RED) model was used in the analysis. The RED is a well-established model, which utilizes consumer surplus approach to perform economic evaluation of the development and maintenance of low-volume rural roads. The model takes traffic flows into consideration along with other quantifiable benefits. In this project, increase in vehicle ownership, reduction in vehicle operating costs, reduction in travel time, and reduction in crash costs were included in the analysis. The estimated road rehabilitation and upgrading costs were taken as the costs in the economic analysis. The project's impact on greenhouse gas emissions was also included. The calculations resulted in an average Economic Internal Rate of Return (EIRR) of 25 percent and a Net Present Value (NPV) of US$14.0 million at a discount rate of 6 percent for a 20-year period.

Because of the narrowing of the project scope (the length of the roads to be rehabilitated decreased from 300 km to 150 km because of the change in the technical design and increased unit costs), a new economic analysis was conducted at the time of the project restructuring in January 2019. The technical road designs at appraisal were not comprehensive, and the actual road conditions were not accurately included in the economic analysis (ICR, p.21). Using the same economic benefits and costs, the RED model calculated an EIRR of 19.1 percent and an NPV of 73.2 percent at a discount rate of 6 percent for a 20-year period.

At project closing, the same methodology with actual project benefits and costs was used to conduct a post-project economic analysis. The calculations resulted in an EIRR of 30.0 percent and an NPV of about US$160 million. The ICR (pp.22 and 51) reports the reasons for the significantly higher post-project EIRR and NPV as the following: (a) Significantly improved road conditions measured by the International Roughness Index that resulted in a substantial reduction in vehicle operating costs and travel time; (b) significant increase in traffic volume on the project roads; and (c) decrease in the actual rehabilitation and upgrading costs of some roads because of inflation. At project closing, the project was assessed to result in a 17.5 percent decrease in greenhouse gas emissions compared to the without project scenario as a consequence of well-maintained road conditions resulting in lower fuel consumption and les vehicle deterioration—the carbon dioxide emission with project around 794,000 tons against 962,000 tons without project.

Operational and Administrative Efficiency

Until the Mid-term Review conducted in October 2018, the project was faced with significant operational and administrative inefficiencies. The main challenges were frequent changes in the transport sector senior management affecting high-level decision making (because of government changes and the re-organization of the SRA in 2017), slow progress in procuring the detailed road design services for which the capacity was insufficient, and poor performance of the contractor and the supervision consultant related to the works on two main corridors. The insufficient project preparedness at project start played an important role in implementation

delays such as insufficient market and industry assessment at appraisal to ensure that there would be sufficient capacity and interest to the tenders, mismatch between the road construction techniques introduced by the project and the contractors' capacity to implement civil works based on those techniques, and absence of exemption from VAT, which resulted in higher prices and cancellation of biddings. Because of such inefficiencies, the disbursement rate was significantly low up until the Mid-term Review, and negligible progress in project implementation resulted in a technical road design change narrowing the project scope by half and reducing the number of people benefiting from the project's outcomes.

To address these inefficiencies, the project team proactively intervened in the project, and as a result of the significant revisions made to the project scope, procurement procedures (i.e., the adoption of the Project Procurement Strategy for Development), and technical design of the roads at the second restructuring, the project's operational and administrative efficiency improved substantially. The project outcomes were delivered within the estimated construction period. However, the project closing date had to be extended by 28 months to compensate for the time lost because of the initial delays and the delayed mobilization of the contractors during the COVID-19 pandemic lock-down, and the project closed on July 31, 2023.

While the project experienced significant operational and administrative inefficiencies until the Mid-term Review in October 2018, the project team's efforts were commendable in restructuring the project and improving the project's operational and administrative efficiency in the later part of the project implementation despite the onset of COVID-19 pandemic and Russia's invasion of Ukraine. The post-project economic analysis shows that the project's economic viability was higher than ex-ante EIRR, although the project scope had to be narrowed because of technical design changes. Overall, the project's efficiency in achieving the project objective 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	✓	25.00	94.30 ☐ Not Applicable
ICR Estimate	✓	30.00	90.10 ☐ Not Applicable

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

6. Outcome

The project sought to address the insufficient road access to fundamental public services such as education, health, and markets. The project objectives were sufficiently ambitious, aligned with the World Bank strategy and relevant to the country context. Therefore, the relevance of objectives is rated High. The project's efficacy before the second project restructuring is rated Modest because of the decrease in the number of people

benefiting from the project outcomes due to the significant narrowing of the project scope. The project's efficacy in achieving the project objective after the second restructuring is rated Substantial. While there were some significant operational and administrative inefficiencies before the Mid-term Review, the project team proactively intervened in project implementation and significantly improved the project's implementation efficiency through a major project restructuring. The post-project economic analysis also shows that the project's economic viability is higher than ex-ante although the project scope had to be narrowed because of changes in technical road designs. The narrowing of the project scope necessitates a split assessment of the project's outcome which is given in the table below. The overall outcome rating of the project is Satisfactory.

Table 2

	Original Objectives	Revised Objectives
Relevance of Objectives	High	
Efficacy	Modest	Substantial
Efficiency	Substantial	
Outcome Rating	**Moderately Unsatisfactory**	**Satisfactory**
Outcome Rating Value (a)	3	5
Amount Disbursed (US$ million)	5.41	64.65
Disbursement (%) (b)	7.72%	92.28%
Weight Value (a)x(b)	0.2316	4.6140
Total weights	4.8456 (rounds up to 5)	
Overall Outcome Rating	**Satisfactory (5)**	

a. **Outcome Rating**
Satisfactory

7. Risk to Development Outcome

Financial and Political: A lack of sufficient funds to finance maintenance works poses a risk for the sustainability of the road conditions and the access of the rural population to fundamental public services. The Road Fund provides funds to the SRA and LPAs to maintain regional and local roads. The Road Fund gained some autonomy through the amendment of the Road Fund Law that introduced a Road Fund administrator, but the new system is not fully operational. The government can prefer some budgetary flexibility to transfer funds in the Road Fund for emergency uses because of the adverse impact of Russia's invasion of Ukraine. In addition, the weak accountability link allows the LPAs to use road budget allocations for other purposes, such as school rehabilitation, with no consequences. These could result in insufficient funds to maintain and further rehabilitate the regional and local roads.

Policy and Technical: The project successfully piloted a comprehensive local road management framework and the multi-year Performance-based Road Maintenance Contract (PRMC) in one raïon. Unless the PRMC is scaled up to cover all project and non-project roads under the responsibility of the LPAs, the sustainability of the road conditions may not be maintained. Currently, LPAs manage 3,525 km of local roads out of a total

5,990 km. The project rehabilitated only 150 km of roads. For a nation-wide improvement of the local roads, the comprehensive local road management framework and the multi-year PRMCs need to be scaled up to sustain the project outcomes and further increase the project's impact on regional and local roads in Moldova.

Institutional Capacity: The project significantly supported the SRA and the LPAs in developing their local road management capacities through the piloting of new methods and the development of plans and frameworks. Both the SRA and the LPAs need further support in capacity development to successfully implement the assessment management plans and the road assets management system through training of the personnel. The follow-on World Bank-financed Moldova Rural Connectivity Project (P180153) will continue to support the SRA and the LPAs in local road management capacity building.

8. Assessment of Bank Performance

a. Quality-at-Entry

Following the government's decision to consolidate the number of schools and hospitals in rural areas to improve the quality and efficiency of these services, the improvement of the rural roads and strengthening of the local road management capacity were of high strategic importance to ensure the local population's safe and sustainable access to these services and facilitate the farmers' access to local markets. The focus of the project on economic and social development and poverty reduction was adequate, which was supported by a detailed poverty and social assessment of the target population. The country had a well-established framework for donor-funded project implementation, and the SRA had sufficient project implementation capacity because of the experience the entity gained during the implementation of other donor-funded projects. The project was to support the SRA in the implementation of World Bank policies and guidelines with which it was not sufficiently familiar, such as procurement. The financial and safeguards aspects of the project were adequate. The project adequately identified the major risks related to governance, project management, and fiduciary, and the mitigation measures for those risks were in place.

However, the risk of local industry's inadequate capacity to deliver the project outputs was not adequately identified. The initial assessment of the local design and contracting capacity in Moldova for the rehabilitation and upgrading of the local roads in accordance with the novel technical solution (i.e., double bituminous surface treatment) introduced by the project was not thorough, which prevented local companies to meet the World Bank's stringent technical and financial eligibility requirements. This led to a significant implementation delay, because of an inadequate procurement strategy, and a substantial restructuring of the project including a switch to a more complex and costly technical design for rehabilitation and a narrowing of the project scope. Although the contracts for the first phase of the project were ready for bidding, the bidding process conducted based on the preliminary designs (not on detailed designs) resulted in numerous clarification requests by the bidders and delayed the procurement process. Additionally, the absence of a decision to include the project in the VAT-exempted projects list adversely affected the project implementation; this increased the bid prices by 20 percent, which exceeded the costs estimated at appraisal and triggered a re-tendering of the initial contracts.

Overall, the Quality at entry is rated Moderately Unsatisfactory because of the significant shortcomings in the assessment of the local design and contracting capacity and the issues directly related to the

procurement process, such as the absence of detailed designs and the exclusion of the project from the VAT-exempted projects list, all of which resulted in a significant implementation delay and a narrowing of the project scope through a major project restructuring.

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

The World Bank project team conducted regular in-person supervision missions twice a year until the onset of the COVID-19 pandemic in March 2020, during which the supervision missions were held virtually. The project Task Team Leader was based in Moldova; this facilitated regular dialogue and engagement with the Moldovan authorities and close supervision of the project implementation. In addition, the procurement specialist and financial management specialist were based in Moldova; they provided regular support to the SRA in procurement and financial management. The project team's focus on the development impact of the project was sufficient. The project team proactively identified the challenges to the achievement of the project's results and resolved them by restructuring the project in January 2019. While this restructuring resulted in a narrowing of the project scope by half, the revisions to the project resulted in a significant increase in market response to bidding, which created a sufficient competition. The procurement efficiency improved markedly because of changes in the project such as lot consolidation, revision of the qualification criteria that allowed the participation of international bidders, and the change in the technical solutions (see section 10.b. Fiduciary Compliance below). The project team successfully managed the continuity in project implementation despite frequent managerial changes at the Ministry of Infrastructure and Regional Development and the SRA by promptly engaging with each new management and bringing the critical issues to their attention. These efforts were specifically effective in ensuring the continuity in the implementation of local road management capacity building technical assistance activities, which included amendments in important road-sector related laws. The project team's decision to use drones was an efficient method to inspect the progress in civil works during the COVID-19 pandemic. The project team's close supervision and monitoring of the project implementation are reflected in detail in the Aide Memoirs and the Implementation Status and Results Reports reported after every supervision mission. The project team's successful supervision of the project and the lessons learned from the implementation of this project resulted in the preparation of the follow-on Moldova Rural Connectivity Project (P180153), which would be expected to further improve the local road connectivity and strengthen road management capacity in the country.

Overall, the quality of supervision is rated Satisfactory.

Given the Moderately Unsatisfactory rating of Bank performance at entry and Satisfactory rating at supervision, the overall Bank performance is rated as Moderately Satisfactory.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The causal links from project activities and outputs to expected intermediate outcomes were direct and valid, and the achievement of the project objective could be attributed to the project's intervention, but the achievement of the long-term outcomes in education, health, and market services would depend on other factors. The project objective was clearly defined and was more outcome-oriented compared to a typical road project because of its focus on increasing access to education, health, and market facilities. The indicators in the results framework were sufficient to capture the intermediate outcomes expected from the project's road rehabilitation and upgrading activities. The results framework did not include indicators to adequately capture the outcomes related to the increased access to education, health, and market facilities or the outcomes expected from the local road capacity strengthening technical assistance activities. The sustainability aspect of the project objective was not adequately encompassed by the results framework. However, the project was to implement detailed beneficiary surveys before and after the project to assess the project's impact on the local population's satisfaction with access to rehabilitated or upgraded roads and access to public services. These surveys would have been expected to support the evidence base for achieving the project outcomes. The indicators were specific, measurable, relevant, and time-bound, but when assessed in retrospect, the target to rehabilitate 300 km of local roads was not achievable because of the insufficient design and technical capacity in the country to implement the novel road rehabilitation techniques introduced by the project. Baselines were available for all indicators except for road safety, for which no data was collected regionally. This shortcoming was to be addressed by road safety audits to be conducted under the project. The SRA's M&E system for donor-funded projects was to be used to monitor and evaluate the project results with some modifications.

b. M&E Implementation
The SRA, supported by the project management consultant, regularly collected and reported the M&E data for project progress reports with occasional delays. Based on the recommendations of the Mid-term Review, there was an attempt to improve the M&E system to better capture the project outcomes in accordance with the narrowed project scope. Some indicators were dropped because they either became irrelevant due to the narrowing of the project scope or the restructuring of the SRA, or were captured by other indicators (ICR, pp.12-13). Gender-aggregated indicators were also dropped as they were covered by the other project beneficiary indicators. However, the shortcomings in the M&E design in capturing the sustainability aspect of the project objective, and the outcomes related to improved access to education, health, and market facilities and the local road management capacity strengthening were not sufficiently addressed. The pre-project and post-project beneficiary surveys were successfully conducted; these surveys provided important data to adequately assess the project's impact on road conditions including road safety, usage of roads, and access to education, health, and market facilities. The M&E functions and processes are likely to be sustained after project closing and used for the follow-on projects supported by the implementation of Road Asset Management System, operationalization of which was supported under the project for the LPAs.

c. M&E Utilization

The SRA regularly communicated the M&E findings to the Ministry of Infrastructure and Regional Development, the Project Steering Committee, and the World Bank with some occasional delays. The Mid-term Review was crucial for evaluating the project's stalled progress and identifying the revisions to be made to improve project implementation. The M&E data and the findings of the Mid-Term Review resulted in a substantial change in the project both in terms of adopting a more applicable, but more expensive, road rehabilitation technique and narrowing the project scope. The project restructuring was highly successful in delivering the project outcomes. The M&E data including the findings of the beneficiary survey were adequately used to provide evidence of achievement of the outcomes and the project objectives. However, the shortcomings in the results framework continued through to project closing to capture the outcomes expected from the implementation of local road management capacity strengthening technical assistance activities, which also affected the adequate assessment of the sustainability aspect of the project objective. Based on the activities implemented under the project, the ICR provided a thorough assessment of the project's impact on sustainability and institutional capacity strengthening and what should be done to address the shortcomings. Lastly, the M&E data and findings were successfully used to inform a subsequent intervention that is designed to further support the local road management capacity strengthening and the sustainability of the project outcomes related to access to all-season local roads.

While there were moderate shortcomings in adequately capturing project outcomes related to capacity strengthening and sustainability of road access, the M&E system as designed and implemented, including the beneficiary surveys, was sufficient to assess the achievement of the project outcomes and objectives and test the links in the results chain. The utilization of the M&E data was crucial in significantly improving the implementation of a stalled project and achieving the project objectives. Overall, the M&E quality is rated Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as Category B under Environmental Assessment (OP/BP 4.01) and triggered the Involuntary Resettlement (OP 4.12).

Environmental Assessment (OP/BP 4.01): The project was classified as Category B because of site specific, temporary, and low impacts on environment such as solid and hazardous waste disposal, dust, noise, and air and water pollution. Because not all the project roads were identified at appraisal, an Environmental and Social Management Framework (ESMF) was prepared and disclosed in country in December 2014 and on the World Bank's InfoShop in June 2015. After the identification of the project roads, an Environmental Management Plan was prepared for each road corridor to be rehabilitated. Supported by the project management consultant, the SRA monitored the implementation of the civil works

in accordance with the EMP requirements. Regular inspections identified some minor activities non-compliant with the EMPs such as inadequate solid waste management, runoff from the stored bulk materials, insufficient dust control, damages to trees, and improper cleaning of sites, which were addressed subsequently (ICR, p.29). The project set up a grievance redress mechanism (GRM). A total of 126 complaints were received. At the time of the project evaluation, 120 complaints had already been processed, but six complaints were still under review.

Involuntary Resettlement (OP/BP 4.12): The rehabilitation works on the project roads that had already been selected would not have required any resettlement or had impact on agricultural activities because these works were to be implemented within the existing areas of right of way. However, the project triggered this safeguard policy on a precautionary basis because some of the project roads that had not been identified at appraisal could have required resettlement. A Resettlement Policy Framework (RPF) was prepared and disclosed in country in April 2015 and on the World Bank's InfoShop in July 2015. The ICR (p.30) reports that the project activities did not require any land acquisition that resulted in economic or physical displacement.

b. Fiduciary Compliance

Financial Management

At appraisal, the SRA was assessed to have sufficient financial management capacity because of the experience it gained through the implementation of all donor-funded programs in Moldova. The unaudited interim financial reports of the projects were submitted according to the schedule, but the audited reports for fiscal year 2017 and 2018 were submitted with delay because these were included in the overall audit of the SRA. There were also shortcomings in the documentation of the expenditures from the designated account for several months starting from October 2017. The SRA addressed these issues; the audit reports were submitted according to the schedule through to project closing, and the expenditures from the designated account were properly documented. The opinions of the independent auditor were unqualified. The audits did not report any issues with internal controls. There were no known issues of corruption or misuse of funds associated with the project. The project team confirmed that all project funds were accounted for at project closing. Financial Management was rated as Satisfactory at project closing.

Procurement

The SRA had limited procurement experience in accordance with the relevant World Bank guidelines and policies. A project management consulting firm to be hired under the project and the World Bank training on procurement were expected to strengthen the procurement capacity of the SRA, but the project was faced with procurement issues immediately after the start of project implementation. The ICR (p.31) reports these issues as the following: (a) delays in the award of contracts because of the unresolved value-added-tax (VAT) issues and disagreements over design discrepancies; (b) delays in the preparation of designs because of limited competition and capacity constraints in the design industry; (c) lack of interest from the local bidders because of their unfamiliarity with the proposed technical solutions, stringent qualification criteria, and capacity constraints; and (d) poor performance of the supervision firm that resulted in the termination of the supervision contract. Some changes were introduced to improve procurement such as lot consolidation, revision of the qualification criteria that allowed the participation of international bidders, and the change in the technical solutions. These changes positively affected procurement, and following

the mid-term review, procurement of the contracts for the 150 km of road rehabilitation works was completed without any major delay and with increased interest from bidders. However, the first post-review in June 2019 revealed that the filing for all procured contracts were incomplete, and important documents were missing. The SRA was given time to complete the missing documents, and a second post-review in Jul 2019 confirmed that the files were in order. The project team confirmed that procurement was conducted in accordance with the World Bank procurement guidelines and policies. Procurement was rated as Moderately Satisfactory at project closing.

c. Unintended impacts (Positive or Negative)

None.

d. Other

None.

11. Ratings

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

12. Lessons

This review has drawn three lessons based on the information in the ICR.

An insufficient assessment of the design and technical capacity of the local contracting industry when novel road rehabilitation techniques are introduced can lead to significant project implementation bottlenecks resulting in limited progress. The project introduced a new technique for the rehabilitation of the local roads, and the tender documents were prepared based on the preliminary designs rather than detailed designs. The lack of local design and contracting capacity was not adequately assessed during appraisal. The final designs prepared by the local companies included significant discrepancies. Local contractors did not have the appropriate equipment for the proposed technical solutions for rehabilitation or upgrading of local roads, nor did they have the capacity to implement multiple projects at the same time. These resulted in significant project implementation delays and cancellation of contracts. This issue was addressed by adopting

a road rehabilitation technique with which the local companies were familiar. However, this resulted in an increase per kilometer cost of construction and, hence, the narrowing of the project scope.

Continuous and proactive dialogue with the authorities when there are frequent changes at the senior management of the project related public entities can be effective in ensuring the implementation of sector capacity strengthening technical assistance activities including policy reforms. There were frequent senior management changes at the Ministry of Infrastructure and Regional Development and the SRA during project implementation, which affected the decision-making process. The project team, benefiting from the presence of the Task Team Leader and other project team members in Moldova, proactively engaged with the authorities to update them about the current status of the project implementation, especially with respect to the technical assistance activities for local road management capacity strengthening. Although these helped maintain the course of the implementation of the technical assistance activities, and the project delivered the technical assistance results closer to the project closing date, as the ICR reports (p.33), the likelihood of the adoption of the policies could be increased by a higher policy dialogue supported through development policy operations.

A Mid-term Review conducted adequately and according to schedule can lead to a substantive restructuring of a stalled project and improve project implementation efficiency resulting in the achievement of the project objectives. Because of the various project implementation issues related to technical design, contracting capacity, and procurement, the project had achieved minimal progress by the Mid-term Review and disbursed only around US$5.4 million. The project was at the high risk of not achieving its objectives. Based on the discussions held during the Mid-Term Review conducted in 2018, the project was substantively restructured in January 2019 to address the bottlenecks to project implementation. This restructuring resulted in a reduction of the length of the local roads to be rehabilitated or upgraded by half but ensured the successful achievement of the project outputs and outcomes, and hence the project objectives.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is tightly written and a complete critique of the project. The narrative is highly evaluative supported by sufficient description. The report provides a candid and accurate set of observations that are aligned to the project objective. Despite the shortcomings in the M&E design in adequately capturing the project outcomes, the ICR's effort is commendable in providing additional evidence through surveys and explanations what the project has achieved. The report seeks to triangulate data to reach conclusions and is highly focused on results; the report sufficiently emphasizes and highlights how activities and outputs informed outcomes. The narrative is internally consistent; there is a clear logical linking of the various parts of the report, and the results are mutually reinforcing. While there were some minor inconsistencies in following the Bank guidance, such as the mixed assessment of design, implementation and utilization of M&E, the report highly responds to the Bank guidance both with regards to ratings and the performance narrative. The lessons appropriately respond to the specific experiences and findings of the project and are sufficiently aligned with the narrative. The report is

concise, and there is sufficient clarity in its messaging. The use of photographs in Annex 6 was very useful to see the impact of the project on local roads.

Overall, the quality of the ICR is rated High.

a. Quality of ICR Rating
High