Report Number: ICRR0022954

1. Project Data

Project ID P157324	**Project Name** Ecuador ERL	
Country Ecuador	**Practice Area(Lead)** Urban, Resilience and Land	
L/C/TF Number(s) IBRD-85910	**Closing Date (Original)** 07-Sep-2020	**Total Project Cost (USD)** 52,831,235.76
Bank Approval Date 15-Mar-2016	**Closing Date (Actual)** 07-Sep-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	150,000,000.00	0.00
Revised Commitment	52,831,235.76	0.00
Actual	52,831,235.76	0.00

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

a. Objectives

According to the Loan Agreement (LA, p.5) and the Project Appraisal Document (PAD, paragraph 19), the original Project Development Objective (PDO) was "to reduce the potential effects of the El Niño phenomenon and the Cotopaxi volcano and support the recovery of basic and production services in affected areas in case of an Eligible Disaster, in selected sectors."

The LA was amended in 2019 (see Dates below) and the PDO revised "to support the recovery of basic and productive services in selected sectors in affected areas in case of an Eligible Disaster and strengthen resilience to natural disasters and macroeconomic shocks."

This review will assess the project performance against the following objectives:

- To reduce the potential effects of the El Nino phenomenon and the Cotopaxi volcano (original);
- To strengthen resilience to natural disasters (revised);
- To support the recovery of basic and productive services in selected sectors in affected areas in case of an Eligible Disaster (original);
- To strengthen resilience against macroeconomic shocks (new).

This is not fully in line with the assessment in the ICR, where the first original objective is assessed as two separate objectives.

The LA defined eligible disaster as: “any natural disaster, national or localized in scope, that poses or is likely to imminently pose a threat to life, assets, or productive capacity of the Borrower, which can be originated by: (a) geological hazards, an extreme natural event originated in the crust of the earth such as earthquakes, volcanic eruptions, tsunamis (tidal waves), and landslides (as a secondary event after an earthquake); (b) hydro-meteorological hazards, events produced by the climate variability as heavy rains, flooding, and landslides; and (c) intensified El Niño phenomenon causing heavy rains, floods, storms surge or landslides (LA, appendix, paragraph 1)."

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

Did the Board approve the revised objectives/key associated outcome targets?
No

c. Will a split evaluation be undertaken?
Yes

d. Components
1: **Disaster Preparedness and Risk Mitigation** (US$49.06 million at appraisal, revised to US$3.78 million at restructuring, US$4.26 million actual). This component was to finance disaster preparedness and mitigation measures in the following areas: (i) water and flood protection; (ii) agriculture, livestock, aquaculture and fisheries; (iii) transport; and (iv) health. Up to 40 percent of the activities to be financed could be retroactively financed. The first restructuring canceled works in the agriculture and livestock, transport, and health sectors and reduced the scope to finance only works in water and flood protection (ICR, paragraph 19).

2: **Post-Disaster Recovery and Reconstruction** (US$117.6 million at appraisal, revised to US$82.24 million, then to US$52.53 million, then again to US$47.84 million as a result of 4 restructurings (see Dates below), US$48.10 million, actual). This component was to finance a positive list of activities to support the recovery and reconstruction of selected sectors, in principle, transport, water, and agriculture, in case of an eligible disaster. The Bank and the government were to agree to the subprojects to be financed and the Project Operations Manual (POM) was to specify the criteria of eligible activities.

3: **Project Implementation, Monitoring and Evaluation (M&E)** (US$1.34 million at appraisal, revised to US$5.77 million, then to US$3.27 million, and further to US$1.45 million as a result of 3 restructurings (see Dates below), US$1.3 million, actual). This component was to finance the hiring of project management staff of the Project Implementation Unit (PIU), such as the project coordinator, specialists in financial management, procurement, and monitoring and evaluation; and others as needed (e.g., environmental and social specialists). In addition to audits, this component was to finance goods and equipment for selected entities including the Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*, MEF), the Public Water Company (*Empresa Pública del Agua*, EPA), the Ministry of Transport and Public Works (*Ministerio de Transporte y Obras Públicas,* MTOP), the Ministry of Public Health (*Ministerio de Salud Pública,* MSP), and the Ministry of Agriculture and Livestock (*Ministerio de Agricultura y Ganadería*, MAGAP). The April 23, 2019 restructuring added technical assistance for the MEF to carry out studies and training to address the ongoing fiscal and macroeconomic shocks.

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

Project Cost: The original total project cost was expected to be US$168.00 million. In 3 restructurings (see Dates below), the total project cost was revised to US$91.8 million, then US$60.5 million, and eventually, US$54.0 million. The actual cost was US$53.7 million or 31.9 percent of original total project cost and 99.4 percent of the latest revised total project cost.

Financing: The project was to be financed by an IBRD loan of US$150.0 million, this financing was reduced to US$91.6 million, US$59.6 million, and US$53.1 million. The actual amount disbursed was US$52.8 million, which is 35.2 percent of the original financing amount and 99.4 percent of the latest revised financing amount.

Borrower Contribution: The government committed US$18.0 million at appraisal (PAD, paragraph 36). Government commitments were reduced at restructuring (see Dates below) to US$7.15 million and further to US$0.92 million. The government disbursed US$0.84 million at closing (ICR, paragraph 20, and Annex 3) or 5.14 percent of original commitment and 91.30 percent of the latest revised commitment.

Dates and Restructuring: The project was approved on March 15, 2016 and became effective on July19, 2016. The original closing date was September 7, 2020 but the project was extended by 12 months to close on September 7, 2021. Three eligible disasters took place: the April 16, 2016 magnitude 7.8 earthquake, the El Nino-induced flooding events and landslides during the same period (April 2016), and the COVID19 pandemic in March 2020. There were the following five Level 2 restructurings:

- On April 23, 2019, to activate the contingency Component 2; revise the PDO by replacing the reference to the mitigation of risks from "the El Nino phenomenon and Cotopaxi volcano," to "strengthening resilience to natural disasters and macroeconomic shocks;" cancel US$58.2 million at the request of the government; revise the activities under components 1 and 2 and the title of component 3; revise project cost and loan proceed allocation between disbursement categories; and update the results framework to reflect these changes. In addition, the implementation arrangement was updated to include the Ministry of Education (MINEDUC) and the Works Contracting Service (SECOB), and exclude the Ministry of Agriculture and Livestock (MAG).

- The September 10, 2019 restructuring was part of the first restructuring, but it was processed separately because the Operations Portal does not allow two cancelations in a single restructuring. This restructuring canceled an additional amount of US$32.2 million, changed the costs for component 2, revised the loan proceed amounts allocated to the disbursement categories, and updated the disbursement estimates. The government requested the cancellation due to continued delays in implementing sub-projects under component 2, which were not expected to be completed by the loan closing date (at that time September 7, 2020). In addition, the government requested additional technical assistance to enhance the capacity of the MEF to respond to macroeconomic shocks because of the pervading fiscal and macroeconomic crisis.

- On March 12, 2020, the project was restructured to allow the government to use loan proceeds to finance value-added tax (VAT) payments under components 2 and 3 due to persistent fiscal constraints.

- On March 31, 2020, it was restructured to activate component 2 a second time, allocate US$50.0 million under this component to respond to the COVID19 pandemic and finance an emergency family protection cash transfer program (*Bono de Protección Familiar por Emergencia COVID19*); update the results framework accordingly, and extend the loan closing date due to the pandemic.

- On May 20, 2021, the project was restructured to cancel US$6.5 million because of delays in the procurement of health equipment and some technical assistance (TA) activities under component 3, change components as part of the cancellation, change indicators and target values in the results framework, and reallocate resources between disbursement categories

Split Rating. A split rating of the outcome is undertaken because of changes in the PDOs and outcome targets. A split rating is applied to two of the three objectives. For objective 1, a split rating is necessary because of the change in April 2019 in the objective from "to reduce the potential effects of the El Nino phenomenon and Cotopaxi volcano" to "strengthen resilience to natural disasters", the reduction in the level of ambition for one outcome indicator, and the dropping of another outcome indicator. Objective 2 "to support the recovery of basic and production services in affected areas in case of an eligible disaster, in selected sectors", was not revised. The original indicators and targets for this emergency recovery objective were only indicative and were revised in 2019 after its activation for two eligible disasters. Therefore, objective 2 is assessed based on the 2019 indicators. These indicators were again revised in March 2020, reducing their level of ambition by reducing one outcome target and dropping an outcome indicator. Therefore, a split rating is necessary. The May 2021 restructuring, which took place six months before project closing, reduced the level of ambition of one outcome indicator target for objective 2. Because this target change occurred when the full project disbursement had already taken place and aimed at reflecting the cancellation of activities that could not be completed on time, no second split rating for objective 2 is carried out and the revised targets are ignored. The same logic applies to the new objective 3 "to strengthen the resilience to macroeconomic shocks", introduced in April 2019, for which the ambition of the outcome target was also reduced in May 2021 (see Section 6 Outcome for details).

3. Relevance of Objectives

Rationale

Country context: Ecuador was susceptible to natural disasters and climatic shocks, including earthquakes, flooding and landslides, and the periodic occurrence of El Niño phenomenon. In 2016, Ecuador faced a possible eruption of the Cotopaxi volcano, located 45 kilometers from the capital Quito and potential flooding and landslides caused by El Niño. The government issued a National Emergency Declaration on December 31, 2015 that outlined a coordinated disaster response action plan worth US$67.8 million to mitigate the potential impacts from these two events. At the same time, on the macroeconomic front, oil prices and oil revenues were declining. The U.S. dollar, the country's official currency, was strengthening. Public debt was increasing. The original PDOs on prevention and post disaster response were relevant to the natural hazards the country faced at appraisal and still facing. The revised PDOs strengthened the relevance of the PDOs to address resilience against both natural hazards and macroeconomic shocks, which were and still are significant development problems for the country.

Country Plans: The PDOs were relevant to the government's plans. The *Plan de Prosperidad 2018-2021* acknowledged that public resources would promote sustainable growth. The National Development Plan (*Toda una Vida 2017- 2021)* focused on stabilizing the economy and supporting social protection priorities. The PDOs were relevant to these priorities with its focus on resilience against disaster and macroeconomic risks. The government also aimed for an integrated institutional framework for disaster risk mitigation as part of its *Plan Nacional de Desarrollo 2017-2021*.

World Bank Country Partnership Framework: In the World Bank Country Engagement Note for the period FY2016-2017, the PDOs were relevant to one of the two pillars the Bank would base its future engagement with Ecuador - i.e., sustaining gains in basic service delivery and strengthening safety net. The PDOs focus on promoting resilience in disaster preparedness and response and resilience to macroeconomic shocks, hence they were directly relevant to responding to post disaster recovery of basic services. The cash transfer mechanism devised under the second objective was directly relevant to strengthening the safety net. The World Bank Group’s Country Partnership Framework (CPF) for the Republic of Ecuador for the period FY19- FY23 was the first CPF for the country since 2007. The PDOs were relevant to two results areas of the CPF. The first was in Result Area I: Supporting Fundamentals for Inclusive Growth through high-level consultancies to increase the capacity of the MEF to respond to macro shocks and enhance the efficiency of public spending. The second was in Results Area III: Enhancing Institutional and Environmental Sustainability. One objective under this results area that showed relevance of the PDOs was to improve resilience to disaster risks and climate change (CPF, paragraph 67).

World Bank Prior Experience in the Sector and in the Country: The Bank and the country agreed to suspend engagement in 2007 but resumed it in the beginning of FY 2014. This project was one of the first projects approved after the reengagement period, the first in the sector, and the first to use the framework approach to design an emergency operation.

The original objectives did not comprehensively articulate the development problems faced by Ecuador by limiting the disaster risks to the El Nino phenomenon and volcano eruption and the recovery of basic and production services to selected sectors. Especially, the second part of the PDO was also output focused. The objectives were revised to better capture the development problem faced by the country.

Overall, the PDOs were substantially relevant to the country's plans and the Bank's reengagement strategy, but there were shortcomings in the articulation of the PDOs and the output nature of the expected outcomes.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To reduce the potential effects of the El Niño phenomenon and the Cotopaxi volcano.

Rationale

Theory of Change (ToC): **Inputs** were to include mechanical dredging activities in select rivers and waterways, rehabilitation, or construction of retaining and protection walls, flood control infrastructure along select rivers, building livestock shelters, rehabilitation of roads, acquisition of medical supplies, and community-based activities. **Outputs** were to be rehabilitated roads, flood protection infrastructure built, productive animal shelters built, health facilities with equipment, and community sanitation works. **Outcomes** were to be reduced potential effects of the El Nino phenomenon and the Cotopaxi volcano. These outcomes were to be measured by mostly output-level indicators capturing beneficiaries, such as the number of hectares of crops protected against flooding, the number of people protected through flood mitigation, the number of people protected from emergency maintenance and/or stabilization works, and the capacity of shelters to protect and house productive animals. This ToC was logical. The ToC included the following 4 critical assumptions for the objective to have a greater likelihood of being achieved: (i) capacity of co-executing agencies to implement the preventive activities; (ii) inter-institutional coordination to implement the activities; (iii) local authorities and communities engaged in identifying, prioritizing, and supervising works to promote ownership of the investments; and (iv) resources and institutional structures existed to ensure sustainability of the investments made. The last two assumptions materialized (see output below) while the other 2 did not.

Outputs achieved:

6 (original target 25, original target not achieved) preventive works were completed. Preventive works were defined in the PAD, annex 1, as “works contracts executed to prepare under rapid conditions for imminent threats from El Nino and Cotopaxi” and could have included road, agriculture, or flood protection works. According to the ICR, two of the six preventive works were undertaken with local participation. These local communities were constantly affected by floods, damaging their crops and homes. The Task Team's site visit of the completed works in October 2016 after the El Nino phenomenon had passed, confirmed proper maintenance of the completed works (ICR, paragraph 27).

The following outputs were not achieved because the respective activities were not carried out and activities and indicators were subsequently cancelled:

- Rehabilitated roads (core indicator: original target: 1,000 km, but not clear if this target only covered objective 1 or also objective 2 because the rehabilitation/restoration of roads could be also part of the recovery of basic and productive services);
- Constructed, renovated, equipped health facilities (core indicator: original target: 200, but not clear if this target only covered objective 1 or also objective 2 because renovating health facilities could also be part of the recovery of basic and productive services);
- Community sanitation works "Minga" in risk areas (original target: 450; this target referred to both preparedness and/or response measures to an emergency in risk areas); and
- Livestock shelters (the ICR had no indicator to specifically measure this output).

Outcomes:

- 173,500 hectares (original target 140,000 hectares, target exceeded) of crops were protected against flooding.
- In addition, 203,600 people (original target 240,000 people, target nearly achieved) were protected by the flood mitigation works.

The ICR did not report on the achievement of the following outcome indicators because the planned activities to reach these outcomes were not carried out and the respective indicators were subsequently revised or cancelled:

- Direct project beneficiaries, including the proportion of women (core indicator: original target 4.1 million, of which 64 percent female; note: the target of this indicator combines the targets of the indicators of number of people receiving improved flood protection (240,000 people) and number of people benefiting from emergency maintenance and/or stabilization works (3.86 million people);
- Number of people attended by the equipment and/or services provided by the health sector supported by the project (original target: 1.4 million, but not clear if this target only covered objective 1 or also objective 2 because health services could also be provided as part of the recovery of basic and productive services); and
- Capacity of shelters to protect and house productive animals (original target 5,000).

Overall, the efficacy of the project to achieve this original objective 1 is rated Negligible. Most project activities were not carried out, and the outcomes were only marginally achieved.

Rating
Negligible

OBJECTIVE 1 REVISION 1
Revised Objective
To strengthen resilience to natural disasters.

Revised Rationale

Revised Theory of Change: The PDO and outcome targets were revised to encompass the development problem of lack of resilience against natural disasters more broadly (including COVID -19 pandemic) and adjust the project to the reality on the ground. This changed the ToC for the revised objective 1. **Revised inputs** were to consist of water and flood protection preventive works. **Revised outputs** were the number of preventive works completed. The **revised outcome** was the strengthened resilience to natural disasters measured by the number of people protected by the flood mitigation works and the crop area protected against flooding and COVID recovery support through emergency cash transfers program (see objective 2). The same 4 critical assumptions as for the original objective 1 applied to this revised ToC. The two assumptions noted above under the original objective 1 as having materialized applied to this revised ToC as well.

Revised Outputs:

- 6 (revised target 6, achieved) preventive works were completed.

Revised Outcomes:

- The flood mitigation works benefited 203,600 people (revised target 203,600; achieved).
- 173,500 hectares (revised target 173,500 hectares, achieved) of crops were protected against flooding.

Overall, the efficacy of the project to achieve the revised objective is rated Substantial. The project mitigated some of the effects of the heavy rains caused by the El Nino phenomenon in the Guayas and Oro provinces and strengthened the resilience of crops to natural disasters. This is all the project aimed to achieve under this objective after the restructuring.

Revised Rating

Substantial

OBJECTIVE 2

Objective

To support the recovery of basic and productive services in selected sectors in affected areas in case of an Eligible Disaster

For the purpose of this assessment, IEG interprets productive services as activities that directly help in the production of goods, services, or income, such as agriculture and fisheries. Basic services refer to all essential services required for the continuity of life. These services include water, sanitation, roads, hospitals, schools, and also cash transfer to maintain people’s livelihood.

Rationale

Theory of Change: Because of the contingent framework operation nature adopted for this operation, activities (inputs), outputs, and outcomes were to be defined and adjusted during implementation. Therefore, the ToC is based on the project design as revised in 2019 after two of the three eligible disasters took place and the contingency component was activated (see Section 2.e). **Inputs** were to include emergency recovery and reconstruction activities in sectors, such as health, education, transport, and fisheries. The post disaster recovery **outputs** were to include services and infrastructure rebuilt, rehabilitated, or reconstructed, such as roads rehabilitated, health facilities equipped, schools constructed, and fishing dock reconstructed. **Outcomes** were that basic and productive services had been recovered to be measured through the direct project beneficiaries, the people benefiting from new equipment in the health sector, and the tons of fish discharged through the fishing and cabotage terminal. This ToC was logical. The critical assumptions in the ToC were that: (i) an eligible disaster occurred; (ii) an adequate emergency response capacity existed; and (iii) the government retained its emergency response priorities. These assumptions materialized at implementation.

OUTPUTS: The following outputs were achieved:

- 284 health facilities equipped (2019 target 332, target not fully achieved), and
- Cash transfers made to 382,239 eligible households (2020 target: 400,027; nearly achieved).

The following outputs were not achieved because the respective activities were not carried out and the indicators were subsequently cancelled (the road transport and education sectors activities were not carried out because of inadequate feasibility studies and designs, and the fishing and docking terminal was not reconstructed because of priority changes due to COVID19):

- Rehabilitated roads (core indicator: 2019 target: 34 km);
- Students with improved school infrastructure (2019 target:1,806);
- Schools constructed (2019 target:1); and
- Reconstructed fishing dock (2019 target: 900 m).

Outcomes:

- 903,080 people benefitted from new equipment in the health sector, rehabilitated infrastructure and restored basic services after an eligible disaster (exceeding the original target of 700,000 and achieving the revised target).
- 382,239 households (2020 target: 400,027, target nearly achieved) benefited from COVID19 emergency cash transfers. Not all beneficiaries were reached because of outdated databases and lack of contact information in the MIES database. Of these beneficiaries, 51 percent were female (revised target 50 percent, target achieved). Cash transfers amounted to 87 percent of the IBRD loan disbursements. According to the evaluation of the cash transfer program (ICR, Annex 7) up to 80 percent of the households that received cash transfers were poor or vulnerable (ICR, paragraph 32). The cash transfer program generated economic gains per family of US$264 and gains to the economy of US$100.9 million (ICR, paragraph 36).
- The project did not increase the number of discharged fish through the fishing and cabotage terminal (2019 target: increase from a baseline of 43,254 tons to 70,000).
- Throughout the project's lifetime, 2,348,372 people directly benefitted from it (2019 target: 1,809,405 people, target exceeded), of which 51 percent were women (2019 target, 50 percent, target achieved) 2,144,772 million people directly benefitted from recovered basic services, and 203,600 people benefited from flood mitigation works.

Overall, the efficacy of the project to achieve objective 2 is rated Modest because the project only recovered basic services in the health and social protection sectors. It did not restore basic services in the education and transport sectors nor productive services.

Rating
Modest

OBJECTIVE 2 REVISION 1

Revised Objective
To support the recovery of basic and productive services in selected sectors in affected areas in case of an Eligible Disaster.

Revised Rationale
Revised Theory of Change: The PDO was not revised, but the inputs, outputs, and outcomes were revised. The **revised inputs** were to include recovery activities in the health sector and financing of cash transfers to cope with the COVID19 crisis. **Revised outputs** were to be health facilities equipped and households with cash transfers. **Revised outcomes** were to consist in recovered basic and productive services, to be measured by the number of households receiving cash transfers and the number of people benefitting from new equipment in the health sector after an eligible disaster:

Revised Outputs and Outcomes:

They are the same as under the original objective 2 above.

Overall, the efficacy of the project to achieve this revised objective is rated Modest. Although the project substantially recovered basic services, it did not restore productive services.

Revised Rating
Modest

OBJECTIVE 3

Objective
To strengthen resilience to macroeconomic shocks.

Rationale
Theory of Change: This PDO was added at the April 2019 restructuring. The objective has an overextended causal logic because greater resilience to macroeconomic shocks is likely to require more than just capacity strengthening activities. **Inputs** were to include training and technical assistance to build capacity to advance macroeconomic and structural reforms. **Outputs** were to include staff having received training and a program to strengthen public financial management, including improvements in budget preparation, execution, and control. The expected **outcome** was greater government capacity to advance macroeconomic and structural reforms to be measured by drafting of a strategy of fiscal and structural

reforms to improve macroeconomic resilience (April 2019 Project Paper, paragraphs 9 and 11, and annex with the results framework). This program itself was an output as opposed to an outcome**.**

OUTPUTS:

- MEF's General Equilibrium Model (GEM) and stock-flow consistency model updated to include new sectors and modules;
- Predictive methodology for the monitoring and control of credit operations financed with public debt and management [tool] to optimize the execution of the World Bank portfolio;
- Methodologies to improve the monitoring, efficiency and optimization of the Government's permanent and non-permanent expenses;
- Methodologies to allocate budget ceilings for government institutions partially updated or designed but the methodology itself was not finalized;
- Strategy to increase the financing of the general budget to achieve macroeconomic stability and meet the fiscal needs;
- Subsidy targeting mechanisms; and
- 24 technical staff in MEF and Treasury trained in the use and implementation of tools and models.

The ICR (paragraph 33) points out that MEF confirmed to the ICR author that the tools and models developed and improved under the project were incorporated in their systems and were being used.

The following activities were not carried out (on April 8, 2021, MEF requested their cancelation): (i) Assessment of the regulatory framework to manage risk among entities of the financial sector; (ii) Plan and methodologies for the analysis, monitoring, and management of fiscal risks for public finances; (iii) Quantification of the fiscal and budgetary impact of the new drug management model to increase health sector efficiency; (iv) Business continuity plan and disaster recovery plan for MEF; (v) Support to improve the sustainability and efficiency of Ecuador Social Security Institute to mitigate risks from financial shocks to the public sector; and (vi) Financial assessment of Banecuador.

The project only spent about US$300,000 of the over US$4.57 million originally allocated to fund the technical assistance for the MEF.

OUTCOMES:

- The World Bank's portfolio increased its disbursements from 57.7 percent in October 2020 to 75.2 percent (no target) in May 2021. This was due to the predictive methodology used to monitor and control credit operations financed with public debt and World Bank loans. The increase in disbursements was to partially address avoidance of macroeconomic shock from a sudden increase in public debt obligations.
- Two Executive Decrees (Nos. 1054 and 1183) strengthened the price band system for fuel subsidies (no target), but the ICR provides no evidence on how this led to the resilience of the government to macroeconomic shocks.
- The government reportedly improved its monitoring of its expenses as a result of the consolidation of the different budget databases, with no supporting evidence.

The target of drafting a strategy of fiscal and structural reforms to improve macroeconomic resilience was not achieved. According to the ICR, the indicator used was qualitative in nature and the achievement of the outcome against the macroeconomic shocks was beyond the scope of the project intervention (ICR, paragraph 33). However, the PDO was not changed to reflect this understanding.

Overall, the efficacy of the project to achieve this objective is rated Modest. Outputs were partially achieved and are used, and it is plausible that they provide building blocks to strengthening the government's capacity to address future macroeconomic shocks. However, the number of outputs achieved is significantly smaller than planned. In addition, greater resilience to macroeconomic shocks is likely to require more than just enhanced capacity.

Rating
Modest

OVERALL EFFICACY

Rationale
The efficacy of the project to achieve the original first objective is rated Negligible. The efficacy of the project to achieve the original second objective is rated Modest. On balance, given that the partial achievement under the original objective 2 was low, the overall efficacy of the project to achieve its original objectives is rated Negligible.

Overall Efficacy Rating	**Primary Reason**
Negligible	Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale
The overall efficacy of the project to achieve its revised objectives is rated Modest. The efficacy of the project to achieve the revised first objective is rated Substantial. The efficacy of the project to achieve its revised second objective and the added third new objective are rated Modest. For the revised objective 2 it is because the project did not restore productive services. For the third objective, it is because the outputs were only partially achieved, weak evidence on capacity enhancements, and the shortcoming in the objective's causal logic.

Overall Efficacy Revision 1 Rating	**Primary Reason**
Modest	Low achievement

5. Efficiency

Economic Efficiency: At appraisal, an ex-ante economic benefit cost (B/C) analysis was conducted for the identified ex-ante preventive investments (component 1). Since component 2 implementation was contingent on the occurrence of a natural disaster, those investments were not identified at appraisal. The Project Operations Manual (POM) outlined the applicable economic analysis for the post-disaster investments (PAD, paragraph 47). The appraisal B/C analysis of the identified preventive works used a 5 percent discount rate. The estimated Net Present Value (NPV) was US$92.9 million. The estimated Internal Rate of Return (IRR) was 27.6 percent.

The B/C analysis of the post disaster investments in 4 sectors (education, road, port, and health) used the same methodology as at appraisal. The estimated NPVs ranged from US$155.1 million to US$4.0 million. The estimated IRRs ranged from 47.3 to 8.5 percent. The B/C ratios ranged from 7.3 to 1.1 (RES30879).

At closing, a B/C analysis of all the project investments was carried out. These included the investment, and the annual operation and maintenance (O&M) costs of the preventive flood mitigation works, and post disaster investments, including the benefits from the cash transfers. A 5 percent discount rate was used. The NPV was estimated at US$5.57 million. The estimated IRR was 15 percent. B/C ratio was estimated at 1.12

The estimated ex post NPV for the preventive flood mitigation works was US$8.55 million with an IRR of 30 percent and a B/C ratio of 1.9.

However, the ex-ante economic analyses are not comparable to the analysis at closing since most of the preventive activities were not financed by the project and the project cost significantly reduced (ICR, .paragraph 35, and Annex 4, paragraph 2). Therefore, the IRR comparison table below is left empty.

Administrative and Operational Efficiency: This project was a complex operation with two primary components – preventive investments before a disaster and recovery operations after a disaster. Inexperience and inability to comply with Bank technical and operational project requirements, capacity constraints, and changing government priorities led to 5 level 2 restructurings, including extending the project closing date by 12 months to complete the cash transfer program and TA to MEF (see Dates above). The government did not use the retroactive financing option because (i) the available 4-month window for its use was too short; (ii) design and studies for the works were not advanced; and (iii) lack of fiscal space (budgets) to finance the work before reimbursement. The project cancelled 60 percent of its original loan or US$96.93 million.

In addition, the project had (i) substantial delays in preparing investments to be financed under the recovery component and procurement processes; (ii) high staff turnover among implementing entities; and (iii) COVID19 response disrupted timelines and shifted government priorities.

Overall, while the economic benefits of the project investments proved adequate, the operational inefficiencies of the project mainly brought by delays and inability in preparing adequate subprojects and the frequent reprioritization of post disaster activities resulted in this Modest rating.

Efficiency Rating

Modest

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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

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

6. Outcome

Please note that while this project had two revisions requiring split ratings (the first, for objective 1 and the second, for objective 2), the Efficacy section of this ICR only shows one revision for the project as a whole. However, this revision corresponds to two separate revisions of objectives 1 and 2 at different times. Therefore, although the structure of the Efficacy section and the table below are not in line, the substance is identical.

As shown in the table below, the project under the original objective and targets is rated Unsatisfactory, and under the objectives and targets after the first and fourth revisions, it is rated Moderately Unsatisfactory. Therefore, overall the project is rated Moderately Unsatisfactory.

	Original	Revision 1 Apr 23 2019	Revision 4 Mar 12 2020
Disbursements (in US$ millions cumulative)	6.17	6.57	53.07
Disbursements (in US$ millions)	6.17	0.4	46.5
Relevance of PDO		Substantial	
Efficacy	Negligible	Modest	Modest
PDO 1 - To reduce potential effects of El Nino + volcano	Negligible		
PDO 1 Revised - To strengthen resilience to natural disasters		Substantial	Substantial
PDO 2 - To support recovery of basic production services after eligible disaster	Not yet activated	Modest	
PDO 2 - To support recovery of basic production services after eligible disaster (revised targets)			Modest
PDO 3 (New)- To strengthen resilience to macro shock	Not yet existing	Modest	Modest
Efficiency		Modest	
Outcome	U	MU	MU
Numerical value of Outcome	2	3	3
Disbursement (in US$ million)	6.17	0.40	46.50
Share of disbursement (in percent)	0.12	0.01	0.88
Weighted Value of Outcome	0.23	0.02	2.63
Final Outcome: MU	2.88		

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The following pose risks to the expected resilience to natural disasters and macroeconomic shocks:

- **Risk from disasters caused by natural hazards**. This is a high risk. In this project, some protection for a segment of the population was achieved but the risk from natural hazards remains. The exposure of Ecuador to natural hazards and climate change such as the risk from the effects of El Nino phenomenon will persist. To mitigate this risk, the CPF and country plans continue to focus efforts at promoting disaster risk reduction measures (see Section 3 Relevance of Objective above).

- **Government commitment.** This is a moderate risk**.** In this project, the social protection delivery system has been mainstreamed. The cash transfer mechanism provided beneficiaries with the means to access basic services. The government has plans to address disaster response and recovery by strengthening these social protection measures as part of the recovery. The payout network is expected to classify beneficiaries to further strengthen the system. However, the government's original commitment to O&M for completed investments were unmet. This risk was to be mitigated by financial measures noted below.

- **Financial Risk** This is a high risk. Financing disaster resilience, post disaster recovery, and sustaining improved capacity to face macroeconomic shocks require substantial resources. In addition, adequate O&M would protect post recovery investments made. In this project, the preventive flood protection works were considered one-off and not part of an overall flood mitigation strategy or overall disaster reduction framework. These investments were not linked to O&M budgets to maintain the completed infrastructure investments. Maintaining adequate O&M resources by undertaking investments within an overall framework that have budget allocations would be one way to mitigate this risk.

- **Technical Risk.** This is a substantial risk. In this project, the tools that served as building blocks to strengthen resilience against macroeconomic shocks require updates. There is a wider universe of other tools and models that may be needed to address further macroeconomic shocks.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank team prepared this project over a period of 5 months (ICR, paragraph 45) as an emergency response to possible disasters from El Nino and the eruption of the Cotopaxi volcano. According to the PAD (paragraphs 38-40), lessons learned from Bank-financed El Nino Emergency Recovery projects in the late 1990s in Bolivia, Ecuador, and Peru, and emergency operations in Jamaica informed the design of this project. These included (i) the need for training of government staff who will be involved in contracting Bank policies and procedures to avoid implementation delays; (ii) the use of local shopping for fixed price civil works contracting to expedite procurement; (iii) to include moveable replacements such as Bailey bridges under eligible recovery activities to facilitate post disaster recovery; (iv) to use retroactive financing to finance preventive investments and contingent financing for post disaster recovery activities; and (v) to adopt simplified implementation arrangement.

The team adopted an innovative design, combining the financing of preventive measures with a contingent component using a framework approach for undefined post-recovery activities. However, the preventive measures were linked to pre-defined disasters that turned out not to be appropriate because the respective activities were not implemented. The Bank team added retroactive financing of up to 40 percent of the loan amount to finance mitigation efforts before loan approval, but the conditions did not exist to use this financing (see Efficiency section). For the post-recovery subprojects, the government proposed fewer subprojects to be financed because they were not able to comply with the Bank's requirements for such subprojects.

The Bank team included simplified implementation arrangements, intensified training of government staff, and the government committed O&M financing of completed investments. The appraisal team acknowledged substantial macroeconomic and fiduciary (delays in obtaining budget certifications, budget cuts), capacity (high staff turnover, low technical and institutional capacity), and environmental and social safeguards risks (staff unfamiliar with Bank requirements). Some risks were not adequately identified and lacked the corresponding mitigation efforts. For example, training could not overcome the hesitation to comply with Bank policies that appeared to contradict the country's laws (ICR, paragraph 74). Another example of a risk not identified was selecting the Ministry of Economy and Finance (MEF) because of its convening strength to simplify implementation arrangement. However, MEF had no mandate in emergency response and post disaster reconstruction, which hampered the effective coordination of the complex multi-hazard and multi sectoral institutional project (ICR, paragraph 47). The team designed an M&E using the results framework at appraisal, but this proved to have shortcomings (see Section 9 M&E Design below). Other shortcomings at entry included limiting the PDO to two impending disasters - El Nino and the Cotopaxi volcano eruption rather than the broader natural hazards to provide flexibility.

Overall, the assessment of Bank performance at entry is rated Moderately Unsatisfactory. This is mainly based on the following factors: (i) the PDO was ill-defined; (ii) the inadequate risk identification and mitigating measures to address implementation risks; (iii) the shortcomings in the identification of preventive measures and the requirements for recovery subprojects, (iv) M&E weaknesses; and (v) the shortcomings in the implementation arrangements.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The Bank team conducted 13 supervision missions over the 5-year implementation period including virtual missions during the COVID19 period. Continuous Bank task management was provided by a task Team Leader (TTL) assisted by two co-TTLs (ICR, paragraph 75). The Bank team's response time was mixed about the frequent changes in government priorities and three requests for cancellation. These were processed in five restructurings. Requests for cancellation, notification of disasters triggered resulting in changes in components, and in the PDOs were made in November and December 2018, followed by a third request in February 2019. These were approved in two separate restructurings, the first in April and the second 5 months later in September 2019. The ICR explained that this was a Bank requirement (ICR, paragraph 13). The 3rd and 4th restructurings were also only days apart in March 2020 but explained in the ICR as an expedient response to the pandemic. The frequency of restructuring showed the Bank's flexibility to accommodate the changing priorities of the government. At completion, the implementing and the co-executing agencies acknowledged the responsiveness of the Bank team.

The Mid Term Review (MTR) was conducted in April, 2018. The Bank team did not adequately address the shortcomings in the M&E design (appropriate indicators, methodology to generate reliable and good quality data). The Bank team did not also adequately revise the PDO to ensure an adequate logic in the theory of change. The Bank team addressed capacity issues with training and offering consultants to ensure compliance with procurement and safeguard requirements. The Bank team hired a structural engineer (ICR, paragraph 77) to assist in reviewing technical designs of sub-projects. The Bank's task team coordinated with the Bank's Country Management Team to follow up on inadequate project progress with the MEF Vice Minister. The Ecuador Country Program Portfolio Reviews featured this project to identify corrective measures for bottlenecks. Shortcomings at supervision included the lack of in-country staff to coordinate on a day-to-day basis with the implementing entities, and the lack of use of project management tools, for instance Hands-on Expanded Implementation Support, to address procurement challenges (see Section 10 Other Issues below). The Bank team also used the meager data from the PIU to evaluate the results achieved. The Bank team conducted a separate impact evaluation, but only of the cash transfer component of the post disaster recovery operations (since this consisted of 87 percent of disbursements (ICR, paragraphs 65 and 19).

Overall, the quality of the Bank performance at supervision is rated Moderately Satisfactory with moderate shortcomings mainly because of insufficient measures to address the weaknesses in the theory of change and the M&E system (see Section 9 M&E below).

Overall, the quality of Bank performance at entry is rated Moderately Unsatisfactory. The quality of Bank supervision is rated Moderately Satisfactory with moderate shortcomings. The overall performance of the Bank team is rated Moderately Unsatisfactory,

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The PAD identified the Ministry of Economy and Finance as the responsible entity to implement M&E. An M&E specialist in the Ministry was to collect, consolidate, analyze, and report on progress toward achieving results using the indicators in the results framework in the PAD (PAD, paragraph 43 and Annex 1). The M&E design was not shown to have an institutional home beyond the project implementation. The M&E system used the targets and indicators in the results framework in the PAD to assess the achievement of the two original PDOs. The M&E system did not outline the methodology to generate, collect, and assess these indicators.

The objectives were narrowly stated, and the results chain was overstretched. The first PDO was limited to the preventive measures to reduce the impact of two disasters - the El Nino phenomenon and the eruption of the Cotopaxi volcano. The second PDO, contingent on a disaster being declared, was to focus on recovery of basic and productive services presuming that these referred to the same sectors addressed by the preventive measures - i.e., (i) water and flood protection; (ii) agriculture, livestock, aquaculture, and fisheries; (iii) transport; and (iv) health.

The output indicators were specific, measurable, and achievable. The outcome indicators were mostly intermediate outcomes (number of beneficiaries) or outputs rather than outcomes. These indicators had shortcomings. The project originally had four indicators that substantially measured the same aspects: direct project beneficiaries, people protected through flood mitigation, and/or emergency, maintenance and /or stabilization works, people receiving improved flood protection, and people benefiting from emergency maintenance and/or stabilization works. Although beneficiaries and output-oriented indicators are common in disaster risk prevention projects, some of these projects use modeling to assess the reduced risk. In addition, in this project, the number of project beneficiaries was not an appropriate PDO core indicator because it did not measure how the potential effects of the El Nino phenomenon and the Cotopaxi volcano eruption were reduced nor how basic and production services were recovered. Another example of weak indicators are the ones to measure strengthened resilience to macroeconomic shocks. Finally, several indicators measure the PDO as a whole and not the separate objectives, which made the assessment of project achievements difficult. For the recovery-related objective, the indicators were indicative at design with additional indicators expected at implementation. The Bank team clarified that Post Disaster Needs Assessments (PDNAs) or equivalents provided the baseline for recovery operations.

b. M&E Implementation

The MEF PIU was responsible for implementing the M&E system. From loan effectiveness (June 2016) to May 2020, the PIU was fully staffed, including an M&E officer. However, the position was vacant from June 2020 until project closing (September 2021) because there was no available budget to finance the position. Other PIU staff carried out the M&E activities. There was no evidence that the M&E functions and processes were likely to be sustained after the project closed. Only the Public Water Company (*Empresa Pública del Agua*, or EPA) implemented its sector-specific M&E plan with baselines, targets, and generated implementation progress reports. Other co-executing agencies monitored the progress of their respective indicators. The PIU did not design an M&E system using a sound methodology to generate reliable and good quality data or adequate indicators as evidence of outcomes to achieve the PDOs (ICR, paragraph 61). The weak quality of data reflected in the number of households receiving cash transfers led the Bank team to conduct a separate impact evaluation at closing (ICR, Annexes 6 and 7). Cash transfers were singled out because this activity represented 87 percent of the loan disbursements (ICR, paragraph 19). Revisions to indicators were made in three restructurings. However, these changes mostly revised targets and outcomes related to the government's frequent changes in post disaster recovery priority activities. According to the ICR, local communities affected by floods, damaged crops, and homes, were involved in 2 of the 6 preventive works carried out by the EPA. There was no further report of their involvement in assessing achievements (ICR, paragraph 27). The PIU prepared and submitted progress reports.

c. M&E Utilization

Only partial M&E findings were reported to management. Some of the M&E data was used to support the 5 restructurings and influenced the corrective measures designed to address the weaknesses in the indicators. But these measures, particularly the choice of indicators, were not implemented because the corresponding activities were cancelled. The project used some of the M&E data to change the implementation schedule, reallocate resources, and revise targets.

Overall, the M&E design, implementation, and utilization showed significant shortcomings and is rated Modest. There was a lack of appropriate outcome indicators. The weakness in the reliability of the data generated by the M&E system was supplemented by 2 impact evaluations at closing.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

Environmental Safeguards: The Project was classified as category "B" under the Bank Operational Policy on Environmental Assessment (OP 4.01) and triggered the following additional environmental safeguards policies: Natural Habitats (OP 4.04), Pest Management (OP 4.09), Physical Cultural Resources (OP 4.11), Forests (OP 4.36), and Safety of Dams (OP 4.37). The project was prepared under OP 10.00 paragraph 12, which allowed for deferral of disclosure of environmental and social instruments after appraisal. All five restructurings did not trigger any new environmental safeguards policies. An updated Integrated Data Sheet (ISDS) was approved by the Regional Safeguards Advisor (RSA) on April 18, 2019 to account for the changes in activities. Project implementation was delayed by the challenges faced in complying with safeguards requirements such as in the preparation of Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plans (ESMPs). The 4th restructuring cancelled activities that would have triggered the environmental safeguards. There were no reports of non-compliance (ICR, paragraph 68).

Social Safeguards. The project triggered Indigenous Peoples (OP 4.10) and Involuntary Resettlement (OP 4.12) policies. An Environmental and Social Screening and Assessment Framework (ESSAF) - one of the first prepared for emergency projects across the World Bank's global portfolio - was disclosed in the government's and the World Bank's websites on April 22, 2016. The ESSF included an Indigenous Peoples Planning Framework (IPPF), a Resettlement Framework, and guidelines for communicating with stakeholders and a Grievance Redress Mechanism (GRM).The cash transfer component was implemented by the Ministry of Social and Economic Inclusion (*Ministerio de Inclusión Económica y Social*, or MIES) under the Bank-financed Social Safety Net (SSN) Project (P167416) and relied on the following social management instruments: (i) Social Assessment (SA), (ii) IPPF, and (iii) Stakeholder Engagement Plan (SEP).These were disclosed in country and at the World Bank's external websites on February 27, 2019. The RSA cleared the updated draft ISDS on March 29, 2020. The Stakeholder Engagement Plan (SEP) and the updated Indigenous Peoples' Planning Framework (IPPF) were both disclosed in April 2020.

MIES used SMS, video, social media, MIES webpage, radio and television spots, telephone (call center), WhatsApp, email, and territorial offices ("*Balcones de Servicios*") to inform beneficiaries about the cash transfers. However, MIES did not implement the agreed measures for differentiated treatment of indigenous peoples (IPs), such as use of native languages or contact through traditional IP organizations. Ninety seven percent of grievances related to delivery of project benefits were reported to have been satisfactorily addressed. Other than this, there were no other non-compliance issues reported. The project experienced delays in preparing the required safeguards assessments for some subprojects and the government dropped these sub-projects to avoid any further delays.

Only OP4.01 and OP4.10 remained for the rest of the implementation period after the 2020 restructuring (ICR, paragraph 68).

b. Fiduciary Compliance

Financial Management: The staff of the PIU and the co-executing agencies had steep learning curves on financial management issues. They did not prepare updated annual strategic budgets and project budgets. The project had a low rate of budget execution. Financial information for financial management purposes was deficient. There were delays in submitting information on funds flow and disbursement arrangements. There were delays in audit contracting processes and submission of audit reports. From November 2017 to project closing, financial management improved. Financial reports were submitted on time. There are no overdue audit reports and no unaddressed audit observations (ICR, paragraph 70).

Procurement. The procurement capacity of the PIU and the co-executing agencies, and their understanding of the World Bank procurement policies was very limited. The Task Team provided significant training and support to the staff. However, the project experienced high turnover rates in staff and new personnel were constantly trained. The Bank team hired experienced consultants to help compliance with Bank procurement. An experienced structural engineer was hired to assist in reviewing technical designs of sub-projects. The co-executing agencies were accustomed to other procurement systems and hesitated to apply World Bank procurement standards that appeared inconsistent with national law. A Memorandum of Understanding was signed between the World Bank and the National Comptroller to address this concern. In addition, the constant changes in project activities and the lack of definition of technical aspects affected the planning and execution of the Procurement Plan. By May 2020, most activities requiring procurement were dropped (ICR, paragraph 71).

c. Unintended impacts (Positive or Negative)

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d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment

Outcome	Moderately Satisfactory	Moderately Unsatisfactory	Because of limited achievement and disagreement in ratings.
Bank Performance	Moderately Satisfactory	Moderately Unsatisfactory	Mainly due to inadequate risk identification and mitigating, shortcoming in implementation arrangements, requirement of subproject financings, PDO, and M&E design at entry, M&E system remained unaddressed at supervision.
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR presented eight lessons and recommendations based on this emergency operation (ICR, paragraphs 80-87). The more important of these are presented below with modifications. In addition, IEG derived two additional lessons:

- **Narrowly specifying the disaster risks to be addressed in the PDOs limits the flexibility of a framework approach in an emergency operation.** In this project, the original PDO limited the flexibility of the PDO to address the disaster risks that emerged because the PDO directly referred to two potential disaster risks, i.e., the El Nino phenomenon and the eruption of the Cotopaxi volcano. As a result, the PDO had to be changed during restructuring to broaden the scope of the objective rather than specifying the disasters beforehand. In addition, because one of the disasters did not materialize, the pre-identified preventive measures also had to be revised during implementation.

- **Insufficient attention to a logically consistent theory of change when restructuring a project might lead to unsatisfactory project outcome.** The project had several revisions of project activities, indicators, and targets. In these revisions, the Bank task team did not sufficiently work through a logically sound results chain that would have lead the revised project activities to achieve the PDO. Therefore, when changing project activities, it is important to ensure that the theory of change remains valid and modify the PDO if needed.

- **Low quality technical designs and feasibility studies of preventive investments that do not comply with World Bank policies and standards may cause implementation delays.** In this project, the government financed most of the designs and feasibility studies for the subprojects. The designs were of poor technical quality, did not meet the country's own standards, international best practices, or World Bank requirements. The World Bank team and the PIU hired two engineers to review the designs but this plus any change to the approved designs caused implementation delays. Eventually, the government sought other financing for those subprojects to avoid further delays. Project funds may be used to finance designs and feasibility studies of subprojects to help ensure that quality standards are met even before the loan is made effective.

IEG Lessons:

- **Governments need favorable conditions to take advantage of retroactive financing.** In this project, the government did not use up to 40 percent of the loan proceeds retroactively because the government did not have the available fiscal space to procure the works before having these reimbursed. In addition, design and studies for the works were not sufficiently advanced to be financed retroactively. Knowing these factors would give the government maneuverability to better plan available resources.

- **A strong agency with convening power needs to have the mandate and capacity to coordinate different agencies.** In this project, an institutionally strong MEF, with its convening power was selected to implement the project. However, the agency did not have the implementation mandate related to disasters - from prevention to recovery. Neither did it have the capacity to coordinate other agencies implementing subprojects. The operation became even more complex after a disaster was declared as other co-executing agencies were added. Experienced consultants were hired to assist MEF. Training supplemented capacity gaps. The Bank team acknowledged that offering project management tools (such as the Hands-on Expanded Implementation Support) would also have been helpful. Selecting an agency with the mandate for post disaster recovery, aided by training in capacity gaps, adopting project management tools, and in-country presence by task team could further simplify implementation arrangement.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR did an excellent job in presenting a comprehensive picture of the quite complex operation because of frequent priority changes and restructurings. The color-coded presentation of the various impacts on the PDOs, indicators, target values, and resource allocations brought about by the restructurings allowed the reader to easily navigate the complicated operation. The annexes completed the storyline around project efficiency (Annex 4), the impact of the flood prevention works (Annex 6), and the cash transfer program (Annex 7). Summarizing the achieved targets against the objectives was helpful to understand the logic of most ratings. Lessons were informed by what the operations missed or lacked.

The analysis of outcomes is heavily focused on the achievement of indicator targets. The ICR is candid about the weak M&E system and hence, the limitation in the evidence. It highlights that the lack of adequate outcome indicators was supplemented by the two impact evaluations conducted at closing. The section describing other impacts was helpful in supporting project outcomes even with the weak or missed indicators of the results framework. The impact evaluation of the COVID19 response (Annex 7), while welcome, also did not address how this post disaster response linked to the recovery of basic and productive services. Minor other shortcoming included the lack of information on how the 97 percent of grievances were resolved. The report followed OPCS guidelines except for exceeding the number of suggested pages (31 versus the suggested 15) and a mistake in calculating the split rating results.

a. Quality of ICR Rating

Substantial