

<b>1. Project Data:</b>		<b>Date Posted :</b> 06/30/2014	
<b>Country:</b>	Burkina Faso		
<b>Project ID:</b>	P098378	<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b>	Second Phase Community Based Rural Development Project,	<b>Project Costs (US\$M):</b>	104.90
			86.66
<b>L/C Number:</b>	C4281	<b>Loan/Credit (US\$M):</b>	74.00
			74.00
<b>Sector Board:</b>	Agriculture and Rural Development	<b>Cofinancing (US\$M):</b>	16.90
			0.00
<b>Cofinanciers:</b>	GEF, IFAD	<b>Board Approval Date:</b>	03/27/2007
		<b>Closing Date:</b>	11/30/2012
			05/31/2013
<b>Sector(s):</b>	Sub-national government administration (28%); Other social services (25%); Water supply (17%); Adult literacy/non-formal education (17%); General agriculture fishing and forestry sector (13%)		
<b>Theme(s):</b>	Participation and civic engagement (25% - P); Decentralization (25% - P); Municipal governance and institution building (24% - P); Land administration and management (13% - S); Rural services and infrastructure (13% - S)		
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## 2. Project Objectives and Components:

### a. Objectives:

The overall objective of the Government 's *Programme National de Developpement Rural Decentralise* is to reduce poverty and promote sustainable development in the rural areas . The program is being implemented over a 15-year period as a three phase Adaptable Program Loan 2001-2015. The project represents the second phase of the National Program for Decentralized Rural Development .

According to the Project Appraisal Document (PAD, p. 6) the objective of the project was: *"in support of the National Program for Decentralized Rural Development, rural municipalities plan and implement local development activities in a participatory and sustainable manner."*

According to the Financial Agreement (p. 5) the objective of the project was: *"to support the Recipient's rural communes in planning and implementing local development activities in a participatory and sustainable manner ."*

The project is reviewed against the objectives as stated in the Financial Agreement as per IEG /OPCS harmonized guidelines.

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

No

### c. Components:

**1. Strengthened Capacity for Decentralized Rural Development (Appraisal cost : US\$16.7 million, actual cost : US\$9.78 million).** This component would provide the technical support and capacity building necessary for local governments to identify holistic, multi-sectoral development plans that take into account *inter alia* natural resource management, education, health, transport, agriculture, and environmental issues . To do so, communities, local governments, and deconcentrated sectoral ministry staff will work together to articulate and implement these plans .

**2. Local Development Financing (Appraisal cost : US\$68.3 million, actual cost : US\$57.02 million).** This component would support rural communes to receive and manage funds transparently to undertake local development investments in a timely manner. Local governments would be required to transfer a minimum percentage of resources to villages within their localities to support development activities identified in villages ' development plans and annual investment programs . All participating communes and villages would develop a strategic development plan that outlines the locality 's development vision for a four-year period. Annual investment plans will be based on these development plans, and outline all capital investments to be undertaken within the locality during the fiscal year. A negative list of the types of activities that the project would not finance would be established, and a population-based formula that takes into consideration investment funds made available by other development partners would be used to allocate funds on an annual basis . This amount would be publicly disclosed each year . Local governments would need to meet specific criteria to access funds under the LDF, and a selected sample of rural communes would undergo an annual performance review .

**3. Rural Land Tenure Reform (Appraisal cost : US\$2.20 million, actual cost : US\$2.20 million).** This component would provide support to put in place a legal framework for land tenure, understood by the different stakeholders. The activities would focus on two main axes : i) putting in place the institutional and legal framework for the effective management of rural land tenure; and ii) creating the enabling conditions for its implementation . Specific activities include, *inter alia*: supporting the formal validation by Government of the draft rural Land Tenure Policy; the elaboration of a rural land tenure law and the application texts associated with its operationalization, developing an action plan for the implementation of the Law; and supporting the functioning of a Round Table composed of development partners and government ministries implicated in rural land tenure issues . This component would be managed by the Direction Generale du Foncier Rural et des Organisations Paysannes (DGFROP), with the active support and supervision of the project structure .

**4. Program Coordination, Monitoring and Evaluation (Appraisal cost : US\$17.70 million, actual cost : US\$17.66 million).** To effectively monitor and coordinate the project, this component would support: (i) the coordination and efficient administrative, technical and financial management of the project and (ii) the monitoring and evaluation of the performance, results, and impacts of the project and overall program . As such, the project would continue its support to the National Forum (*Cadre National de Coordination et de Concertation du Developpement Rural Decentralise*) to guide overall programmatic support to local development . It would also support a national coordination unit (NCU) that would be established for the overall management and coordination of the project .

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

**Project Cost .** The total project cost at appraisal was estimated to be US\$ 104.90 million. The actual project cost was US\$86.66 million. The US\$18.24 million difference between appraisal estimate and actual expenditure is due to the last-minute withdrawal of the Global Environment Facility (GEF) and the International Fund for Agriculture Development (IFAD) from the financing scheme (ICR, p. 28). In a further communication, the project team explained that GEF was already financing Sahel Integrated Lowland Ecosystem Management project which was still ongoing at the time of the preparation of this project . As for IFAD the project team explained that IFAD requested some revisions to the project design, but the Government did not agree on such design revisions . Consequently, IFAD chose to prepare and fund an independent project .

**Financing .** An IDA credit of US\$74.00 million was approved. Exchange rate variations between the SDR and the US\$ increased the value of the Credit to US\$ 76.59 million of which US\$75.38 was disbursed and US\$0.91 million was cancelled.

**Borrower Contribution .** At appraisal the borrower was expected to contribute US\$ 7.00 million of counterpart funds, however, the ICR (Annex 1) reported that the borrower contributed US\$4.12 million of counterpart funding. In addition, it was estimated at appraisal that local sources of the Borrowing country would contribute US\$ 7.00 million for cofinancing sub-projects, actual contribution was US\$8.54 million (ICR, Annex 1). The actual borrower's counterpart funding was less than the appraisal estimate because the activities initially earmarked to be funded by the borrower ended up costing less than originally estimated .

**Dates .** The project was scheduled to close on 11/30/2012; however, the closing date was extended by six months to 05/31/2013. The extension was to allow the Government to complete all microprojects and some capacity -building activities which were delayed due to municipal and legislative elections as well as the socio -military crisis (ICR, p. 5).

### 3. Relevance of Objectives & Design:

#### a. Relevance of Objectives:

**High.** Burkina Faso is a low income land-locked sub-Saharan country. The population is predominantly rural (81%), with only an estimated 19% living in towns. The rural economy depends overwhelmingly on agriculture and animal production and poverty is widespread. Against this background, the Government of Burkina adopted a policy of decentralization with the aim of promoting community participation in decision -making and monitoring service delivery, particularly for the poor . Objectives remain in line with the Government's National Program for Decentralized Rural Development (2001-2015) which supports institutional reforms and empowering local communities to play an increasingly important role in defining and implementing their development priorities .

At project completion the objectives remain highly relevant and in line with the World Bank 's Country Assistance Strategy (CAS) for Burkina Faso (FY10-12). The CAS emphasized promoting shared growth through effective social service delivery by supporting transparent and quality social service delivery, improving public resource management and strengthening the capacity of central and local institutions to deliver social services .

#### b. Relevance of Design:

**Substantial.** Design included a clear and focused statement of objectives that was aligned with project activities . To achieve the project objectives design featured three main components that were geared to strengthen capacity of local governments to identify holistic, multi-sectoral development plans that would be implemented in a decentralized manner, fund rural communes to implement local development plans; and support institutional and legal framework that enables effective management of rural land tenure . Design also included capacity-building activities at different levels and relied on local expertise to reach villages throughout the country .

Overall, project components described intended activities and inputs and provided a logical sequence to achieve the desired outcomes. However, design should put more emphasis on ensuring that the principles of decentralized development (participation, inclusion, transparency, accountability, and cost sharing ) are agreed upon by communities from the start.

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

*"To support the Recipient 's rural communes in planning and implementing local development activities in a participatory and sustainable manner ."*

The overall objective has two sub-objectives, first to support sustainable development, second to do so in a participatory manner.

**(a) To support the Recipient 's rural communes in planning and implementing local development activities in sustainable manner : Substantial .**

#### Outcome:

- Overall, the project helped decentralization through providing funding to rural communities to implement and manage rural investments and services .
- The project provided decentralized funding for demand -driven and community managed rural investments and services. As a result of project activities the percentage of households using at least one basic service (primary schools, health services and water source ) increased from a baseline of 55% to an average of 76% compared to a target of 65%.
- The project also strengthened the capacity of villages and local governments to prioritize, plan, implement and maintain community based investments . The percentage of investments maintained in a satisfactory way by project completion was 98% compared to a baseline of 75% and a target of 95%. For example, water point hygiene was adequate in 95% percent of boreholes and wells and many management committees were set up to oversee investments, enforce rules for their operation, and collect beneficiaries ' contributions for maintenance.
- In project supported villages 74.5% of producers were using natural resource management techniques, such as compost pits, stone rows and Zai planting pits, promoted by the project compared to a baseline of 60% and a target of 75%.
- The project also contributed to important institutional and legal reforms, most notably the passage and adoption of the land tenure law, which is expected to result in a more secure rural land tenure . In a further communication, the project team explained that the implementation of the law would be accompanied by the phase III of the program in which the impact of the law on agricultural productivity can be measured .
- Four years after project implementation, efforts to support decentralization resulted in 88% of the rural municipal

councils scoring a satisfactory rating in the annual performance review compared to a target of 65%.

**Outputs:**

**To strengthen the capacity for decentralized rural development the project delivered the following :**

- Enabled 302 newly created rural municipalities to take the lead in local development by elaborating municipal development plans and overseeing the investment activities in their Annual Investment Plans . To achieve these results, the project supported the development of 201 municipal development plans and updating of 196 municipal development plans (thus it supported 397 municipal development plans compared to an appraisal target of 302).
- Strengthened rural municipalities' capacity in natural resource management where 6,693 municipal councilors were trained on mainstreaming natural resource management in municipal development plans, 1,490 municipal councilors were trained on integrated natural resource management, and 172,554 members of the Village Development Councils were sensitized on climate change .

**To support local development the project delivered the following :**

- On a demand-driven basis, the local rural municipalities received and managed funds to undertake local development investments which included :
  - Socioeconomic investments to improve basic economic infrastructure as well as health and education services included the construction of 174 new health facilities, 133 healthcare centers equipped, 453 new classrooms, 161 new literacy centers, 587 classrooms equipped, 325 houses for teachers and nurses, 9 new bus stations, 563 new public restrooms, and 137 solar lighting units were installed in healthcare centers, literacy centers, and public premises .
  - Microprojects to improve access to potable water equipped 707 boreholes with hand pumps, 792 repaired boreholes equipped with hand pumps, 111 wells constructed or repaired, and 19 small-scale water supply networks were built.
  - Roads: the project also supported the construction of 170 kilometers of improved rural roads, rehabilitated 78 kilometers of rural road, and built 23 bridges, culverts, and inverts .
  - Marketing facilities were built: 48 new modern markets, 97 slaughtering facilities, 30 new livestock markets, In addition investments related to livestock included the construction of 175 animal vaccination facilities, 1,283 kilometers of animal transhumance corridors, and the delimitation of 25,434 hectares for pasture .
  - Agricultural investments included the development of 978 hectares of lowlands to grow rice and vegetables.
  - Microprojects in agroforestry covered a range of investments . Investments in reforestation and forest management activities included fencing of 212 hectares of natural forests, reforestation of 3,477 hectares of degraded land, and the delimitation of 1,081 hectares of forest reserve, along with corresponding rules to manage that land .
  - Investments in soil and water conservation techniques included 116 hectares of earthen bunds, 48,861 compost pits, 11,218 hectares of stone rows, 1,523 hectares developed with Zai techniques, and 174,400 meters of protected river banks .
- Support was also provided to help mitigate the 2008 and 2012 food crises. To do so, the project procured 8,583 kilograms of improved seed of forage crops, 6,800 tons of improved cereal seed for farmers in the affected areas, and 5,400 tons of cereals to alleviate hunger in 172 municipalities and seven refugee camps in drought-stricken areas.

**To support Rural Land tenure reform the project delivered the following :**

- The project supported activities to draft and adopt a rural land tenure policy which included : adoption of the Decree of the Rural Land Tenure Policy on October 4, 2007 (N°2007-610/PRES/PM/MAHRH), issuance of 5,000 copies of the Rural Land Tenure Policy in basic French and 6,290 copies of the Rural Land Tenure Policy issued in local languages, including 1,425 in Moore, 1,750 in Dioula, 1,115 in Fulani, and 2,000 in French.
- Support activities to draft rural tenure law and make it operational which resulted in a Decree creating the National Committee for Rural Land Tenure (CONA/SFR) adopted on November 14, 2008 (N°2008-704/PRES/PM/MAHRH/MEF/MATD/MRA). The new law was passed on July 2009 (N°034/2009/ADP) with all its application decrees and operationalization tools . 10,000 copies of the new law were issued in French, 2,000 copies in Moore, and 1,500 in Dioula and Fulani. Guidelines and tools for rural land tenure were adopted in December 2010. 511 information and sensitization workshops on the new law and regulation were organized in 44 provinces for 351 rural and urban municipalities and information and communication workshops were organized in 13 regions.

***(b) To support the Recipient 's rural communes in planning and implementing local development activities in a participatory manner : Modest***

### **Outcomes:**

- While municipal and community leaders were trained in decentralization, communication and planning, there is no evidence on the level of participation in planning beyond these formal bodies .

### **Outputs:**

- Provided training in developing communication plans to 1,688 municipal councilors; subsequently 2,406 leaflets were disseminated on local governance . Also, training in procurement procedures was offered to 3,780 Municipal Procurement Commission members of the 302 rural municipalities.
- Provided technical training and sensitization training on decentralization and local governance was provided to 603,200 municipal councilors, and 897 municipal councilors were trained in fund-raising techniques and approaches to partner efficiently and effectively with technical and financial institutions .
- Supported literacy programs in rural municipalities where 26,729 persons learned to read in their local languages, which helped them to report on meetings, write quarterly reports, and collect data for M&E . Moreover, 7,970 members of rural commissions received training on cross-cutting themes such as gender and HIV/AIDS.

### **Progress towards the third phase of the APL**

- Phase III had four triggers:
  1. *Modalities have been adopted by Government of Burkina Faso that permit World Bank financing for rural municipalities' investment activities to be integrated into the Permanent Fund for Local Development (Fonds Permanent pour le Développement des Collectivités Territoriales).* **Status:** the midterm review of Phase 2 considered it premature to rely on the newly created Permanent Fund, and this trigger was therefore removed . The improvement in functioning of the Fund will be monitored for Phase 3.
  2. *Monitoring and evaluation of the Program's activities are sufficiently integrated into the Government systems and structures.* **Status:** under phase 2, Regional Directorates of Economic Planning (Directions Régionales de l' Economie et de Planification, DREPs) under the Ministry of Economy and Finance are being provided with all data produced or collected, and are regularly using the data for carrying out their different activities . DREP also runs the permanent Technical Secretariat for regional and provincial coordination groups . Annual and quarterly reports of phase 2 are all transmitted to the Regional Governors .
  3. *Each Rural Municipality (Commune) has a Secrétaire Général in place.* **Status:** Secretaries General are in place since 2008.
  4. *Local elections are foreseen to be held by the end of 2012 to renew the mandate of Municipal Councils; if conducted before the close of Phase 2, they should be considered "free and fair" by independent election observers.* **Status:** Municipal and legislative elections were held on December 2, 2012 and considered "free and fair" by independent election observers .
- Phase II of the APL met 3 of the 4 the triggers for the third-phase project. The third phase was Board approved on May 24, 2013, and became effective on June 21, 2013.

## **5. Efficiency:**

### **Economic and Financial Efficiency**

The PAD did not include an ex ante cost-benefit analysis due to the demand-driven nature of activities (PAD, p. 18). The PAD (Annex 9) includes an economic and financial analysis that focuses on : (a) the effectiveness of the economic screening processes and criteria applied to the heretofore unidentified portfolio of future investments; (b) indicative economic analysis of the investments made under phase 1 as a proxy for expected future economic benefits and costs; and (c) the ability to provide for recurrent expenses . Such approach was due to the multi-sectoral, demand-driven and dispersed nature of project investments . The ex post economic analysis of phase 1 resulting from a sample of microprojects that represent 53% of the portfolio overall had an estimated economic rate of return equivalent to 74%. The analysis also showed that unit costs were between 34 and 94 percent of sectoral comparators.

The ICR (Annex 3) includes an ex post economic analysis for the 2007-13 portfolio of 10 types of social and economic infrastructure microprojects in six regions of Burkina Faso . Economic and Financial Rates of Return were calculated for water supply, stone fences, compost pits, and animal vaccination facilities, which accounted for about 53% of the portfolio. ERRs and FRRs were calculated based on the following assumptions : (i) for every microproject, the full benefit is realized in year 1 and every year thereafter, throughout the life of the project; (ii) a discount rate of 10% is used to compute net present value (NPV) and internal rate of return (IRR); and (iii) the expected benefit stream ceases immediately after the microproject's lifespan is complete. On average, financial rates of returns were high for productive investments such as compost pits (199%), stone fences (97%), animal vaccination facilities (18%), and animal slaughtering facilities (19.4%). ERRs were also positive and high for microprojects related to basic

social infrastructure and other social investments; for example, the average ERR for water supply projects was around 19%. The analysis showed that the microprojects yielded positive returns overall, even when a sensitivity analysis was done. However the ICR did not include an overall average ERR.

The ICR (Annex 3) also reports that infrastructure built through project supported microprojects was built at a lower unit cost than similar infrastructure built by public ministries and government agencies. For example, unit cost of housing for nurses built through the project was 31.5% percent and 28.6% less expensive than housing supplied by the Permanent Fund for Local Development and Ministry of Health, respectively; and building a classroom under the project cost around 9 percent less than through the national education ministry. However, it is not clear whether the build quality of infrastructure financed by the project is the same as infrastructure built by public ministries and government agencies. The ICR attributes lower unit costs under the project to savings from the involvement of beneficiaries in implementing and overseeing microprojects; in addition to unit cost savings from using decentralized procurement compared to public funded projects in the country.

### Administrative and Institutional Efficiency

There were some administrative challenges particularly for procurement activities at the local level. The limited number of qualified human resources provided to municipalities, the lack of basic equipment and facilities, low technical qualifications among local service providers all contributed to long delays in paying service providers.

### **Substantial.**

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

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	74%	53%
ICR estimate		%	53%

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

### **6. Outcome:**

The relevance of objectives is rated **high** and relevance of design is rated **substantial**. Objectives were in line with the Government's priorities while design was relevant to achieve the stated objectives. Efficacy of the first objective is rated **substantial** because the project effectively supported decentralization and contributed to strengthening the ability of rural communes to implement and manage rural investments and services. The project also contributed to important institutional and legal reforms, most notably the passage and adoption of the land tenure law. However, there is no evidence of how deep and inclusive the participatory process was and the efficacy of the second objective is rated **modest**. Efficiency is rated **substantial**.

**a. Outcome Rating :** Moderately Satisfactory

### **7. Rationale for Risk to Development Outcome Rating:**

- The project enjoys high institutional ownership with supportive institutional structures already in place to support local development. Also, the Government intends to create a legal framework for the establishment of regional development agencies to support municipalities in implementing local development activities. Such action would ensure that the experience developed through the project remains anchored in sustainable institutions.
- The project has an overall negligible environmental impact and, according to the ICR (p. 23), natural resource management activities should yield a net benefit on environmental impact.
- The project's support to secure land tenure rights is expected to have a positive effect on social cohesion and stability and would encourage investments in agricultural productivity and sustainable rural development.
- There is some concern regarding financial management where national procurement procedures are not well adapted to the needs of the municipalities. The ICR (p. 23) notes that procurement training for Municipal Procurement Commissions and municipal councilors has lessened the impact of national procedures on the municipalities' procurement performance.
- Finally, the approval of the third phase of the program would improve the sustainability of project activities post completion.

**a. Risk to Development Outcome Rating :** Negligible to Low

## 8. Assessment of Bank Performance:

### a. Quality at entry:

The Bank correctly identified an operation that is relevant to the country's needs and in agreement with the Government's decentralized rural development framework and was consistent with the Bank's Country Assistance Strategy. The project was prepared by an experienced multisectoral Bank team who received high-level support on fiduciary, legal, disbursement, and safeguard concerns and consulted widely with stakeholders. Such consultations galvanized support around the project and enabled stakeholders to recommend ways to improve design and implementation arrangements. The careful preparation and documentation of the project ensured clearance and approval in less than one year. The project design benefitted from several lessons learned from phase 1 including: (i) harmonizing approaches around government policies, (ii) strengthening the abilities of rural municipalities to incorporate natural resource management issues both in their development plans and their annual investment programs in light of the scarce resources in the country, (iii) continued support to decentralization efforts through combining high-level dialogue with strengthened technical skills at central and local levels to make such reforms a reality, (iv) emphasizing capacity building through learning by doing, and (v) transferring skills to sustainable institutional structures and emphasizing a monitoring and evaluation approach that would focus more closely on identifying results and outcomes that can be attributed to the project and overall program. Design also included reliable M&E arrangements that enabled successful M&E implementation.

**Quality-at-Entry Rating :** Satisfactory

### b. Quality of supervision:

The project benefited from proactive Bank supervision. In total eight supervision missions were conducted to support implementation and achievement of the project objectives. The shifting of the task management team to the field during implementation allowed continuous interaction between Bank team and project team which in turn enabled problems to be solved rapidly. Supervision also benefitted from regular support provided by experienced safeguards, financial management, and procurement staff. Beginning April 2010, joint supervision missions were conducted for rural sector in the country which included this project and the Agricultural Productivity and Food Security Project, and the West Africa Agricultural Productivity Project. Such joint missions allowed the exchange of experience and developing more synergies in the rural portfolio.

**Quality of Supervision Rating :** Satisfactory

**Overall Bank Performance Rating :** Satisfactory

## 9. Assessment of Borrower Performance:

### a. Government Performance:

The Government at all levels demonstrated a high level of commitment and ownership of the project. The Government was quick in making the project operational through making the necessary institutional arrangements including establishing a Project Steering Committee that included 20 members representing different stakeholders. The Government was also quick in staffing the 13 regions covered by the project with a project coordination staff consisting of a regional project coordinator and specialists in M&E, environmental safeguards, and capacity building. The Government also strengthened the enabling environment through a series of legal instruments that were in line with decentralization. Most notably was the new law on rural land tenure and its corresponding decrees which was passed in July 2009. The ICR (p. 25) highlights that the Government met all triggers for phase 3 of the project including providing each municipality with a secretary general and organizing transparent legislative and municipal elections on December 2012.

**Government Performance Rating** Satisfactory

### b. Implementing Agency Performance:

The project was implemented by the national coordination unit (NCU) and the regional coordination units (RCU). The NCU was responsive to the Bank's requests and swiftly implemented necessary recommendations from missions and reviews. Financial reports and annual reviews were submitted in a timely manner and compliance with the Bank's financial management requirements and legal covenants was satisfactory. The implementing agency established an effective M&E system to track the progress of the project activities against

outputs and outcomes. The ICR (p. 25) highlights that such system was recognized as best practice . The performance and expertise of the project staff was acknowledged by the Government and ten of the project's technical staff received the Medal of Honor of Local Governments .

**Implementing Agency Performance Rating :** Satisfactory

**Overall Borrower Performance Rating :** Satisfactory

## **10. M&E Design, Implementation, & Utilization:**

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

The design of M&E benefitted from lessons learned from phase 1 through refining the M&E system to better focus on results and outcomes that can be attributed to the project and overall program . M&E activities for phase 2 would be oriented towards monitoring project outputs, measuring progress toward intermediate outcomes and results, and assessing impacts on household welfare, the environment, local institutions and social capital . The system would include a computerized management information system, ex -post evaluation of the intermediate effects of completed sub-projects which investigates technical quality, utilization, and sustainability of the infrastructure created . Design also called for an impact evaluation by project completion .

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

The project implemented a wide range of activities to report on project outputs . According to the ICR (p. 9) M&E activities included: 82 reports (quarterly and semi-annual reports, quarterly activity planning reports, and consolidated annual reports), 14 quarterly meetings to report on project results and 10 steering committee sessions to validate project reports and annual work plans and budgets . The project also developed methodological tools for participatory M&E and trained 302 local M&E teams in all rural municipalities to report on the progress of project implementation, 2,443 municipal councilors and secretaries general of municipalities were trained on participatory approaches to M&E; 1,800 Provincial Consultative Group members were trained on M&E and environmental and social safeguards; 4,519 CVD members were trained on the use of participatory M&E tools . The project recruited and trained 72 facilitators to assist the rural municipalities in the M&E activities . The project supported capacity building activities for 13 regional M&E specialists and 13 regional staff of the Ministry of Economy and Planning on Tecpro software, database and creation and management, and geographic information systems . In addition, two country wide surveys were conducted to collect data on intermediate results in the field in 2010 and again in 2011. Finally, an impact assessment study was carried out by the University of Ouagadougou . The study assessed the impact of the project on living conditions, income, and rural poverty . Monetary poverty was also evaluated using the poverty incidence, depth, severity, and inequality .

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

The project M&E activities provided valuable information for the implementation of the project and for development in the country in general. The ICR (p. 10) highlights that the project M&E system was cited by the Government as a model of best practice. The phase 2 M&E system was simplified to focus on obtaining data of good quality that could be used by stakeholders as a real-time management tool, in addition to serving as an instrument at the policy-making, programmatic level.

**M&E Quality Rating :** Substantial

## **11. Other Issues**

### **a. Safeguards:**

According to the PAD (p. 75) the project triggered two safeguard policies, Environmental Assessment (OP/GP/BP/4.01) and Involuntary Resettlement (OP/BO/4.12). The project was classified as a category B . At the preparation stage an Environmental and Social Management Framework (ESMF) was prepared as well as Involuntary Resettlement Policy Framework, and a Procedure Framework to reduce potential negative social impacts arising from restrictions on access to protected areas . The ESMF was widely circulated among stakeholders and published in local newspapers. Training was provided to the staff of regional coordination units to ensure consistency in environmental screening of projects . Mitigation plans were prepared for microprojects with potential negative environmental impacts. The project supported training on social and environmental training modules for 1,269 municipal councilors; and environmental and social safeguards training was also provided for 13 M&E specialists.

The ICR did not provide details on involuntary resettlement. Even so, according to the ICR (p. 10) overall safeguard compliance was rated satisfactory.

**b. Fiduciary Compliance:**

**Procurement.** A procurement plan was prepared every year and regularly updated and approved. Procurement filing at the central level was good and allowed easy tracking of procurement operations. However, there were some challenges at the local level including limited number of qualified human resources provided to municipalities, the lack of basic equipment and facilities, low technical qualifications among local service providers and long delays in paying service providers. The project provided procurement training for all Municipal Procurement Commission members in the 302 municipalities, in addition to a number of provincial and regional staff. The ICR (p. 11) reported that overall procurement under the project was satisfactory.

**Financial Management.** Financial management was handled by the project's National Coordination Unit (NCU). It provided the Bank with quarterly Interim Financial Reports (IFRs) there were of adequate quality and the final IFR was received with no comment from the Bank. The NCU was responsive to the Bank's recommendations and efficiently implemented an action plan for improving the financial management system. Annual audit reports on time and all reports were unqualified. At project closing 99.85 % of the loan proceeds were disbursed. According to the ICR (p. 12) financial management was rated satisfactory.

**c. Unintended Impacts (positive or negative):**

**Positive.** The technical expertise of the project staff aided in the design of Institutional Development Plans for 140 municipalities in 6 regions and in building capacity in procurement, M&E, and social and environmental safeguards in institutions involved in implementing of another Bank-funded project—the Local Government Support Project. The preparation and financial management of the World Bank-financed Forest Investment Program (FIP) - implemented by the Ministry of Environment and Sustainable Development, also benefited from the expertise of the project's staff.

**d. Other:**

12. Ratings:	ICR	IEG Review	Reason for Disagreement / Comments
<b>Outcome:</b>	Satisfactory	Moderately Satisfactory	There were moderate shortcomings in efficacy. Efficacy of the first objective is rated substantial because the project effectively supported decentralization and contributed to strengthening the ability of rural communes to implement and manage rural investments and services. However, there is no evidence of how deep and inclusive the participatory process was and the efficacy of the second objective is rated modest.
<b>Risk to Development Outcome:</b>	Negligible to Low	Negligible to Low	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Performance :</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTES:**

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

### 13. Lessons:

The following lessons are emphasized from the ICR with some rearrangement by IEG :

- **Effective harmonization of approaches around Government policies is critical for program success** . The sustained success of the program as a whole reflects its efforts to support the Government 's evolving vision on decentralization. In Phase 1, the operation supported the existing Village Management Councils in developing and implementing their annual investment plans . With the election of local councils in rural areas in 2006, phase 2 supported local municipalities in developing and implementing their PCDs . Phase 3 seeks to ensure continued alignment with government policy on decentralization, rural development, and land tenure security .
- **Capacity building is more effective when it focuses on sustainable institutions and occurs through learning-by-doing** . The program's close partnership with legally mandated entities such as Village Development Councils, local municipalities, decentralized agencies, civil society, and the private sector has enabled the program to transfer skills to established institutions . Providing training through local expertise (civil society organizations) has also enabled capacity-building to reach the micro level (villages) throughout the country. Experimental learning at the village level was one of the key capacity -building successes of Phase 1. Phase 2 also espoused "learning-by-doing," shifting the focus to the newly created municipalities .
- **Communication and collaboration are critical for ensuring community ownership of project activities and social cohesion** . The project's approach, including the procedures used to implement local financing, were critical to give more responsibility to the different actors involved –not only in government institutions but particularly in the communities themselves . This orientation fosters greater ownership of local investments and should increase awareness of what must be done to maintain and sustain those investments appropriately. These positive achievements can be undermined by ineffective communication and conflict, which occur more frequently in villages and municipalities that lack sound mechanisms for collaboration and communication. For that reason, the project strengthened the local capacity to communicate effectively based on tools for conciliation and mediation . With such tools, communities can manage local problems before they escalate into conflicts .
- **A programmatic approach, with adequate flexibility to incorporate innovations and sufficient technical assistance for piloting and testing at each stage, is a key success factor for decentralization efforts** . This involves building the confidence of staff and communities, helping to fine -tune the model, and enhancing the prospects for achieving development outcomes . At the level of the Borrower and World Bank, the long -term (12-year) commitment (in the form of an APL) and consistency in team leadership were without doubt critical for providing detailed technical and goal-oriented support for programmatic learning . Such commitment and support have been shown globally to be essential for successful scaling up .

14. Assessment Recommended?  Yes  No

### 15. Comments on Quality of ICR:

The ICR provides a thorough yet concise account of the project activities . It includes a number of lessons that reflect the project experience. It also includes the results of a beneficiary survey that was carried out as part of the completion process. The achievement of project outcome is clearly discussed based on good quality evidence provided by the project's M&E system. The ICR included a sound economic and financial analysis that included estimates for ERRs and FRRs as well as a comparison of unit costs for infrastructure sub -projects. However, the economic analysis did not provide an overall average for the economic rate of return on project investments . Although the ICR rated performance on safeguards satisfactory, it did not provide details on involuntary resettlement.

a. Quality of ICR Rating : Satisfactory