



1. Project Data

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| Project ID P154805 | Project Name Power Distribution Development |
| Country Indonesia | Practice Area(Lead) Energy & Extractives |

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|--|---|---|
| L/C/TF Number(s) IBRD-86100 | Closing Date (Original) 30-Apr-2020 | Total Project Cost (USD) 499,979,828.00 |
| Bank Approval Date 22-Apr-2016 | Closing Date (Actual) 30-Apr-2020 | |
| | IBRD/IDA (USD) | Grants (USD) |
| Original Commitment | 500,000,000.00 | 0.00 |
| Revised Commitment | 500,000,000.00 | 0.00 |
| Actual | 499,979,828.00 | 0.00 |

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2. Project Objectives and Components

a. Objectives

The objective of the Program-for-Results operation (PforR), as stated in the Loan Agreement (p.7), was “to increase access to electricity services and to improve the efficiency and reliability of their delivery in selected areas of Indonesia”.

The Program objective, as stated in the PAD (p.12), was identical to the above.

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



Yes

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

c. Components

The program aimed to finance a geographical time slice of the distribution component of the power expansion plan (RUPTL) developed by the power utility, PLN, for 2015-24. As such, the Program covered only the Sumatra region, for the period 2015-19, supporting activities designed to achieve PLN's program goals in the following five results areas.

Results Area 1: Improved Access to Electricity (indicative loan allocation at appraisal: US\$200.56 million)

The program supported the expansion of the distribution network, with (a) the construction/rehabilitation/upgrading of 19,487 circuit-km of MV distribution lines and 23,594 circuit-km of LV distribution lines; and (b) installation of transformer units with a total capacity of 2,895 MVA. These network improvements would allow PLN to connect some 3.2 million additional customers over the period.

Results Area 2: Improved Quality of Service (indicative loan allocation at appraisal: US\$60.00 million)

Activities to improve quality of service involved system reinforcement and upgrading, and customer outage management. Program activities included upgrading of distribution control centers to SCADA (Supervisory Control and Data Acquisition) functionality and completion of Geographic Databases in each *Wilayah* – which would improve the accuracy of measuring system reliability using SAIDI (System Average Interruption Duration Index) and SAFI (System Average Interruption Frequency Index) – internationally recognized standards for measuring system reliability. Reduced MV feeder technical interruptions, and decreases in frequency and duration of outages and in voltage fluctuations would indicate an improvement in the quality of service.

Results Area 3: Improved Distribution Efficiency (indicative loan allocation at appraisal: US\$65.56 million).

The program supported rehabilitation and upgrading of existing distribution lines and substations, and installation of additional substations and improved metering devices, which would lead to an improvement of distribution losses (which had been increasing in 2013 and the first half of 2015). The expected addition to the system of 80 substations (under PLN's transmission program and not part of the PforR) was expected to reduce system losses. The Program complemented these efforts by upgrading distribution lines and substations, improving the LV/MV ratio to the network by increasing the number of distribution transformers, and by supporting improved network planning.

Results Area 4: Increased power consumption (indicative loan allocation at appraisal: US\$105.55)

Increased household connections were expected to contribute to improved productivity and income growth among the population (notwithstanding a possible initial decline in per capita consumption, as poorer



consumers were connected). All activities implemented under the Program to increase access, quality of services, and to improve efficiency and institutional capacity would also contribute to increased power consumption by relieving constraints that kept average annual growth rates at a maximum of about 8 percent – though activities outside the Program relating to generation and transmission components of the RUPTL could also potentially play a role.

Results Area 5: Improved Institutional Capacity (indicative loan allocation at appraisal: US\$68.33 million – of which US\$16 million for Prior Results and US\$52.33 for results during implementation)

The Program’s capacity building objectives were to improve distribution system planning and budgeting and operational management.

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

Project Cost: The estimated cost of the Program was US\$1,450 million, with the Borrower (PLN) and the Asian Development Bank (ADB) contributing to the financing. The actual amount disbursed at project completion was US\$1,549.98 million.

Financing: The project’s cost was financed through a World Bank loan of US\$500 million, supplemented by US\$420 million in parallel financing by the ADB and US\$530 million contribution from the Borrower. By project completion, while the World Bank’s financing was fully disbursed, the ADB had contributed a slightly lower amount of US\$400 million and the Borrower a substantially higher amount of US\$650 million, such that total disbursements came to US\$1549.98 million.

Borrower Contribution: As above.

Dates: The project was approved in April 2016, becoming effective in November 2016. The closing date was April 30, 2020. This date was not extended, and the project closed on schedule.

Restructurings: The project went through a Level 2 restructuring, in April 2019. The restructuring was in response to a request from PLN to reallocate US\$50 million of funds from Results Area 5 to Results Areas 1 and 3, where more rapid implementation progress was anticipated. The PDO remained unchanged, though the Results Framework had to be adjusted to align better with the Program’s outcomes.

3. Relevance of Objectives

Rationale

Country and Sector Context:



The power sector in Indonesia was dominated by the state-owned power utility, PT Perusahaan Listrik Negara (PLN). In 2015 PLN owned nearly 40 GW of the 55.5 GW installed power generation capacity in the country, the balance being owned by independent power producers (IPPs) and rental plants. PLN was the single operator of the country's power transmission and distribution network – consisting of 42,091 km of transmission lines, 345,406 km of medium voltage (MV) distribution lines and 583,546 km of low voltage distribution lines.

Sumatra island is the second biggest island in Indonesia, representing 25 percent of the country's total area. At the time of appraisal, of the island's population of about 54 million people around 9 million (21 percent) had no access to electricity. At the same time, Sumatra was one of the fastest developing areas in the country, second only to Java-Bali, contributing 22.2 percent of national GDP and accounting for 14.5 percent of electricity consumption with more than 10,000 household customers. To keep pace with economic growth and meet electricity demand, PLN developed a power system expansion plan called the RUPTL (*Rencana Usaha Penyediaan Tenaga Listrik*) for 2014-15. The plan included generation capacity, transmission lines, substation capacity and distribution lines. Some 55.5 MW of additional generating capacity was expected during 2014-15, with an estimated cost of US\$70.6 billion, nationally. Focusing distribution investments in Sumatra was likely to offer the best prospect for rapid progress towards achieving RUPTL's national electrification ratio target of 99.4 percent by 2024. It was anticipated that about 3.2 million residential customers could be added to the grid, to the 10.97 million existing customers at appraisal, resulting in a raising of the electrification ratio from 80 percent to around 97 percent.

To support the government's vision the World Bank had been actively engaged in development of the energy sector through a combination of investment lending, policy dialogue and technical support. At appraisal, there were four ongoing investment finance (IPF) operations for a total of some US\$1.49 billion, financing the expansion of capacity of renewable energy generation and expansion of substations. The Sustainable and Inclusive Development Energy Development Policy Loan (DPL), approved in 2015, was leveraging policy reforms to improve the regulatory framework for private sector participation in both power and gas. The Bank was at the same time providing Advisory Services & Analytics (ASA) on its core engagement area of strengthening sector governance and sustainability, supporting low-carbon development, expanding access to modern energy services and enabling gas sector formulation and investment planning.

Alignment with Strategy:

The Program for Results (PforR) was designed to support PLN in the development of Sumatra's power infrastructure, to increase access to electricity for household consumers while improving efficiency and reliability of supply. The program was the first PforR for Indonesia, in particular with PLN (as well as being the first PforR lending instrument in the Energy & Extractives Global Practice in the World Bank). The PforR was closely aligned with the World Bank's support to Indonesia's power sector over the previous two decades and incorporated lessons learned from this engagement. It was also in line with efforts by the Asian Development Bank (ADB), which had been an active partner of the Government of Indonesia in supporting the energy sector, and which had introduced a Results-Based Loan (RBL) of US\$600 million to PLN for its transmission and distribution program in the Sumatra region for the 2015-19 period.

The PforR program was closely aligned with the Bank Group's most recent CPF (FY20-16-20), which assigned priority to infrastructure, including energy. Specifically, the PDO contributed directly to CPF Engagement Area 2: *Sustainable Energy and Universal Access*, which included the following priorities: (a) energy infrastructure, improving operational efficiencies and reliability of services (b) renewable energy and



low carbon development, (c) access to modern energy services through grid extensions, possible off-grid solutions and modern cooking solutions, and (d) sector governance, competitiveness and efficiency. The PDO also remained relevant to the findings of the 2020 Systematic Country Diagnostic (SCD) for Indonesia, which is the basis for the next CPF under preparation. The SCD highlights the uneven distribution and unreliability of service of Indonesia’s electricity access, which are challenges that would be addressed by the Program. Finally, the Program helped the Government and PLN implement its national strategies and energy planning, and is still relevant with the current RUPTL 2019-28.

Rating

High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

“To increase access to electricity services”

Rationale

Theory of Change:

The project was designed to increase access to electricity services in selected areas of Indonesia, whilst improving the efficiency and reliability of their delivery. A fairly direct causal link can be drawn between the project’s activities and the expected outcomes. Under Results Area 1, activities focused on expansion of the distribution network and addition of new distribution transformers, to enable connection to additional customers and thereby to lead to increased access to electricity services. Under Results Area 2, activities supporting reinforcement/upgrading of the electricity system and customer outage management were intended to reduce frequency and duration of outages, which indicate an improvement in reliability of electricity services. Under Results Area 3, activities to expand/rehabilitate/upgrade the distribution lines and substations, increase the number of distribution transformers and support improved network planning were introduced with a view to reducing network distribution network losses and improve the efficiency of electricity of delivery service. Under Results Area 5, capacity building activities were undertaken to improve distribution system planning and budgeting and operational management. These activities supported contributed to all other results areas. All these activities together would lead to increased power consumption and electricity sales for household customers which would be measured by the activity under Results Area 4.

Key output indicators for these activities were incorporated under the various DLIs, and were relevant, attributable and adequate to cover measurement of the objectives.

Outputs/Outcomes:

Results Area 1 was measured through DLI#1 and #2. All related programmed actions in the Power Action Plan (PAP) were satisfactorily achieved, namely:



(a) The number of new residential (Household) customers connected was 14,980,000 at project closing, exceeding the target of 14,410,000 (DLI #1). As the baseline had been 11,180,000, this implied a net increase of 3,800,000 residential customers, compared to the 3,200,000 customers expected during appraisal. These additional customers contributed to the increased electrification ratio in Sumatra, from 80.0 percent in 2014 to 96.2 percent by 2019, which was higher than the target set out in RUPTL 2015. This increase was fully attributable to the Program, being the result of the expansion distribution networks and additional capacity of distribution transformers under the Program.

(b) The length of MV distribution lines added under the project was 114,929 km at closing – similarly in excess of the target of 106,228km (DLI #2), i.e. 108.1 percent of the target.

In addition, the Annual Work Plan was approved in November 2019, and the percentage of planned capital expenditures completed was 88 percent at closing, against a target of 85 percent. The volume of power sales to residential customers achieved was 19,201 GWh, against the target of 18,438 GWh. Based on the above, the achievement of this objective is rated High.

Rating
High

Objective 2

Objective

“Improve the efficiency of electricity services delivery”

Rationale

Outputs/Outcomes:

The outcome indicator for this objective was reduction in electricity losses in the project area; distribution losses being a key measure of a utility’s operational efficiency. The Program contributed to these loss reduction efforts by improving network planning, through addition of transformer units and increase in distribution transformer capacity.

The Program was highly successful in achieving targets set. Electricity losses per year were brought down from 11.92 percent per year to 8.47 percent, against a target of 10.0 percent: an achievement level of 179.7 percent. Output targets were also fully achieved: the number of distribution transformer units added reaching 111,036 by closing, against a target of 98,338. Transformer distribution capacity increased to 119.4 percent of the target: i.e. to 11,060,000, against a target of 9,880,000. Based on this, it would appear that the objective of improved efficiency of electricity services was fully achieved.

As such, achievement of this objective is rated High.



Rating
High

Objective 3

Objective

“Improve the reliability of electricity services delivery”

Rationale

Outputs/Outcomes

The PDO indicator for this this objective was the System Average Interruption Duration Index (SAIDI), in minutes per year, and the System Average Interruption Frequency Index (SAIFI) – both internationally accepted measures of power supply reliability. With the upgrading of distribution control centers to SCADA (Supervisory Control and Data Acquisition) functionality and completion of Geographic Databases in each *Wilayah* during the Program period, targets for both Indexes were fully achieved. Actual system interruptions were reduced from a base of 1,989 minutes per customer per year to 1,164 minutes, significantly better than the target of 1,650 minutes. The number of interruptions were reduced from a base of 17.81 per customer per year to 11.28, similarly significantly better than the target of 15.5 interruptions.

All related program actions in the PAP were satisfactorily achieved. The intermediate indicator “Number of MV feeder technical interruptions per 100 km”, which was also selected at DLI #3, more than met its target by reducing MV feeder technical interruptions per 100 km from 21.22 to 16.02. This result, coupled with reductions in frequency and duration of outages and voltage fluctuations, was a clear indication that quality of services had improved.

Based on this, achievement of this objective is rated High.

Rating
High

Rationale

Overall Efficacy Rating

5. Efficiency



Efficiency Rating

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 <input type="checkbox"/> Not Applicable |
| ICR Estimate | | 0 | 0 <input type="checkbox"/> Not Applicable |

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

6. Outcome

Based on the High rating for relevance of objectives (as well as of DLIs), and the High rating for overall efficacy, overall program outcome is rated Highly Satisfactory. All Program objectives were met and exceeded their targets.

a. Outcome Rating
Highly Satisfactory

7. Risk to Development Outcome

The risk that the development outcomes would not be sustained is Modest. The Program has demonstrated and yielded good results for PLN, the energy sector as a whole, and the Government. These results are expected to be sustained beyond the life of the Program.

The risk that PLN will not be able to adequately maintain an operation and maintenance (O&M) program is fairly low. Extensive training has been provided to train PLN’s staff to properly operate and use the systems. The ICR points out (p.36) that a review of historical allocations for O&M revealed that PLN expenditures were in line with best industry practices, at 3-5 percent of capital expenditures.

That said, one area of risk, over a longer-term horizon, arises from the fact that tariff levels are not yet in line with cost-recovery levels. As such, PLN requires a subsidy from the Government to close the financing gap and have enough resources available for O&M. The Bank team has been working with the Government and PLN



through an extensive advisory and analytics (ASA) program, to address and try to mitigate this risk. This includes advisory support for improved electricity sector governance, options for PLN's new forward-looking revenue model, and preparation of a white/vision paper on PLN's financial stabilization. Nevertheless, as long as tariffs are not set at cost-recovery levels, the risk – though low - to PLN's financial position remains real.

8. Assessment of Bank Performance

a. Quality-at-Entry

The design of this operation benefited from the World Bank's previous experience in the power sector in Indonesia and other countries in the region. Based on this, the Bank team came up with a set of development objectives that were relevant for Indonesia and a program that was realistically conceived as a means of providing support to PLN in specific areas of its broader strategy (ICR, p.35). Project management arrangements, fiduciary procedures, M&E systems, etc., were based on standard practices that had proven effective in numerous Bank-funded projects worldwide.

Lessons learned from previous generation and T&D operations that were incorporated in the design of the operation included the need for decentralized implementation of distribution investments, including planning and design, contract management and payment. The main distribution unit (MDU) items, which comprised the bulk of the expenditures under the Program, were fairly standardized and procurement could be handled through framework contracts with registered manufacturers. At the time, there were three ongoing Bank-funded projects being implemented by PLN in Indonesia, including the Indonesia Power Transmission Development Projects (I and II), all of which were experiencing slow progress and low disbursement rates. The ICR reports (p.29) that the current project was designed as a PforR as an alternative lending instrument, which allowed the relationship with PLN to continue without being jeopardized by the possible threat of partial cancellation of those ongoing operations. The results areas and key activities of the PforR operation were conceived so as to provide a clear operational logic, and were well aligned with PLN's organizational structure. In a subsequent input, the project team clarified that since institutional capacity in project management was identified as a constraint, the scope of the PforR operation was kept narrow - limited to distribution activities that the PLN regional offices were well capable of managing, and to a narrow geographical area, Sumatra island.

The Bank team adequately assessed the project's overall risk as substantial at appraisal, with a special concern regarding fiduciary risk, since key stakeholders were not entirely familiar with the PforR instrument. Risk mitigation measures were designed and include as part of the PforR itself: these included a dedicated Program Action Plan (PAP) to identify technical, environmental and fiduciary improvement measures to be supported under the Program. (It should be noted that the PAP was successfully implemented and all risks were reduced to Low by Program closing).

Quality-at-Entry Rating Satisfactory



b. Quality of supervision

The Program appears to have been adequately supervised, with eight supervision missions recorded during the implementation period, 2016 to 2020. The Bank also participated in bi-yearly review missions by the independent verification agency (IVA). The ICR reports (p.36) that Aide Memoires and ISRs were prepared in a candid manner, on a timely basis, and that the team played a proactive role finding solutions to implementation challenges, in partnership with the ADB. Subsequent information provided by the team indicates that in order to facilitate and simplify verification, the design of the DLIs was harmonized in coordination with the ADB. Supervision missions were conducted jointly with ADB throughout the implementation of the project. When some discrepancies were identified between the results framework in the PAD and the DLIs included in the Financing Agreement at the Mid Term Review, the Bank team worked with the client to restructure the project, to improve the identified shortcomings. According to the ICR, the team also worked closely with PLN, providing their staff with guidance and advice, which contributed to the successful implementation of the Program. The team confirmed that several task team leads were based in Indonesia during the implementation period, which facilitated coordination with the client, other relevant donors and the IVA.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The design of the DLIs involved both specific measures leading to measurable results, as well as policy reforms with institutional impacts over the longer term. DLIs included PDO indicators and intermediate/output indicators covering both institutional strengthening/capacity building activities and program implementation milestones. DLI verification protocols were clearly defined during appraisal to provide a smooth and robust verification system (ICR, 32), capturing the qualitative and quantitative achievements under both Bank and ADB loans. An IVA was hired by PLN to verify the results through audits, procedural verification and physical inspection, as appropriate. The IVA used these protocols to prepare a Program Results Verification Report that was submitted to the World Bank by PLN.

b. M&E Implementation

PLN, as implementing agency, had responsibility for managing the overall Program's results M&E. Within PLN, the SPKK (PLN's internal monitoring unit) collected and consolidated data from the Wilayahs, and helped the Project Management Unit (PMU) to prepare a quarterly performance monitoring report.



The indicators and DLIs were updated at restructuring to reflect Program outcomes more accurately by (a) incorporating a more comprehensive way of rebasing SAIDI and SAIFI; (b) taking into account better-than-expected results during the first half of Program implementation and reallocating proceeds to allow PLN to go beyond the original end-of-program targets; and (c) taking into account considerably lower-than-anticipated growth in electricity. An inconsistency in target figures between the PAD and the Legal Agreement was also fixed at restructuring.

c. M&E Utilization

Data collected for M&E were used by the implementing agency to monitor the status of the project and manage its progress. Data on performance and results progress were used to inform project management of areas where emerging issues might require attention and adjust their implementation plans so as to achieve Program objectives. Indicators were closely aligned with PLN Sumatra's corporate KPIs, resulting in the M&E results and reporting being used more strategically.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The Program was intended to finance only power distribution activities in rural and urban areas of Sumatra. As such, it intended to screen out any high risk activities as defined in the Ministry of Environment Regulation (PERMEN) No. 05/2012 on activities requiring full environmental assessment or Category A as per World Bank Safeguards Policies. The extension of power distribution lines itself was not covered under the above regulation due to its low potential impacts. It was also not expected that the Program would impact communities of indigenous peoples. The Program was to take place in rural and urban areas already electrified; the activities to be financed not involving any land acquisition. The capacity building support provided to PLN under the Program included environmental and social screening, and was successfully applied by PLN to screen its proposed activities. Among all activities reported and reviewed by the World Bank, no impacts were found in terms of physical or economic displacement, nor any impacts on indigenous peoples (ICR, p.34).

Some implementation challenges were noted in implementation of the PAP, regarding the management of used transformer oil that might contain polychlorinated biphenyl (PCB). PLN made efforts to find a solution, bringing all key stakeholders to a forum to try and find the best available technology for PCB management. The social risk compliance rating was satisfactory throughout program implementation. PLN had carried out all environmental and social screening processes according to the agreed screening format. PLN headquarters and all regional units in Sumatra coordinated regularly, both in screening process and in monitoring of its implementation. PLN prepared quarterly reports on progress of the Program, including environmental and social aspects. No significant social impacts were found, and PLN also implemented a



well-managed grievance redress system which addressed all complaints at Wilayah level typically within 24 hours.

b. Fiduciary Compliance

Financial Management (FM): The ICR reports (p.35) that the project’s financial management (FM) – including accounting, budgeting, internal control, funds flow, financial reporting and auditing - was acceptable to the World Bank. PLN regularly submitted interim financial reports that were acceptable to the Bank, and audit reports on a timely basis with clean (unqualified) opinions. One of the DLIs (#8: “Integrate budgeting with ERP in all Program Wilayahs”) aimed to improve the budgeting system in PLN. Achievement of this DLI was delayed somewhat as PLN had a companywide target to run all its offices in Indonesia, rather than in Sumatra alone; however, it was achieved in 2018 and the amount disbursed in 2019.

Procurement: Procurement compliance was considered to be Satisfactory (ICR, p.35). During implementation, PLN made improvements by (a) complying with World Bank Anti-Corruption guidelines to ensure that contract awards did not go to firms/individuals who were on the Bank’s list of debarred/temporarily suspended list, (b) upgrading the e-procurement system so that PLN could publish detailed notification of awards through the system, (c) publishing PLN’s blacklisted firms list on its website, (d) conducting local suppliers’ capacity assessment for MDU items, and (e) ensuring that corrective actions from the last procurement audit conducted by PLN’s internal auditor were taken care of.

c. Unintended impacts (Positive or Negative)

d. Other

11. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|------------------|---------------------|---------------------|---|
| Outcome | Highly Satisfactory | Highly Satisfactory | --- |
| Bank Performance | Highly Satisfactory | Satisfactory | Rating based on amount of information provided in the ICR |
| Quality of M&E | Substantial | Substantial | --- |
| Quality of ICR | | Substantial | --- |



12. Lessons

This was the first PforR program in Indonesia. IEG derives the following lessons drawn from the ICR:

- 1. A clearly defined scope and program boundary are important to the achievement of the program's outcomes.** When a PforR supports a portion of a larger government program by selecting a sub-program, it is important for program design to clearly define its period of support and outline the boundaries and geographical focus. The ability of the current Program to define areas of intervention and activities that could realistically be achieved – given the implementation capacity of the client - was key to its success. Clearly defined Program boundaries and results areas, and identification of key activities linked to disbursement incentives, established a clear operational logic, which was an important factor guiding Program implementation.
- 2. Key prerequisites for the success of a PforR operation are strong leadership and alignment of Program design with the client's internal organization.** Strong leadership would ensure a streamlined decision-making process on strategic aspects during Program design and on any issues arising during implementation. If Program components can be designed so as to be aligned with the client's organizational structure, this could additionally benefit from a faster decision-making process throughout program implementation.
- 3. An important feature of the PforR instrument is that it incentivizes removal of critical roadblocks to improving Program effectiveness, efficiency and sustainability.** DLIs were carefully selected to address implementation challenges and institutional capacity constraints, with required improvement measures included in the PAP. By linking public investments with outcomes and results involving institutional reforms, the Program made it easier for the World Bank to get involved in sensitive and politicized areas budget planning and personnel management than would have been possible under traditional IPF operations.
- 4. The success of the Program called for the close engagement of the Bank team and close monitoring, which necessitated greater supervision.** Close monitoring and technical expertise were required to verify the achievement of DLIs and PAPs, as well as for proper verification protocols. During implementation, most supervision of the Program was country office-based, which significantly facilitated coordination with the client, other donors and the IVA, and allowed the team to provide timely feedback to PLN through the Program period. This allowed fiduciary aspects to be closely monitored, training to be provided to strengthen capacity of PLN staff, and safeguards supervision to be ramped up when needed. Close and proactive engagement by the team through the Program's restructuring ensured the achievement of outcomes and maximized the disbursement from each DLI.

13. Assessment Recommended?

No

14. Comments on Quality of ICR



The ICR is clearly written, concise and consistent with guidelines. It provides good details of the program's results areas, DLIs and its various activities. Its analysis and lessons are evidence-based and internally consistent. The analysis of program performance is results oriented, based on the foundation of a well-articulated theory of change, and contains a clear narrative. Adequate detail is provided on the context and relevance of the program and the implementation issues it faced, as well as on the Bank's approach to design and oversight.

a. Quality of ICR Rating
Substantial