



1. Project Data:		Date Posted : 03/31/2010	
PROJ ID : P081924		Appraisal	Actual
<b>Project Name :</b> Emergency Recovery And Community Support Project	<b>Project Costs (US\$M):</b>	41	40.73
<b>Country:</b> Congo Republic	<b>Loan/Credit (US\$M):</b>	41	40.73
<b>Sector Board :</b> PO	<b>Cofinancing (US\$M):</b>		
<b>Sector(s):</b> General water sanitation and flood protection sector (40%) Health (30%) General education sector (30%)			
<b>Theme(s):</b> Conflict prevention and post-conflict reconstruction (100% - P)			
<b>L/C Number:</b> C3798; CH053			
	<b>Board Approval Date :</b>		05/05/2003
<b>Partners involved :</b>	<b>Closing Date :</b>	12/31/2007	12/31/2008
<b>Evaluator :</b>	<b>Panel Reviewer :</b>	<b>Group Manager :</b>	<b>Group:</b>
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## 2. Project Objectives and Components:

### a. Objectives:

As stated in the June 2003 Development Financing Agreement (DFA), the objective of the Project was "to assist the Borrower in its efforts to accelerate its economic recovery so as to improve living conditions for the Borrower 's population in small municipalities and rural communities across the Borrower 's territory." The objective in the DFA differed slightly from the one listed in the MOP, which stated : " to assist the recovery of communities living in smaller municipalities and rural areas (i.e. with a focus on areas outside the two cities of Brazzaville and Pointe Noire ). This is critical for sustaining the momentum of reconciliation and economic reform, and for consolidating the achievements of the last two years - so as to prevent new eruptions of violence ." This review bases its assessment on the more specific DFA objectives.

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

No

### c. Components (or Key Conditions in the case of DPLs, as appropriate):

This ICR review used the components as described in the MOP because they were more complete . A difference between the MOP and the DFA consisted in wording only, not in substance, except for component D, which was not included in the DFA although the DFA document has a later date than the MOP . Thus, project components as listed in the MOP were the following:

- (A) Financing of Priority Local Investments ; (Appraisal: \$14 million. Actual: \$14.02 million).
- (B) Support to Community Organizations ; (Appraisal: \$3 million. Actual: \$2.29 million).

(C) Capacity Enhancement Support; (Appraisal: \$8 million. Actual: \$10.40 million).  
(D) Balance of Payments Support (Appraisal: \$13 million. Actual: \$14.02 million).  
Physical and price contingencies: \$1 million; as well as unallocated amount at appraisal: \$2.5 million. Most of the unallocated amount was later allocated to component C.  
The components were not revised.

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

The project was financed by a US\$28.00 million credit and a US\$13 million IDA post-conflict grant at appraisal. Actual financing consisted of a US\$26.71 million credit and a US\$14.02 million grant. Component D was disbursed in one tranche by November 2003. As stated in the policy OP 8.50, in emergency projects such as this one no specific macro-economic triggers are required for the release of funds. The project was extended once by one year from December 31, 2007 to December 31, 2008. This extension was necessary to finalize studies on institutional reforms under component C and was intended to implement decentralization reform coming out of the studies.

### **3. Relevance of Objectives & Design:**

*Relevance of project objectives* is rated **High**.

*Country condition:* Project objectives were relevant with respect to country conditions in that they addressed widespread poverty, unemployment, physical isolation, and lack of access to infrastructure and basic services in areas outside major cities, thereby minimizing the prospects of renewed conflicts. Improving living conditions and economic recovery continue to be relevant today, since poverty in peri-urban and rural areas remains high at 64.8 percent.

*Relevance of Bank strategies:* Project objectives were relevant at the time of project appraisal in that they reflected the Bank's 2001 and 2003 Transitional Support Strategies (TSS) that aimed at strengthening support to Congo Republic by: (1) Supporting job creation through economic growth and diversification of the economy, (2) helping reposition the public sector and mitigating short- and medium-term risks to the social environment, and (3) assisting in increasing resources for peace and development. With respect to the 2009 Country Partnership Strategy, project objectives are still highly relevant in that the strategy supports (1) diversification and growth, (2) poverty reduction through improved basic service delivery, and (3) governance and institutional capacity building. In addition, project objectives are relevant given the 2008 PRSP in that they support four of the five PRSP pillars.

*Relevance of project design* is rated **Modest**: With respect to project design, this review agrees with the ICR's assessment of a somewhat flawed design. QAG as well assessed quality at entry as moderately unsatisfactory. Despite the innovative feature to delegate implementation to ACTED and UNDP, the design was hampered since implementation capacity was not sufficiently assessed and no mechanism was set up to transfer funds from the central to the local level. Although a demand-driven and participatory approach was relevant for the post-conflict context in Congo Republic, this approach proved complex to implement given the inaccessibility of some of the rural areas, especially in the southern Pool region, where conflicts were still flaring up until final disarmament in 2009. In addition, component D was not designed to include concrete actions to support setting up adequate mechanisms for the transfer of fiscal resources to local governments and for monitoring their effective use. A results framework was developed with outcome/impact and output indicators linked to project and TSS objectives (see Technical Annex, Appendix F). This will be further discussed below.

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

*Objective:* "To assist the Borrower in its efforts to accelerate its economic recovery so as to improve living conditions for the Borrower's population in small municipalities and rural communities across the Borrower's territory." This ICR review will rate the two parts of the objectives 1) Improved Living Conditions and 2) Economic Recovery to evaluate project achievements.

*Improved Living Conditions:* This part of the objective is rated **Substantial**.

Living conditions were improved for the population living outside the main cities of Brazzaville and Pointe Noire through infrastructure investments under component A. Although it was estimated in the MOP that education, health, and water were the predominant community needs, actual needs as determined through a participatory approach led by ACTED were the following:

- *Education (40 percent of component A, or about US\$5.61 million):* Investments in school infrastructure contributed to improving schooling conditions for 39,000 primary school pupils, corresponding to 12 percent of all pupils outside of Brazzaville and Pointe Noire. Enrollment increased by 42 percent in these schools and the number of teachers by 17 percent. However, quality of education could not be measured.
- *Health (19 percent of component A, or about US\$2.66 million):* The number of hospital beds increased by 51 percent and the number of assisted births by 36 percent.
- *Roads (26 percent of component A, or about US\$3.65 million):* 563 kilometers of rural roads were rehabilitated, which improved access to 189 previously isolated villages with a total population of 91,000.
- *Markets and public lighting (15 percent of component A, or about US\$2.10 million):* The construction of 15 markets and market extensions in six departments provided an additional 2,430 covered points of sale and the

electrification of four towns benefits 74,601 people.

Living conditions were also improved through strengthening local NGOs to provide people with productive investments in agriculture, farming, fish farming, poultry farming, waterway transportation, etc . Under component B, a total of 190 community organizations in all 90 districts and 10 counties (against a target of 8 counties) benefited from the project. Productive investments made up 88 percent of total financing. The activities initiated under the component created a total of 4,839 permanent jobs (67 percent for women) and training provided to 1,325 persons in general management competence and specific investment -related technical skills. A beneficiary survey showed that more than 75 percent of respondents were satisfied with project results, which has contributed substantially to improving the quality of life.

*Economic Recovery:* This part of the objective is rated **Substantial** with minor shortcomings.

The 18,000 person-months of work generated by the project (against an appraisal target of 10,000 months) had an immediate effect on economic recovery at the local level . Especially the Pool region, the area of the last active rebel group, has received relatively more support, thus contributing to promoting peace in that area and therefore in the country.

Studies financed under component C have helped reshape the regulatory environment and improve the conditions for private sector participation in the forestry, postal, telecommunications, and insurance sectors . As noted by the TTL in an interview, the telecommunications framework developed under the project has already been adopted by parliament. In addition, the project improved budgetary processes at the central level, but failed to do so at the local level:

- The design and the adoption of ten implementation decrees on decentralization have made it possible to fill the regulatory void on fiscal and budgetary processes of the local government administration .
- The training given to 488 local government officials and the strengthening of the regulatory framework contributed to improved budget management processes and raised municipal revenues by 31 percent against a target of 20 percent.
- At appraisal, BOP support under component D was expected to be used to support the transfer of resources to local governments. This was in line with the component objective of assisting the government in setting up adequate mechanisms for the transfer of fiscal resources to local governments and for monitoring their effective use. According to the TTL, US\$2.5 million were disbursed for construction materials, US\$5.6 million for transport vehicles and spare parts, and US\$5.5 million for school supplies and equipment. However, no transfer mechanisms to local governments and no monitoring systems have been established .

**5. Efficiency (not applicable to DPLs):**

No economic analysis was undertaken in the MOP given the imperatives of the emergency situation (consistent with the operational policy on Emergency Recovery Assistance ). According to the ICR, a comprehensive economic analysis at completion was excluded by the small size and diverse nature of sub -projects combined with the many unquantifiable benefits from these activities and the lack of complete data and comparative unit costs from similar locations. Instead, the ICR assessed efficiency in terms of two measures (timely implementation and broad area coverage) and the Region's subsequent response provided details regarding the methodology used for these measures. At project closure, IEG would have expected least -cost analysis at least for component A which financed investments and represented 34.4 percent of actual total project cost. This expectation is consistent with OP 10.04 on Economic Evaluation of Investment Operations which states that "if the project is expected to generate benefits that cannot be measured in monetary terms, the analysis shows that the project represents the least -cost way of attaining the stated objectives ." Efficiency analysis in terms of relevance of timely implementation and geographic coverage cannot substitute for least -cost analysis.

**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	No		
ICR estimate	No		

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

**6. Outcome:**

With relevance of design modest and lack of evidence on efficiency, Outcome is rated moderately satisfactory .

**a. Outcome Rating :** Moderately Satisfactory

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

According to the ICR, schools, health clinics, markets and street lighting are being used and maintained . Arrangements for maintaining roads are still under negotiation . Community organizations are continuing to support activities, such as agriculture and market gardening, animal and poultry farming, small-scale industrial processing, etc., although some difficulties have been observed with sustaining these activities . Regulatory reforms are being continued under other Bank-financed operations. Risks to macroeconomic stability are minimized by a prudent fiscal policy in response to a projected decline in oil revenues .

**a. Risk to Development Outcome Rating** : Moderate

**8. Assessment of Bank Performance:**

*Bank performance in ensuring quality at entry* : The Bank responded with flexibility to government requests for a reconstruction support outside major cities . However, the implementation design had significant flaws in terms of analysis of implementation capacity, developing an operational M&E framework and methodology to guide project implementation, and defining mechanisms to transfer of resources to local governments . In addition, component D representing one third of project costs should have been included in the DFA .

*Quality of supervision*: The Bank had regular supervision missions and supported the PCIU in the preparation of TORs. Fiduciary issues were dealt with appropriately . Up until the MTR, the Bank did not follow up on M&E with the PCIU. Following the MTR, the supervision efforts became more focused including M&E and a beneficiary survey was commissioned .

*Overall Bank performance*: This ICR review rates Bank performance as **Moderately Satisfactory** because of flaws in project design and a weak M&E system .

**a. Ensuring Quality -at-Entry**:Moderately Unsatisfactory

**b. Quality of Supervision** :Moderately Satisfactory

**c. Overall Bank Performance** :Moderately Satisfactory

**9. Assessment of Borrower Performance:**

*Government performance*: The government was involved in project preparation and quickly undertook the necessary measures to set in place the project unit . The government was also quick to mobilize additional funds to finance auxiliary works and equipment (\$864,000 worth of mosquito nets, water posts in schools, and various other equipment) for component A sub-projects and it reimbursed ineligible expenditures .

There has been slow but steady progress on the reforms coming out of the studies . On the negative side, the government was not able to adopt the decentralization reforms before the end of the project, even though this was the reason for the requested project extension .

*Implementing Agency or Agencies Performance*:

ACTED was active in disseminating the participatory approach, but should have had more presence on the ground which would have facilitated follow-up and resolution of technical issues .

UNDP was able to support the community organizations in the selection of activities, but did not have the required presence in the field to follow up and fully assure sustainability of project activities . This is partly explained by the large geographic spread of activities .

The PCIU, which was set up in the Ministry of Finance, assisted the beneficiary organizations in the preparation of TORs for studies and leading the work of the various steering committees . The financial audits and quarterly project reports were produced and transmitted on time .

The Ministry of Finance was able to implement component D and disburse the balance of payment support . However, the Ministry of Finance has not provided any evidence of the effects of the funds directly related to the project objective, partly because the M&E framework was not fully functional . The ministry has not made progress on implementing decentralization reforms .

**a. Government Performance** :Satisfactory

**b. Implementing Agency Performance** :Moderately Satisfactory

**c. Overall Borrower Performance** :Moderately Satisfactory

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

*M&E Design*: The M&E framework was sound in that project output and outcome indicators were linked to project objectives. The indicators for component A and B were quantifiable . However, indicators under component C were

vaguely defined and related to process rather than results . Indicators for component D were not designed for monitoring their effective use . In addition, not enough thought was given during the design stage on how to implement the M&E framework in a post-conflict environment .

*M&E Implementation:* Up until the MTR, there was no evidence in the project files that the Bank was following up on development impact and achievement of project objectives, as no M&E data was available from the PCIU . Following the MTR, the Bank increased its dialogue with the PCIU and followed up on the shortcomings in the M&E framework and implementation of the reforms supported by the capacity building activities . This was central to addressing some of the shortcomings in project design, specifically concerning the M&E framework, and undertaking a beneficiary assessment. With respect to component D, the MOP stated that supervision will in particular focus on tacking of expenditure for funds released . However, the ICR did not list disbursements for the items in the “positive list” and according to the ICR the Ministry of Finance did not provide any evidence of the effects of the funds directly related to the project objective, partly because the M&E framework was not fully functional .

*M&E Utilization:* M&E data collected after the MTR and a beneficiary survey undertaken towards the end of the project were used to inform the ICR. They were not used to inform decision-making and resource allocations . In addition, a household survey to better understand the level and determinants of poverty was financed with project funds. The survey was used to inform the PRSP process, but it was not used for monitoring and evaluation .

**a. M&E Quality Rating :** Modest

**11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):**

*Safeguard compliance.* The project was rated Category B because it did not entail major adverse environmental impacts. Because this project was processed under the Bank's emergency recovery assistance policy, the project was exempted from conducting an environmental assessment at the time of appraisal . As stated in OP 4.01 - Environmental Assessment under the section on Emergency Operations, the safeguard documentation was to be prepared during implementation, and no later than six months after credit effectiveness . An Environmental and Social Impact Assessment was indeed carried out during implementation . According to the assessment, project activities have not resulted in any resettlement or loss of economic activity .

*Fiduciary compliance.* The project complied with Bank fiduciary safeguards . A case of false certification of delivery of goods was revealed under component A and the government has reimbursed the corresponding amount (\$86,000). Regular financial management and post procurement reviews did not reveal any other irregularities .

<b>12. Ratings :</b>	<b>ICR</b>	<b>IEG Review</b>	<b>Reason for Disagreement / Comments</b>
<b>Outcome :</b>	Satisfactory	Moderately Satisfactory	With relevance of design modest and lack of evidence on efficiency, Outcome is rated moderately satisfactory.
<b>Risk to Development Outcome :</b>	Moderate	Moderate	
<b>Bank Performance :</b>	Moderately Satisfactory	Moderately Satisfactory	
<b>Borrower Performance :</b>	Moderately Satisfactory	Moderately 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:**

Unless otherwise stated, the ICR reviewer identified the following lessons :

- In post-conflict situations implementation arrangements need to be kept as simple as possible to

accommodate for diminished institutional capacity . Non-governmental project partners and collaborating international agencies can provide back-up implementation capacity when qualified agency personnel has been displaced by conflict or its economic ramifications .

- In situations where conditions on the ground are fluid, and neither stakeholder needs nor implementation difficulties can be adequately foreseen, designing demand -responsive implementation mechanisms which allow for a flexible and rapid response helps to compensate for an abbreviated appraisal process and allows for the removal of critical bottlenecks as they appear .
- Stakeholder involvement, especially in post-conflict situations, is contingent on project credibility –and, in most cases, seeing promised improvements or results early . When populations are dispersed, or just not likely to be aware of project results, the media can help disseminate early results, which facilitates continuing stakeholder engagement. Early results can also create incentives against renewed conflict .
- Most roads fail due to lack of maintenance and a failure to plan for extreme weather and water events . By the end of this project, arrangements for maintaining roads were still under negotiation, which poses a risk to sustainability. The 2007 IEG transport study, A Decade of Action in Transport, found that a majority of Bank-financed projects rehabilitate roads as opposed to constructing new roads . The study notes that “having to rehabilitate paved roads too frequently because of neglect could conservatively be more than three times as expensive for the road authorities (based on undiscounted costs) as maintaining them on a regular basis.”
- This review agrees with the lesson from the ICR that M&E is often overlooked in emergency projects . The project was confronted with the difficult exercise of developing an M&E framework to address sustainability and demand-based needs in a post-conflict environment. OP 8.50 - Emergency Recovery Assistance allowed the PURAC to prepare a coherent set of interventions in only six months, but with more focus on the physical reconstruction effort than on monitoring impact. Lack of baseline data is another difficulty that teams have to tackle when a country’s statistical system is not operational . The use of surveys to capture the views of the population before, during and after the project is one way to overcome these difficulties . Following the MTR, most of the weaknesses in the M&E framework were corrected, but proactive restructuring of projects with inadequate M&E systems is another option that should be kept in mind .

**14. Assessment Recommended?**     Yes    No

**Why?** Institutional reform in a post-war situation provides important lessons for future projects . In particular, the reform of the telecommunications and postal services sector could inform an upcoming Information and Communication Technology (ICT) evaluation.

**15. Comments on Quality of ICR:**

The ICR provides a thorough account of the project experience and evidence to support project achievements and its analysis of them. However, with respect to component D, the ICR did not list disbursements for the items in the “positive list” – and this information had to be provided by the TTL during a telephone interview . The ICR should have provided a better measure of efficiency .

**a.Quality of ICR Rating :** Satisfactory