

<b>1. Project Data:</b>		<b>Date Posted :</b> 06/30/2014	
<b>Country:</b>	Morocco		
<b>Project ID:</b>	P100026	<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b>	National Initiative For Human Development Support Project (INDH)	<b>Project Costs (US\$M):</b>	1,200
			1,705
<b>L/C Number:</b>	L7415	<b>Loan/Credit (US\$M):</b>	100
			110
<b>Sector Board :</b>	Social Development	<b>Cofinancing (US\$M):</b>	240
			197
<b>Cofinanciers :</b>	EU, Saudi Arabia, France, Italy, MCC, Germany, Belgium, Japan, China, AFESD, IDB, Eq. Guinea, OPEC Fund	<b>Board Approval Date :</b>	12/12/2006
		<b>Closing Date :</b>	07/31/2011
<b>Sector(s):</b>	Other social services (60%); General agriculture fishing and forestry sector (20%); General water sanitation and flood protection sector (10%); General public administration sector (10%)		
<b>Theme(s):</b>	Participation and civic engagement (23% - P); Rural services and infrastructure (22% - P); Urban services and housing for the poor (22% - P); Other social development (22% - P); Social safety nets (11% - S)		
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>ICR Review Coordinator :</b>	<b>Group:</b>
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## 2. Project Objectives and Components:

### a. Objectives:

The project was a Specific Investment Loan contributing to a Sector -Wide Approach program (SWAp) that gave support to Morocco's National Human Development Initiative (INDH) 2005-2010. The Initiative would be financed 60 percent from central government, 20 percent from local governments and 20 percent with grants from international donors. The program-based approach allowed for all funds to be pooled in a single financing mechanism allowing greater use of country systems and procedures and more harmonized implementation mechanisms.

The project development objectives according to the Project Appraisal Document (PAD, page 5) were:

"to assist the Government in improving inclusiveness, accountability and transparency of decision making and implementation processes at the local level in order to enhance use of social and economic infrastructure and services by poor and vulnerable groups ."

The objectives according to the Loan Agreement (page 5) were:

"to assist the Borrower in implementing its National Initiative for Human Development (INDH) covering the period 2006-2010 by improving inclusiveness, accountability and transparency in decision making and

implementation processes at the local level in order to enhance the use of basic infrastructure and social and economic services by poor and vulnerable groups living in targeted communities in the Project Area ."

This Review uses the objectives in the Loan Agreement .

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

No

**c. Components:**

There were four components:

**(1) Alleviate Poverty in Rural Areas** (appraisal estimate US\$300 million; actual US\$ 327 million). The component provided the equivalent of US\$ 600,000 to each of 402 rural communes to be used by them to implement projects in a participatory process . The projects were to increase access to basic infrastructure and social services; support local income-generating activities; promote social, cultural and sports activities; and strengthen local governance and capacity . Provision was made to include a small number of additional communes in the program during implementation . Communes were selected on the basis of poverty criteria .

**(2) Alleviate Social Exclusion in Urban Areas** (appraisal estimate \$300 million; actual US\$ 497 million). The component provided the equivalent of US\$ 900,000 to each of 250 urban neighborhoods in 25 cities to finance similar projects as Component 1, also in a participatory process . Neighborhoods were selected on the basis of poverty criteria .

**(3) Alleviate Extreme Vulnerability** (appraisal estimate US\$300 million; actual US\$ 356 million). This component improved access to a range of social services of improved quality throughout the country and targeted people living in extreme vulnerability . Emphasis was placed on interventions that improved opportunities for social and economic inclusion . The component financed social services that were implemented by government agencies or NGOs; institution building in the agencies and NGOs; and construction and equipping of centers delivering social services .

**(4) Mainstreaming the INDH Governance Mechanisms and Strengthening of Institutional Capacity** (appraisal estimate US\$300 million; actual US\$ 525 million). The component provided US\$ 275 million for a Provincial Competitive Fund to finance similar projects as in Components 1 and 2. This was on a nationwide basis, drawing on proposals submitted by provinces and prefectures . This allowed provincial governments to participate in the INDH program and implement the INDH governance mechanisms and processes throughout the country . This component also focused on activities that are central to the success of the INDH : capacity-building and knowledge sharing among stakeholders; management information and monitoring and evaluation (M&E) systems (including impact evaluation); partnership development with existing line ministries and agencies at local, provincial and regional levels; and communications development . As part of partnership development, a Memorandum of Understanding (MOU) of an amount of US\$ 25million was signed with the National Federation of Micro Credit Associations to expand the supply of micro credit services in INDH intervention areas .

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

**Project cost:**

The total project cost was estimated at US\$ 1 billion equivalent. By project completion increases in local funding allowed the budget to increase to US\$ 1.705 billion. Most of the increased budget was spent on alleviating social exclusion in urban areas and strengthening institutional capacity .

**Financing:**

The Bank loan for US\$100 million appreciated to US\$110 million by project closing because of devaluation of the US\$ against the Euro, the currency of the Loan . It was fully disbursed in annual tranches triggered by satisfying selected disbursement criteria based on outcome indicators .

Cofinancing to the SWAp provided by 14 grant donors was expected to be US\$ 240 million. The US\$197 million actually contributed included an EU grant of 80 million Euros (US\$47.2 million), focused on the rural component . Other grant financing included: Saudi Arabia (US\$50 million); France (US\$6.3 million); Italy (US\$6.3 million); MCC (US\$9.3 million); Germany (US\$3.9 million); Belgium (US\$3.1 million); Japan (US\$4 million); China (US\$4.7 million); Arab Fund for Economic and Social Development (US\$25.3 million); Islamic Development Bank (US\$1.0 million); Equatorial Guinea (US\$1.0 million); and OPEC Fund (US\$0.3 million). The EU supervised the German and Belgian contributions .

**Borrower contribution:**

The Borrower contribution consisted of a Government contribution of US\$ 468 million (appraisal estimate US\$620 million); contributions by municipalities of US\$240 million (unchanged between appraisal and project closing); and partnership arrangements for micro-credit of US\$700 million (no appraisal estimate).

**Dates:**

The project was approved on December 12, 2006. It underwent a level 2 restructuring on March 18, 2010 (which revised indicators to simplify results tracking and align with government and partner monitoring frameworks), and it closed, as scheduled, on July 31, 2011.

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

#### **a. Relevance of Objectives:**

**High.**

The objective of the project was to help implement the Government's flagship poverty reduction program, the National Initiative for Human Development Support Program (INDH), and in particular its bottom-up approach to socio-economic development based on participation, local governance, partnership, sustainability and results orientation. The program was initiated in 2005, and following an initial phase covering the years 2005-2010, a second phase, pursuing the same objectives, has been launched and is ongoing. The project objectives are highly relevant to both phases of the INDH. They are also relevant to the Bank's 2010-2013 Country Partnership Strategy, where the INDH and its participatory approach is a key feature and one of the pillars of the Strategy.

#### **b. Relevance of Design:**

**Modest.**

The project's results chain was consistent with the project's development objectives. However, while the results framework was extensive, project components were linked to outputs rather than to expected outcomes. The community development-type approach to support the INDH was relevant. It was poverty-targeted and emphasized community empowerment through popular participation in the local development process, i.e. in the selection, design and implementation of community projects, and in their subsequent operation and maintenance. And it placed particular emphasis on including the most marginalized groups that otherwise were unlikely to benefit from the participatory process. Transparency and accountability were to be supported by regular bottom-up, participatory monitoring and evaluation process, frequent reporting on activities and independent results evaluation.

Organizational arrangements to ensure government commitment and broad stakeholder involvement were relevant. Community participation was channeled through a network of some 700 local development committees, consisting of community representatives and elected officials, government representatives and provincial authorities, as well as representatives of NGOs and civil society; women and youth were to constitute 15 percent of the membership. Community projects were to be selected by means of a vetting process that included the local development committees and provincial authorities. Provincial level support teams were established, and full engagement of regional heads, provincial governors, local councils and line ministries was sought. A small national coordination unit was initially set up, which was subsequently strengthened.

Targeting and capacity-building activities were relevant. Poverty maps were used to select the 403 poorest rural communes (those with a poverty rate over 30 percent); and 58 additional rural communes with poverty rates between 22 percent (the national average) and 30 percent were selected using a combination of poverty maps and poverty correlated social indicators. Poverty maps were not applicable to urban neighborhoods; instead, these were selected on the basis of social indicators from a set of urban centers hand-picked by the steering committee for the INDH. Extremely vulnerable groups were to be identified by the communities.

Capacity-building was an integral part of the INDH from its beginning, providing training in a variety of topics, including participatory project design and project management techniques, results management, strategic planning, etc. The project introduced a more systemic approach to capacity-building with customized training programs, including rapid results approaches for the immediate project period and the development of longer term capacity building strategies beyond the project period. A feature of capacity-building as well as accountability and transparency was the emphasis on communications built into the project, including access to information and dialogue with all stakeholders.

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

The project development objective is *to assist the Borrower in implementing its National Initiative for Human Development (INDH) covering the period 2006-2010 by improving inclusiveness, accountability and transparency in decision making and implementation processes at the local level in order to enhance the use of basic infrastructure and social and economic services by poor and vulnerable groups living in targeted communities in the Project Area.*

#### **Enhancing the use of basic infrastructure and social and economic services by poor and vulnerable groups - substantial**

##### **Outputs**

- the rural component implemented 6,756 sub-projects, including infrastructure and services (77 percent), social, cultural and sport (4 percent), governance (3 percent) and income-generating projects (13 percent);
- the urban component implemented 4,069 sub-projects, including infrastructure and services (61 percent), social, cultural and sports (22 percent), governance (4 percent) and income-generating projects (13 percent);
- the vulnerability component prepared 16 regional vulnerability assessments, maps and investment programs.

##### **Outcomes**

- the number of persons reporting increased use of basic infrastructure and socio-economic services created by INDH totalled 73-84 percent for men, 66-75 percent for women and 41-65 percent for youth (the range covers differences between rural/urban, vulnerable and cross-cutting). This was above the target value for all three groups. The target values were 70 percent, 50 percent and 30 percent, respectively;
- 78 percent of men, 71 percent of women and 61 percent of youth in rural communities declared improved access to basic infrastructure and socio-economic services, above the target values of 70 percent, 50 percent and 20 percent;
- beneficiary financial contributions to rural income-generating projects averaged 12 percent (above the target of 10 percent);
- In 77 percent of cases, rural community, local government or other sources provided the resources for operations and maintenance of infrastructure projects (above the target rate of 70 percent);
- 73 percent of men, 72 percent of women and 56 percent of youth in urban neighborhoods declared improved access to basic infrastructure and socio-economic services, above the target values of 70 percent, 50 percent and 20 percent for the three groups.

According to the ICR (pages 32 and 36), project interventions were targeted at the poorest rural and urban communities, drawing on poverty maps and social and economic indicators. Poverty maps were used as a basis for selecting rural communities: the bulk of rural communities (86 percent) had a poverty rate above 30 percent; the remainder had poverty levels between 22 and 30 percent. Valid poverty maps for urban neighborhoods did not exist. Instead, eligible neighborhoods were selected in predetermined cities by provincial authorities on the basis of poverty indicators: high unemployment, poor housing conditions and poor access to basic services.

#### **Inclusiveness, accountability and transparency in decision making and implementation processes at the local level**

##### Outputs:

##### **Improving inclusiveness, accountability and transparency :**

- 10,825 community-initiated projects were implemented. Instruments for implementation were local development committees with broad community and civil society representation to define projects; local facilitation and social mobilization teams to support in the planning and development of the projects; and training and capacity building in participatory, management and technical skills for some 104,400 people.
- In order to promote inclusion of the extremely vulnerable, vulnerability assessments were undertaken and some 2,148 related projects implemented; partnership arrangements were established between public and private support groups; and professional standards at local levels were adjusted to national standards.

##### Outcomes:

##### **(a) Improving inclusiveness - modest**

- Local, provincial, and regional development committees included 17 percent, 17 percent and 11 percent, respectively, of women. In all cases, the actual values exceeded target values of 14 percent, 14 percent

and 7 percent, respectively;

- Local, provincial and regional development committees included 12 percent youth, exceeding the target value of 7 percent;
- 58 percent of the targeted male rural population, 54 percent of women and 48 percent of youth reported having participated in the participatory process, all exceeding the target values of 40 percent, 20 percent and 10 percent;
- 54 percent of the targeted male urban population, 54 percent of women and 42 percent of youth reported having participated in the participatory process, exceeding the target values of 40 percent, 20 percent and 10 percent;
- 72 percent of associations working with vulnerable groups participated in the development and implementation of vulnerability reduction plans, slightly above the target of 70 percent.
- local, provincial and regional committees included 67 percent, 58 percent, and 58 percent, respectively, of elected officials and representatives of civil society, slightly below the targets of 70 percent, 60 percent and 60 percent;

Overall, therefore, participation by civil society, elected representatives, women and youth, and the poor, in governance structures exceeded quantitative targets. The quality of this participation is, however, more difficult to determine - the poor, youth and women were present, but did they have a voice in the deliberations? The project team indicates that the voice of community members has been strengthened and that community participation goes well beyond consultation and physical participation. But there are no indicators to confirm that the poor and vulnerable influence proceedings. Moreover, according to the ICR (page 13), qualitative reviews suggest that there are questions over the quality of the participatory programming process. Reviews by the Bank of samples of participatory local development plans suggest that the quality of the work ranges "from best practice to weak." While most of the projects are high impact and poverty-reducing, "in only some cases are the [participatory development plans] genuinely multi-annual phased investment programs built on a truly participatory process, validated with and owned by poor people and poor communities within the commune. Many are project lists updated from time to time, pieced together through a range of consultative processes."

#### **(b) Improving accountability - modest**

- A number of operating mechanisms and practices were put in place with the aim of enhancing accountability: 77 percent of associations working with vulnerable groups participated in the implementation of vulnerability reduction plans, slightly above the target value of 70 percent; and 91 percent of INDHs governing bodies had established internal operating procedures, below the 100 percent targeted. In addition, 104,437 persons trained in participatory, management and technical skills; above the 70,000 targeted.
- The index chosen to measure improvements in accountability was the percentage of sub-projects which communities reportedly took responsibility for implementing. This was 90 percent in rural areas; and 72 percent in urban areas; exceeding the target values of 60 percent and 70 percent.
- However, the ICR (page 14) states that, while mechanisms for accountability have been established and are operating, "qualitative evaluation shows some weaknesses not picked up by the indicators, particularly that the proposed grievance mechanisms have not been formally set up all across the program." The same point is made in Section F of the ICR Data Sheet (page v): "[while there is] satisfactory testament to the establishment of participatory governance structures, ....improvements in transparency and accountability remain to be made, for example in generalizing feedback through two-way communications and grievance procedures."
- Accountability (and transparency) was to be supported by regular, bottom-up, participatory M&E, by frequent reporting, and by independent results evaluation. However, weaknesses in design and implementation of M&E (see Section 10 below) largely prevented this from happening.
- Paragraph 2.97 of the ICR (Annex 2, page 47) indicates a number of weaknesses in the implementation of the communications strategy, including lack of approval and updating, non-establishment of two way flows of communication, and lack of quarterly reporting and workshop dialogues at provincial level.

#### **(c) Improving transparency - modest**

- 100 percent of the decisions of governance bodies were published compared to a target value of 95 percent. Such decisions related to projects approved/rejected, and annual physical and financial reports.

While this is an important feature of transparency, neither the communications program envisaged as part of the program nor the M&E were fully functioning. Both would seem to be essential elements of a transparency objective.

## **5. Efficiency:**

Rating: **Modest**

Economic analysis was not undertaken at appraisal . The ICR commissioned a study covering a sample of 50 sub-projects, in four groups: income generating activities, infrastructure, social services provision, and aid to the vulnerable. Internal rates of return were calculated for income generating activities and for infrastructure . Of the fourteen income generating activities, seven had internal rates of return (IRRs) ranging from negative to 8 percent and seven had IRRs ranging from 12 percent to 14 percent. For infrastructure projects, the average IRR was 12.3 percent, ranging from minus 2 (for urban upgrading) to 50 percent (for rural roads). Rates of return were not calculated for social services or aid to the vulnerable; nevertheless, local education and health facilities should have a positive impact on human capital development in the localities concerned; and aid to the vulnerable should have promoted their (re)integration into the community. However, there is no evidence to assess value-for-money in these instances. Some workshop participants raised questions about the cost effectiveness of the vulnerability component investments .

**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	Yes	12%	50%

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

**6. Outcome:**

Relevance of objectives is rated high, and that of design is rated modest . Although the efficacy of the inclusiveness, accountability and transparency objectives was rated modest, there is convincing evidence that the core objective of enhancing the use of basic infrastructure and social and economic services by poor and vulnerable groups living in targeted communities in the Project Area, was achieved to a substantial extent . Efficiency is modest due to lack of evidence . The outcome of the project is rated **moderately satisfactory**

**a. Outcome Rating :** Moderately Satisfactory

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

There is an unfinished agenda in key areas of participation and implementation (ownership), planning, monitoring and evaluation, and in the exchange of information . There are challenging issues that require the Government that is accustomed to centralized decision -making to venture even further into still unfamiliar territory of decentralization than has so far been the case . There is a risk that it may be easier to turn back and move towards less inclusiveness, accountability and transparency . While some of this risk may be mitigated with the continued support of the Bank during the second phase of the INDH, key risks flagged in the PAD (page 13) may continue to challenge the structures set up under the project, in particular elite capture .

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

**8. Assessment of Bank Performance:**

**a. Quality at entry:**

The Bank entered an ongoing program that combined participatory processes and poverty reduction . It was offered and took the opportunity to address a major national priority in a comprehensive way . Appraisal drew on lessons learned from prior and ongoing analytical work and its broad international experience with participatory methods. While (according to the project team) the Bank was of the view that a pilot, or a more gradual, approach might have been more appropriate, this was not considered to be politically acceptable, since the program had already been launched on a broad front. The risks involved in such a large scale approach were exacerbated by the implementing authorities' lack of familiarity with some of the concepts on which the project's approach was based. The Bank identified the risk that immediate large -scale implementation under such circumstances could be a source of difficulties during implementation (the Risk Assessment on page 13 of the PAD addressed major potential challenges to project outcomes), but still decided to go ahead. The Government was pushing forward,

and the Bank team recognized the importance of providing timely support in key areas . There were weaknesses in M&E design (see Section 10a below).

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

**b. Quality of supervision:**

Supervision was challenging due to the size of the program, and the introduction of concepts that were new and unfamiliar to the authorities - decentralization with inclusiveness, accountability and transparency - and the short preparation period. The challenge was recognized: supervision was intense, and implementation was monitored closely. Co-task team leaders were appointed, one in the field, and a multi-disciplinary team undertook regular visits. This facilitated timely responses to issues and hands-on technical assistance. Supervision budgets were set accordingly and appear to have been adequate . Somewhat surprisingly, the team lacked dedicated specialists in participatory Community Driven Development processes and income generating projects. However, the Task Team Leader had extensive experience of community -level initiatives in rural projects with the Bank. These lacunae were also somewhat compensated for by three round table discussions and a study tour (to Brazil). The mid-term review identified major weaknesses that had appeared during implementation, leading to a revised and improved results framework and increased supervision of weakly performing areas. Weaknesses were found in the participatory process and the application of manuals; and in M&E. With regard to the latter, little seems to have been done to address the shortcomings .

**Quality of Supervision Rating :** Moderately Satisfactory

**Overall Bank Performance Rating :** Moderately Satisfactory

**9. Assessment of Borrower Performance:**

**a. Government Performance:**

There was strong government ownership . According to the ICR (page 22), The Authorities set up two top-level oversight and accountability committees, both chaired by the Prime Minister, to oversee implementation. Significant government financial resources (over US\$1.5 billion over five years in 22,000 sub-projects for over five million beneficiaries ) were invested. In less than one year, an institutional structure had been established, empowering communities and non -government stakeholders in 12 regional, 70 provincial, and 667 local committees. Support for implementation was consistent throughout the project period.

However, there were some moderate shortcomings . Performance appears to have been less satisfactory with regard to M&E, information flows and the establishment of grievance mechanisms . More generally, it is not yet altogether clear how well the new concepts that were being introduced under the INDH and the Bank program are being institutionalized .

**Government Performance Rating** Moderately Satisfactory

**b. Implementing Agency Performance:**

The main implementing agency was the INDH National Coordinating Unit, set up as the national coordination unit for implementing the INDH. It did not have decision-making authority. As a new agency, it lacked experience in most areas of responsibility, but made up for that in professionalism, commitment to maintaining its fiduciary and safeguard obligations, and by seeking Bank guidance on selected issues . Other implementation agencies also were learning and building capacity as time passed . They included *governance bodies*, a combination of elected leaders, officials and civil society that was an innovative feature for channeling participatory initiatives; and *social mobilization teams* that supported the participatory process. Considering the circumstances - a learning process for all and no major breakdowns along the way - the implementing agency performance is rated moderately satisfactory .

**Implementing Agency Performance Rating :** Moderately Satisfactory

**Overall Borrower Performance Rating :** Moderately Satisfactory



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

### a. M&E Design:

M&E design included a data base on financing, spending, activities, beneficiaries, key outcome indicators, etc; household surveys of target groups (women, youth, etc.); participatory monitoring and evaluation; assessments of sub-project outcomes; and general and comparative studies as well as thematic evaluations . There was, however, no indicator for benefits e.g. increase in incomes; nor for efficiency e.g. cost of infrastructure, quality of infrastructure. Additionally, there was no monitoring of the efficiency of infrastructure implementation . There was no mechanism for beneficiaries to report systematically on implementation, usage and satisfaction . Inclusiveness in decision-making and implementation processes at the local level could have been better monitored.

### b. M&E Implementation:

Monitoring and evaluation during implementation was adversely affected by the absence of the indicators mentioned in the section on M&E Design above . Reporting on implementation started only in 2008 (about 2 years into the project), but then did allow performance monitoring and progress reports to be issued . Participatory M&E, aimed at improving project selection, design and implementation, had not become available by the time of the ICR. A number of qualitative surveys and impact evaluations were commissioned in 2009 and 2011 but have not yet become available, beyond the provision of summary results .

### c. M&E Utilization:

The progress reports have provided useful information on implementation and outputs, but they have been less informative about providing information on outcomes, and there has been little critical evaluation . M&E data have been used sparingly to inform decision-making and allocation of resources; and information flows have generally been upward with little feedback. Mainly, reporting seems to have been focused on donor requirements and general government oversight, rather than on program management .

**M&E Quality Rating :** Modest

## 11. Other Issues

### a. Safeguards:

Environment. The project was categorized "B" under OP 4.01 Environmental Assessment. An environmental management plan was undertaken and incorporated into sub-project manuals, albeit without the necessary awareness raising. The Bank addressed the issue during supervision, and environmental screening began in 2008, including for earlier projects. The Bank's safeguard team considers that subprojects as well as the overall project has been compliant.

Resettlement. The Involuntary Resettlement safeguard (OP 4.12) was invoked at appraisal and a policy framework using simple screening criteria was prepared during project preparation . Capacity-building and monitoring was included in the project. Resettlement screening was only belatedly introduced, and training and information campaigns on the subject were launched only in 2008. At project completion, local awareness had been raised, and the Bank safeguard team determined that the project was compliant with the Bank 's resettlement requirements.

### b. Fiduciary Compliance:

Financial management. At appraisal, the complex institutional arrangements inherent in a program -based approach were seen as presenting a high risk of delays during implementation . However, this risk did not materialize, as precautions were taken that proved sufficient : a simple manual combined with capacity building, a monitoring and reporting system, and ex-post controls and external audit requirements . A fiduciary innovation team was to track progress and react to emerging problems . Consequently, financial management



implementation was assessed by the ICR to be "largely satisfactory." According to the ICR, page 12: "No corruption issues were reported, an outcome to which the transparency and civil society participation involved in the project certainly contributed. Overall, the judgment of the Bank's fiduciary team is that audit reports were candid and revealed no major issues and that, despite delays, financial management, reporting and auditing were overall satisfactory."

Procurement. Procurement capacity was assessed as generally adequate, and the risk at appraisal was assessed as "average". The overall judgment of implementation by the Bank's fiduciary team was that the main principles of procurement had been observed and that procurement performance was "generally satisfactory." According to the ICR, page 11: "The overall judgment of the Bank's fiduciary team is that these weaknesses and deviations from procedures did not greatly affect the efficiency of implementation and that the main principles in procurement (transparency, efficiency, probity) were observed and that for these reasons, procurement performance can be judged generally satisfactory."

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

None

**d. Other:**

None known

<b>12. Ratings:</b>	<b>ICR</b>	<b>IEG Review</b>	<b>Reason for Disagreement / Comments</b>
<b>Outcome:</b>	Moderately Satisfactory	Moderately Satisfactory	
<b>Risk to Development Outcome:</b>	Moderate	Significant	There is a risk of reversals on inclusiveness, accountability and transparency, and of elite capture (see Section 7 above).
<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:**

The ICR offers the following lessons (with some aggregation and adjustment of language):

1. Social mobilization teams acting as animators and facilitators can play an important role in ensuring diversity in participation and in particular in drawing in poor members of the community into the decision-making process.
2. A poorly thought-out results framework, that does not draw clear links between inputs, outputs and outcomes, can critically influence the design of the M&E system in essential areas .
3. Supporting grass-roots associations (often focal points for the poor) by strengthening their mandate and ensuring that they are representative of local communities can affect community ownership of projects and their sustainability.

**14. Assessment Recommended?**  Yes  No

**Why?** To verify the ratings and document lessons .

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

The ICR provides a good analysis of the project, and the assessment is frank . To overcome design weaknesses at appraisal, the ICR team built a results framework that links outcomes to objectives . The discussion of outcomes is good, as is the discussion analyzing monitoring and evaluation . In the absence of any quantitative efficiency analysis on the part of the implementing team, the ICR undertook an economic analysis of a small selection of project infrastructure investments, although gaps in evidence on efficiency still remained .

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