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|---|------------------------------|---------------------------------|---------------|
| 1. Project Data: | | Date Posted : 07/22/2002 | |
| PROJ ID: P034106 | | Appraisal | Actual |
| Project Name: Infracst & Pilot Dec. | Project Costs (US\$M) | 24 | 52.4 |
| Country: Mauritania | Loan/Credit (US\$M) | 14 | 11.8 |
| Sector(s): Board: UD - Primary education (20%), Sub-national government administration (20%), Health (20%), Other industry (20%), Roads and highways (20%) | Cofinancing (US\$M) | 6.4 | 40.0 |
| L/C Number: C2835; CP964 | | | |
| | Board Approval (FY) | | 96 |
| Partners involved : CIDA, KfW, AMEXTIPE | Closing Date | 12/31/2000 | 12/31/2001 |
| Prepared by : | Reviewed by : | Group Manager : | Group: |
| Roy Gilbert | Ronald S. Parker | Alain A. Barbu | OEDST |
| 2. Project Objectives and Components | | | |
| a. Objectives | | | |
| a) Reduce poverty by improving access to basic urban infrastructure; b) develop the local private sector by improving competitiveness of construction and consulting firms; c) support the initial pilot phase of decentralization so that local governments can better plan and manage urban infrastructure assets and services and improve resource mobilization; d) improve public sector management by using transparent procedures and delegation of authority. | | | |
| b. Components | | | |
| a) Rehabilitation or construction of urban infrastructure and community facilities (poverty-oriented, labor-intensive works in participating cities) (US\$20.5m.) b) Capacity building for pilot decentralization (US\$3.5m.) | | | |
| c. Comments on Project Cost, Financing and Dates | | | |
| The ICR report of final project costs of US\$ 52.4 m. (more than twice the appraisal estimate of US\$ 24.0 m.) is due to US\$35.0m. of "other co- or parallel financing" not foreseen on this scale at appraisal, nor adequately explained by the ICR. The IDA credit was 84% disbursed. The shortfall was due, no doubt, to the alternative sources of funding and a devaluation of the local currency during project implementation . The project closed on 12/31/2001, one year behind schedule. | | | |
| 3. Achievement of Relevant Objectives: | | | |
| a) Improved access of the poor to basic infrastructure was achieved through 144 sub-projects fully executed in low-income areas of the 13 participating cities. | | | |
| b) Private sector development was enhanced through a three -fold increase in the number of construction and consulting firms registered with the AMEXTIPE, the para-statal project executing agency, but only one-third are active bidders. These firms still lack professionalism through low skill levels, poor quality control and very weak financial standing. | | | |
| c) In support of decentralization, the project introduced a number of key instruments to local elected officials and municipal staff, including urban plans, inventories of assets, and priority investment plans . (This was a particularly noteworthy result in view of this project being only a <i>pilot</i> effort in support of decentralization). | | | |
| d) Improved public management was achieved through the transparent workings of AMEXTIPE, that inspired the confidence of firms and cities that worked with it . Particularly important was the promptness of payments to service providers. | | | |
| 4. Significant Outcomes/Impacts: | | | |
| <ul style="list-style-type: none"> • The project created 46,281 person-months of temporary employment, twice the amount intended . • Introduction of annual audits and city performance contracts to establish benchmarks for municipal performance and to initiate monitoring and evaluation . | | | |

- There was wide acceptance by municipalities of the city planning tools introduced by the project (details: 3c above).
- Through the consolidation of the Regional Development Fund (FDU) by the project, financial transfers to formerly cash starved municipalities have increased by more than one third

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Continued weakness of private sector construction companies and consulting firms in Mauritania .
- Implementation of institutional components that depended upon foreign consultants was slowed down by the delays in payments owing to cumbersome foreign exchange procedures .
- Lack of clear responsibility in land allocation made it difficult to mobilize project sites, resulting in delays in works execution.
- A crisis within AMEXTIPE over its organization and staff remuneration led to the resignation of most project managers, resulting in inadequate sub-project supervision and control and delays in launching new ones near the project's midterm.

| 6. Ratings : | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|--------------|--------------|-----------------------------------|
| Outcome : | Satisfactory | Satisfactory | |
| Institutional Dev .: | Substantial | Substantial | |
| Sustainability : | Likely | Likely | |
| Bank Performance : | Satisfactory | Satisfactory | |
| Borrower Perf .: | Satisfactory | Satisfactory | |
| Quality of ICR : | | Satisfactory | |

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- The delegation of contract management and reliance upon private consultants can be powerful and successful means of leveraging otherwise limited municipal capabilities .
- Both municipalities and the relevant central government department must have minimum core in-house capacity to use a project's management tools effectively .
- Enhancing the competitiveness of local construction and consultant firms requires a long-term sustained effort that goes well beyond the scope of the project .
- Even when responsibilities are delegated to an AGETIP-type agency, government involvement in institution and capacity building is essential for reform to succeed .
- More attention needs to be paid to the selection and definition of performance indicators and target to ensure that they truly measure the results of a project .

8. Assessment Recommended? Yes No

Why? This would be OED's first field assessment of an urban project in Mauritania, and the first for any sector for more than six years. A field assessment could extract a series of lessons from this successful experience, useful for the urban sector in general and for OED's own work in the Sahel in particular .

9. Comments on Quality of ICR:

While the ICR provides an informative and well-documented account of the project experience, its assessment of the results obtained would have been more thorough had the ICR included an ex post ERR estimate, a borrower ICR and complete cost tables (data on procurement and the project financing plan is absent; the ICR's cost table includes an unexpected US\$35 million entry, the single largest, without a satisfactory explanation)