



1. Project Data

Project ID P131228	Project Name DABS Planning And Capacity Support	
Country Afghanistan	Practice Area(Lead) Energy & Extractives	
L/C/TF Number(s) TF-A2026	Closing Date (Original) 31-Jul-2020	Total Project Cost (USD) 4,408,774.45
Bank Approval Date 10-Feb-2016	Closing Date (Actual) 31-Jul-2020	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	6,000,000.00	6,000,000.00
Revised Commitment	4,408,774.45	4,408,774.45
Actual	4,408,774.45	4,408,774.45

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PAD, page 13) as stated in the Grant Agreement (Schedule 1, page 4) and in the Project Appraisal Document (PAD, page 13) was:



" To improve Da Afghanistan Breshna Sherkat (DABS) capacity in distribution, investment planning, implementation, operation and maintenance ".

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

No

c. Will a split evaluation be undertaken?

No

d. Components

There were two components (PAD, pages 14 - 15).

1. DABS staff capacity building. The estimated cost at appraisal was US\$2.95 million. According to the information provided by the team, the actual cost was US\$2.39 million.

This component aimed to strengthen Da Afghanistan Breshna Sherkat (DABS)'s institutional capacity to plan and implement investments in distribution systems, and to operate and maintain the investments. Activities in this component: (i) developing a core training curriculum and general and task-specific training to managers and staff: (ii) general and task-specific training to managers and staff on distribution operation planning and implementation: (iii) integrating the Afghanistan Energy Information Center into the asset management department of DABS: and (iv) empowering women participation in the sector.

2. Training center development. The estimated cost at appraisal was US\$3.05 million. According to the information provided by the team, the actual cost was US\$2.05 million.

This component aimed at establishing a training center for DABS. Activities in this component: (i) design, construction and furnishing of the center: and (ii) purchasing office equipment for the center.

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

Project cost. The estimated project cost at appraisal was US\$6.00 million. The actual cost was US\$4.40 million.

Project financing. The project was financed by the Afghanistan Grant Trust Fund (ARTF) of US\$6.00 million. The amount disbursed was US\$4.40 million. US\$ 1.00 million of the Grant that was unlikely to be used before closure was reallocated towards the World Bank COVID-19 response activities in Afghanistan.

There was parallel financing for supporting infrastructure investments for DABS from the Asian Development Bank (ADB). capacity building of the DABS commercial department from the United States Department Agency for International Development (USAID), and capacity building of DABS for operation



and maintenance of KfW-funded hydropower projects from the German development finance institution, Kreditanstalt für Wiederaufbau (KfW).

Recipient contribution. Recipient contribution was not planned at appraisal. There was no recipient contribution during implementation.

Dates. The project approved on February 10, 2016, became effective on March 7, 2016, and closed as scheduled on July 31, 2020.

Other changes. The ICR (page 9) notes that in the wake of the COVID-19 pandemic, US\$1.0 million of funds that was not likely to be used for this project, was reallocated towards the Bank's COVID response in Afghanistan. Some activities that were unlikely to be completed by the closing date (supply of training aid equipment and furniture for the center, and some training activities) were transferred to the ongoing Bank-financed Naghlu Hydropower Rehabilitation project.

3. Relevance of Objectives

Rationale

Country and sector context. Afghanistan is one of the least-developed countries in the world, and to date remains in a stage of fragility and conflict. As with other sectors in the country, the energy sector has been affected by the ongoing conflict, with the generation, transmission and distribution infrastructure being either damaged or otherwise left in disrepair. DABS - the state-owned power utility - lacked management capacity which contributed to poor customer service and billing and collection. Crucial to improving service delivery was to provide the energy sector professionals with knowledge to provide cost effective technically sound solutions.

Government strategy. The PDOs were well-aligned with the Government strategy, articulated in the Afghanistan National Development Strategy (ANDS) for 2008 - 2013. This strategy endorsed by the Bank and other donors, identified the energy sector as a top economic development priority, and singled out electricity as the "motor that powers Afghanistan's growth".

Bank strategy. The Systematic Country Diagnostic (SCD) for 2015-2016, prepared by the World Bank for Afghanistan, identified improving delivery of power services as one of the three priority areas. The PDOs are well-aligned with the Bank's most current County Partnership Framework (CPF) for 2017-2020. The second pillar of the CPF specifically highlighted the need for "increasing power generation capacity and access to electricity" for supporting inclusive growth (CPF pages 23 -24).

Prior Bank experience. The Bank has financed several power sector projects in Afghanistan in the past, including the Emergency Power Rehabilitation Project (EPRP), the Kabul-ayabak Mazar-e-sharif distribution project, and the Afghanistan Power System Development Project (APSDP). The Bank is also currently financing the ongoing Naghlu hydropower plant project and the Central Asia Electricity Transmission and Trade Project (CASA) between the Central Asian countries of Tajikistan and Kyrgyz Republic and Pakistan and Afghanistan. This project aimed to meet an important need of the sector by reinforcing DABS's capacity in planning and operations & maintenance of the distribution system.



Given that the PDO focused on meeting the needs identified during the gap assessment, and the PDO continues to be relevant to the current Bank strategy for Afghanistan, the relevance of the PDO is rated as Substantial.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve DABS capacity in distribution, investment planning, implementation, operation and maintenance .

Rationale

Theory of change. The causal links between project activities, outputs and outcomes were logical. Developing a training curriculum, training DABS staff and an internship scheme for women, were aimed at increasing DABS capacity in planning, implementing, operations and maintenance (O&M) of distribution operations. Establishing a training center was aimed at improving the quality and quantity of training from the new teaching tools. Preparation of electricity distribution investment projects by trainees led by recruited experts, was aimed at developing annual O&M plans incorporating new standards and procedures based on international best practices. Assuming that there is domestic capacity to build and equip the center, these activities were likely to aid in the long-term development outcome of strengthening DABS distribution capacity, and thereby improving service delivery of electricity services. The indicators for monitoring the efficacy of training were however inadequate, and the expectations from the project were quite modest.

Outputs (ICR, pages 27 -29).

The following activities were completed as targeted.

- The training curriculum for DABS staff was developed. New standards and procedures for planning and O&M were adopted.
- The training center was established with state-of-the-art equipment and software, with ample meeting and teaching spaces, a library, a laboratory and housing for staff brought in from other regions.
- 1,460 DABS staff were trained, exceeding the target of 965. 14% of the staff trained were women, exceeding the target of eight percent. The ICR (page 21) reports that was a discrepancy in the DABS report and the Implementation Status Results (ISR) report of June 22, 2020. While the DABS reported that 1,200 operational staff were trained, the ISR report suggested that over 1,400 staff were trained.
- Twelve internship opportunities were provided for female engineering students in DABS. The ICR (page 11) notes that of the twelve female interns, two were subsequently hired by DABS, and three others were recruited by Tetatech, a consulting firm in Kabul.



- Feasibility studies for three network expansion projects were produced by DABS staff under initial expert guidance. These projects are to be funded by international donors.
- The project supported technical assistance for completing a financial analysis of DABS, that identified several key issues that would need to be addressed to improve the operational sustainability of the utility. Resulting from this, DABS signed a partnership agreement with the Ministry of Finance (MoF) and had undertaken some 43 reforms (with two more yet to be completed), in the areas of tariff-setting mechanism reform, investment planning to address commercial and technical losses, and revenue and billing collection improvement strategies.
- Given the difficulties associated with training DABS staff outside of Kabul, the project used a "training of the trainers model", whereby the external consultant would provide specialized training to DABS staff who would then go to other regions to train local staff. Five trainers were trained.

Outcomes.

The outputs completed under this project were expected to: (i) increase the number of DABS staff with improved skills in investment planning, implementation, and O&M; and (ii) preparation of annual O&M plans for six major load centers using new standards and procedures based on good international practices adjusted for local conditions.

- 68% of the DABS operational staff were trained in the new training facility in the areas of investment planning, implementation and O&M, exceeding the target of 50%. There is a discrepancy in the ICR. While the ICR (page 10) mentions that 68% of the DABS operational staff were trained, the Results Matrix of the ICR (page 26) notes that 71% were trained.
- Six annual O&M plans for major load centers using new standards and procedures based on good international practice were completed as targeted.

While there is value in knowing the proportion of DABS staff that benefitted from capacity-building, a more appropriate indicator would have been to demonstrate whether the trained staff attained the requisite standards (such as through formal certification of the staff trained under the project). Although the bar was set quite low for this type of project, given the fragile conditions in the country context, efficacy of the PDO is assessed as substantial.

Rating
Substantial

OVERALL EFFICACY

Rationale

Overall efficacy was assessed as substantial, given that the outcomes were realized in a fragile economy. However, the results framework did not have any indicators for verifying whether the requisite standards for training were met either through formal certification requirements or at least through periodic surveys.



Overall Efficacy Rating

Substantial

5. Efficiency

Economic analysis. There was no traditional economic analysis conducted, as this was a technical assistance project (PAD, page 20). The PAD notes that there was anecdotal evidence that due to poor planning and inadequate maintenance, the distribution systems were breaking down before the end of their lifetime, and that the cost of not improving the capacity of DABS to better operate and maintain it was worth hundreds of millions of dollars, more than the amount of investment under this project.

Cost effectiveness considerations. About 1,200 DABS staff were trained under this project. The per capita cost of training them was low as compared to the cost of sending them abroad for training (assuming that the quality of in-house training was comparable to training abroad). The ICR (page 11) moreover notes that the information on the cost of in-house training vis-à-vis training abroad, was based on anecdotal evidence, as there was no comparative cost assessment. The training center was completed on schedule, and within the allotted budget. The center had a surface area of 5,600 m² (about 60,00 square feet), or roughly US\$535 per square meter. This compared favorably with the cost of US\$844 per square meter for apartments in Kabul. The ICR (page 11) notes that assessment of the cost effectiveness of the training center was difficult, given the limited data on construction costs in Afghanistan, and few examples of comparable facilities. The ICR notes that the project generated several outputs which should benefit the company and the country in terms of current and future cost savings. These outputs included: (i) feasibility studies for three network projects, all of which are to be funded by international donors; (ii) O&M plans for six major load centers; and (iii) a training program which would allow DABS in the future to train staff without the need for a detailed program design. As indicated in section 2e, about US\$1.0 of the grant for this project which was unlikely to be used within the scheduled closing date, was appropriately diverted for funding the Bank's response to the COVID-pandemic.

Administrative and Operational Issues. Despite initiation of early procurement activities, there were procurement delays for activities (such as the construction of the training center), which accounted for 70% of the earmarked funds for the entire project. This was primarily due to market conditions. Procurement notices had to be advertised three times due to the lack of market response to competitive selection. This issue was resolved through an exception to allow for a single-source procurement. The delays were exacerbated during implementation due to the restrictions put in place in the wake of the COVID-19 pandemic, over which the project had no control. Despite these delays, the training center and most of the technical assistance activities were completed within the originally scheduled closing date.

In sum, efficiency is rated as Substantial.

Efficiency Rating

Substantial



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

Relevance of the PDO to the Government and Bank strategy for Afghanistan is assessed as substantial. The planned activities were completed within the originally scheduled closing date. Efficiency is rated as substantial. Efficacy of the single PDO - "To improve DABS's capacity in distribution, investment planning, implementation, operation and maintenance " - is substantial, as the outcomes were mostly realized. However, the evidence provided in the ICR about whether the staff trained under this project had the requisite standards when the project closed is rather weak, and Monitoring and Evaluation was rated as modest. Given this important shortcoming, overall outcome is assessed as moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Institutional risk. The number of DABS staff trained under this project, who could go out outside Kabul into provinces would help in training other DABS staff in the provinces at lower cost (as opposed to training them abroad). More DABS staff could be trained on-site, with less of an impact on their daily routine through the new dedicated center established under the auspices of this project. These factors would help in improving DABS' operations and maintenance.

However, given that DABS strategy is to expand its service delivery means that capacity building of DABS still needs to continue. This suggests that donor support will still be required in the near future, to ensure that the training programs become mainstreamed in the company's own corporate resource planning, in order to reduce the reliance on donor funding. However, DABS capacity to absorb donor funds to procure services is still limited. The ICR (page 22) notes that at present capacity, DABS could only absorb a certain amount of funds per year. This suggests that DABS' efforts to improve service delivery across the country could be undermined due by the lack of procurement capacity in the country.



The sustainability of the outcomes of this project will depend on whether DABS continue to show the willingness, ability and resources to continue to use the training and tools provided under the auspices of this project. In light of the above, the institutional risk to development outcome is assessed as substantial.

Country risk. There is substantial risk to development, given the fragile conditions, and security considerations are still an issue in the country context.

8. Assessment of Bank Performance

a. Quality-at-Entry

The preparation of this project drew on the experiences from prior Bank-financed sector projects (The Emergency Power Rehabilitation Project (EPRP), the Kabul-ayabak Mazar-e-sharif distribution project, and the Afghanistan Power System Development Project (APSDP). Lessons incorporated at design, included: (i) a simple design and limiting areas of intervention to electricity distribution systems, given the capacity constraints in a post-conflict environment: (ii) initiating early procurement activities (as delayed disbursements due to procurement delays were a common challenge for many energy projects in Bank's portfolio): (iii) location of the core team in the field to ensure continuous implementation support: (iv) a longer time framework (five years) for a stand-alone capacity building project, given the country circumstances. (A buffer of 20% budget allocation was also factored in as contingency). The implementation arrangements at appraisal were appropriate. DABS was overall in charge of implementation. A Project Implementation Unit (PIU) was established in DABS with international consultants for day-to-day implementation of the project.

Several risks were identified at appraisal, including substantial political and governance risks, macroeconomic risks, sector strategies and policies and fiduciary risks, including procurement. Even with mitigation measures, overall project risk was rated as substantial at appraisal, primarily due to the security situation in Afghanistan, and the limited number of consultants and contractors willing to work in projects in sensitive areas (PAD, page 19). Appropriate arrangements were made at appraisal for safeguards and fiduciary compliance (discussed in section 10).

The rationale to create a dedicated stand-alone for a comparatively small capacity project aimed at filling in specific gaps in distribution planning and maintenance, rather than associating it with a larger investment project, was driven by the following reasons: (i) Given the difficult conditions in Afghanistan, it was felt important to have a dedicated Task Team Leader (TTL) and Program Manager of the Project Implementation Unit (PIU) to resolve issues (whereas in a larger project less attention might have been paid to the capacity-building component): and (iii) the project design was expected to have positive impacts on other projects in the portfolio as a whole, not only with capacity reinforcement issues, but also by strengthening the PIU's procurement experience which they could apply to future projects (ICR, page 20).

There were shortcomings in the results framework, with the indicators chosen not adequate for measuring project performance. There were shortcomings in M&E design (discussed in section 9).



Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

Formal supervision missions were held twice a year (ICR, page 16). These were supplemented by regular biweekly status meetings. This helped in staying on top of things during implementation. In addition, the DABS management supervised project implementation during a monthly meeting on the portfolio of Bank-supported projects, during energy sector coordination meetings with other donors, and monthly meeting with contractors. There was continuity of leadership, with one Task Team Leader (TTL) during the project lifetime, and little change in the project team (ICR, page 16). The core of the supervision team was either based on-site in Kabul or Dubai. The combination of these factors helped in maintaining regular in person discussions and resolving issues during implementation (such as addressing procurement delays through a single-source procurement). The Mid-Term Review (MTR) was held on schedule and the recommendations of the MTR helped in overcoming the snags to the procurement process. As indicated in section 2e, notes that in the wake of the COVID-19 pandemic, US\$1.0 million of funds that was not likely to be used for this project, was reallocated towards the Bank's COVID response in Afghanistan. The support provided by the team aided in safeguards and fiduciary compliance (discussed in sections 9 and 10).

The ICR provides no details on how progress was actually monitored during supervision, given the country's conflict status and serious security issues.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design was kept simple to reduce the administrative burden of the implementing agency, given their limited capacity. Of the two key outcome indicators, one indicator - the number of annual O&M plans for load centers prepared by the people trained in this project under the guidance of recruited specialists - was appropriate and easy to measure. However, the key outcome indicator associated with the number of people who were trained was inadequate to monitor the intended outcomes. A more appropriate indicator



would have been to demonstrate the extent to which the trained staff attained the requisite standards for performance (such as through a certification process).

Given the difficulty in training DABS staff outside of Kabul, the project design aimed at employing "training of the trainers" model, whereby external consultant would provide specialized training to DABS staff, who would then go to other regions to train staff. Given this, it would have been more appropriate to measure the impact of training provided to the DABS staff through certification of standards or at least monitored through periodic surveys.

b. M&E Implementation

DABS was in charge of collecting the data for monitoring performance. During implementation, there were some discrepancies in figures between the figures in the Implementation Status Results Reports (ISRs) and the Borrowers ICR. For instance, the Bank had been informed that 1,460 of DABS staff were trained. However when asked to evidence this figure, the value was initially scaled down to 900, and latter corrected to 1,200.

c. M&E Utilization

The M&E data was used for identifying progress issues and informing project management. The ICR (page 18) notes that the PIU provided regular progress reports to the Bank supervision team during implementation. These reports along with the anecdotal evidence obtained during interviews aided in keeping the project on track.

In sum, given the shortcomings in M&E design and M&E implementation, overall M&E is assessed as modest.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as a category B (partial assessment) project under the World Bank Safeguard policies: Two safeguard policies were triggered at appraisal: Environmental Assessment (OP/BP 4.01): and Involuntary Resettlement (OP/BP 4.12).



Environmental Safeguards. The PAD (paragraph 62) notes that the adverse environmental impacts of the project activities were expected to be limited, temporary and localized impacts (such as removal of waste discharge, dust and noise pollution and increased traffic during construction of the training center). . An Environmental and Social Management Framework (ESMF) was prepared and publicly-disclosed to address the environmental impacts at appraisal (PAD, paragraph 59).

There was compliance with environmental safeguards. The ICR (pages 18 -19) notes that a Grievance Redress Committee had been established, with brochures and posters prepared for awareness raising. The ICR notes that there were some issues with compliance with ESMP, but these were resolved during implementation. According to the information provided by the team, no major environmental issues were reported during the construction of the center.

Involuntary Resettlement. The PAD (paragraph 45) notes that land acquisition was not foreseen at appraisal, as the training center was to be constructed in an existing compound owned by DABS in the outskirts of Kabul. A Resettlement Policy Framework (RPF) was developed as part of the ESMF and publicly-disclosed at appraisal for project activities where it was not feasible to avoid land acquisition, asset loss or involuntary resettlement.

There was compliance with the safeguards on involuntary resettlement. According to the information provided by the team, there were no major social issues during the construction of the center.

b. Fiduciary Compliance

Financial management. A financial management assessment of DABS conducted at appraisal, concluded that the financial arrangements were adequate. While DABS had not implemented a Bank-funded project before, it had worked on an ADB-funded project with similar requirements and practices as under Bank-funded projects. With mitigation measures, financial risk was rated as moderate at appraisal (PAD, page 50).

The ICR (page 19) reports that there were no major financial management issues. However there were issues with regard to record management for contractual payments and cash payment, delays in clearing of travel advance provided to some trainees and delays with the internal audit of the project. According to the information provided by the team, there were no financial covenants. The team clarified that the last available financial audit was for 2018. The audit was qualified but with lesser observations than previous years. The team clarified that the audited reports for the remaining years are currently under preparation.

Procurement management. An assessment of the procurement capacity of DABS was conducted at appraisal. DABS staff did not have direct experience of managing large and complex projects and relied on donor-provided consultants to execute and supervise such projects. This project was to adopt the same approach of relying on donor-provided consultants for addressing procurement issues. (PAD, paragraph 56). A detailed procurement plan was prepared for the project as part of the procurement arrangement at appraisal (PAD, paragraph 55).



The ICR (page 19) notes that procurement was in compliance with Bank rules. As discussed in section 5, there were procurement delays due to the delays due to the lack of market response to competitive selection. This issue was resolved through adoption of a single-source selection method. The ICR notes that the contract management was implemented effectively (the reason why procurement was consistently rated as Satisfactory). This was however misleading, given that there were delays in procurement of training equipment which led to moderately unsatisfactory ratings for procurement until the final year of the project.

c. Unintended impacts (Positive or Negative)

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Overall outcome was moderately satisfactory , given some shortcomings in efficacy.
Bank Performance	Satisfactory	Moderately Satisfactory	There were shortcomings at Quality-at-Entry.
Quality of M&E	Substantial	Modest	There were shortcomings in M&E design and M&E implementation.
Quality of ICR	---	Modest	

12. Lessons

The ICR draws the following main lesson from the experience of implementing this project, with some adaptation of language.

1. Regular coordination between the Project Implementation Unit (PIU), upper management and the World Bank, allows for quicker solutions to problems. In this project, there were procurement issues with respect to the activity of constructing the training center. In order to deliver training in line with project objectives and DABS' strategic vision, the needed training equipment (similar to equipment used in the field), was very specific. The procurement notices were advertised three times, due to the lack of market response. Faced with this bottleneck, an exception was made following discussions between the PIU, upper management and the World Bank to adopt a single-source procurement method. The lesson from this project is that regular supervision meetings,



ideally with a strong in-field presence, can help in quickly identifying problem areas and coming up with solutions. This is especially important for projects in fragile environments.

The ICR review draws the following main lessons from this project.

1. Starting procurement planning and implementation activities early can help in reducing procurement delays. This is especially likely to be the case in fragile environments with supply shortages of qualified contractors.

2. In capacity building projects it is necessary to use appropriate outcome indicators. In this project, capacity building activities aimed at developing specific training courses and curricula. In projects of this nature, it would be useful to measure the efficacy of training, ideally through a formal certification of the people trained under the project.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR candidly discusses the issues associated with procurement delays due to the weak implementation capacity, although procurement was initiated well before the project became effective. Given the country conditions and that the project mainly had technical assistance components, the ICR does a reasonably good job of discussing cost-effectiveness considerations. The theory of change provided in the ICR presents a good picture of the links between project activities, outputs and outcomes and explicitly states the assumptions under which the intended outcomes are likely to be realized.

However there are several shortcomings. The figures for the actual cost of project components provided in Annex three are inaccurate, based on the information provided subsequently by the team. The ICR (page 19) states that there were no major financial issues during implementation. The information provided by the team states that the financial audits during implementation were qualified. There are several discrepancies in the text. For one, there is discrepancy in the ICR on the figures provided in the ICR and in the Data sheet on project costs. For another, there is a discrepancy in the text and in the Results Matrix (Annex one) on the number of operations staff of DABS trained under this project. The ICR's approach to measuring efficacy has some inadequacies, especially in the context of monitoring outcomes. The ICR provides little information on how the project activities were monitored, in light of security considerations in the country context.

a. Quality of ICR Rating Modest

