AFRICAN DEVELOPMENT BANK GROUP

NIGER

SECONDARY ROADS PROJECT

Intermediate Project Performance Evaluation Report (PPER)

OPERATIONS EVALUATION DEPARTMENT
(OPEV)

15 February 1999

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EQUIVALENTS, ACRONYMS AND ABBREVIATIONS

CURRENCY EQUIVALENTS

Currency unit	:	CFA Franc
Appraisal Phase 1 (1st quarter 1983)	:	UA 1 = FCFA 371.530
Appraisal Phase 2 (2nd quarter 1986)	:	UA 1 = FCFA 406.988
PCR (June 1996)	:	UA 1 = FCFA 749.174
PPAR (February 1998)	:	UA 1 = FCFA 810.689
FUA 1	:	UA 0.921052

WEIGHTS AND MEASURES

1 tonne (t.)	=	2,205 pounds (lb.)
1 kilogramme (kg)	=	2.205 pounds (lb.)
1 kilometre (km)	=	0.612 mile
1 metre (m)	=	3.29 feet (ft)
1 square kilometre (km^2)	=	0.3861 sq. mile
1 hectare (ha)	=	2.471 acres

FINANCIAL YEAR

1 January to 31 December

ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
AN	:	Authorities of Niger
BDR	:	Banque de données routières (Road data bank)
BGR	:	Bureau de la gestion routière (Road Management Agency)
DMTP	:	Direction du matériel des travaux publics (Directorate of Public Works Equipment)
DTP	:	Direction des travaux publics (Directorate of Public Works)
EU	:	European Union
FAC	:	Fonds d'aide et de coopération
FER	:	Fonds d'entretien routier (Road Maintenance Fund)
GDP	:	Gross Domestic Product
GN	:	Government of Niger
MTP	:	Ministry of Works
NA	:	Not applicable
NI	:	Not implemented
NS	:	Not stated
OPE	:	Agency for the implementation of UNDP projects
PK	:	Point kilométrique (kilometre point)
PPAR	:	Project Performance Audit Report
RCR	:	Project Completion Report
UA	:	Unit of account
UAM	:	Million units of account
UNDP	:	United Nations Development Programme
VOC	:	Vehicle Operating Cost
WB or BIRD	:	World Bank
UNSO	:	UN Sahel Organization

PREFACE

1. This report is the intermediate performance evaluation report (PPER) on the secondary roads project in Niger, implemented in two successive phases, each of which received a separate Bank loan. The UA 2.3 million ADF loan for financing the first phase was approved on 25 August 1983 and became effective 17 months later on 3 July 1985. The UA 4.6 million ADF loan to finance the second phase was approved on 18 June 1986 and became effective within the projected timeframe on 25 June 1987.

2. The secondary roads project falls within the framework of a sectoral policy aimed at providing an optimum and secure road network and facilitating local, sub-regional and international trade. It seeks to open up four rural areas in Tillaberi and Maradi provinces in order to: (i) ease the supply of essential items to them; (ii) develop local markets, therefore agro-pastoral production in the project's impact area; and (iii) reduce transport cost in the said area. The project involved the construction of nine earth road trunks of 607 km during the project's two phases.

3. The project sought to enhance the low force account works implementation capacity through the formation, training and equipping of two works brigades supervised by technical assistance staff recruited by UNSO-OPE. Under the first phase, the following roads were constructed by the first brigade (component financed by the Bank and the Norwegian Fund): Tillaberi-Ouallam, Tizegourou-Bani Bangou and Bani Bangou-Anderamboukane. The second phase concerned the Mayahi-Kornaka and Kornaka-Dakoro roads - 322 km of two lane earth roads.

4. The project was completed in December 1989, six months earlier than initially scheduled, notwithstanding the fact that works on the first phase were completed six months later than scheduled. The UA 765 000 balance (16.6% of the loan) disbursed under the loan for the second phase was used in the course of portfolio restructuring. Although project objectives were attained and the quality of works satisfactory, the results have been mitigated owing to inadequate routine and scheduled road maintenance, seriously jeopardizing the sustainability of project impact.

5. Since the PCR (ref. ADF/BD/IF/98/97) did not sufficiently develop the analysis and trend of the institutional capacity of Niger's Road Authority, it was recommended that a project performance audit be undertaken to focus on the aspects mentioned, especially on the road maintenance situation in Niger which is the key factor for sustaining not only the project impact but the road stock as a whole.

6. This intermediate performance evaluation report was prepared on the basis of the outcome of the performance audit mission undertaken in April 1998, project appraisal and completion reports and data on the project available at the Bank. It evaluates the project particularly in terms of the attainment of objectives, operational and institutional performance and sustainability of project impact. It draws lessons and conclusions and makes recommendations to the Borrower and the Bank Group. The evaluation consists in comparing the means put in place during the project implementation and its results, vis-à-vis those set at appraisal.

7. The PPER was forwarded to the executing agency and the Bank's operational and technical departments; relevant comments from them were taken into account.

PROJECT DATA BASE

A – Preliminary Data

1.	Country	:	Niger
2.	Project	:	Secondary Roads, Phases I and II
3.	Loan number	:	CS/N/TR/84/7 CS/N/TR/86/10
4.	Borrower	:	Government of the Republic of Niger
5.	Beneficiary	:	Ministry of Works (MTP)
6.	Executing Agency	:	Directorate of Works in the Ministry of Works

B – Basic Data on the two Loans

			<----ESTIMATE ------>		<---- ACTUAL-------->	
			Phase 1	**Phase 2**	**Phase 1**	**Phase 2**
1.	Financing request	:	NA	NA	Sept 82	1986
2.	Loan amount (UA million)	:	NA	NA	2.302	4.605
3.	Interest rate	:	None		None	
	Service charge		0.75%		0.75%	
4.	Loan duration	:	50 years		50 years	
5.	Grace period	:	10 years		10 years	
6.	Terms of reimbursement	:	1% of the principal yearly from the eleventh year to the twentieth year, and 3% yearly thereafter.			
7.	Loan approval dates	:	NS	NS	25/8/83	18/6/86
8.	Loan signature dates	:	NS	NS	31/01/84	30/01/87
9.	Dates of effectiveness	:	30/12/84	31/12/87	03/7/85	25/6/87

C – Project Basic Data

			<------ APPRAISAL ----->			<----- ACTUAL ------>		
			FE	LC	Total	FE	LC	Total
1.	Project Cost	**Phase 1**	2.24	2.89	5.13	2.49	2.49	4.88
		Phase 2	3.61	3.81	7.42	3.43	3.92	7.35
		Total	5.85	6.70	12.55	5.92	6.41	12.23
2.	Financing Plan							
	Phase 1	ADF	0.75	1.55	2.30	0.91	1.39	2.30
		Norw. Gvt.	1.49	0.81	2.30	1.58	0.57	2.15
		Niger Gvt.	0	0.53	0.53	0	0.53	0.53
		Total	2.24	2.89	5.13	2.49	2.49	4.88
	Phase 2	ADF	1.63	2.97	4.60	1.45	3.08	4.53
		Norw. Gvt.	1.98	0.33	2.30	1.98	0.33	2.31
		Niger Gvt.	0	0.51	0.51	0	0.51	0.51
		Total	3.61	3.81	7.42	3.43	3.92	7.35

			<------ **Phase 1** ------->		<----- **Phase 2** ----->	
			Est.	Act.	Est.	Act.
3.	Project appraisal	:	NA	April 83	NA	Jan. 86
4.	Deadline of first disbursement	:	31/12/84	26/7/85	31/12/87	19/01/88
5.	Deadline of last disbursement	:	31/12/86	24/3/86	31/12/89	31/12/90
6.	Works start up dates	:	June 83	August 83	Jan. 87	Jan. 88
7.	Works completion dates	:	August 85	Dec.85	Feb. 89	Dec. 89

D – Performance Indicators

			Phase 1	Phase 2
1.	Project cost overrun	:	none	none
2.	Extension of duration of project implementation	:	+ 2 months	- 2 months
3.	Extension of effectiveness	:	11 months	none
4.	Delay in works start up	:	2 months	12 months
5.	Delay in works completion	:	4 months	10 months
6.	Extension of the disbursement deadline	:	0	0*
7.	Status of implementation	:	Completed	Completed
8.	Implementation performance	:	Satisfactory	
9	Bank performance	:	Not satisfactory	
10	Result	:	Satisfactory	

* The deadline for disbursement was extended on project completion to enable the balance to be used within the portfolio restructuring framework.

E – Missions for the Two Phases

N°	Type	Number of missions	Date	Number of persons	Man/weeks
1	Preparation	None	-	-	-
2	Appraisal	2	April 83 / Jan. 86	1	2
3	Supervision	2	NS	NA	NA
4	Completion	1	April 96	2	4
5	Evaluation	1	May 98	1	1

F - Loans Disbursements (in UA Million)

			Phase 1	Phase 2	Total
1.	Amount disbursed	:	2.3	3.8	6.10
2.	Amount cancelled, reallocated	:	none	0.765	0.765

3. Annual disbursements on loans (UA million)

	<--------- Phase 1---------->			<---------- Phase 2 ---------->				
	1984	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**Total**
Estimate	1.09	1.21	-	2.34	1.94	0.33	-	6.91
Actual	-	2.08	0.21	-	-	3.14	0.70	6.13

G - Consultant for Works Monitoring, Supervision and Contracting:

UNDP-OPE: Monitoring/follow-up

H - Other Projects in the Transport Sector Financed by the Bank Group in Niger

Project	Loan Approval	Loan Amount (UA million)	Current Status of		
			Project	PCR	PPAR
Zinder-Dogo Road Tarring	1976	ADF: 3.07	Completed 1982	NI	NI
Secondary Roads I	1983	ADF: 2.30	Completed 1986	1996	1998
Zinder-Agadez Road	1984	ADF: 9.21	Completed 1986	1988	1991
Secondary Roads II	1986	ADF: 4.60	Completed 1990	1996	1998
Zinder-Agadez Road II	1988	ADF: 7.46	Cancelled	NS	NS
Dori Tera-Niamey Road Study	1988	ADF: 1.10	Cancelled	NS	NS
Road maintenance	1989	ADF: 9.30	Ongoing	NS	NS

1. EVALUATION SUMMARY

1.1 Objectives and Scope

1.1.1 The secondary roads project the aim of which was to open up four rural areas in the Tillaberi and Maradi provinces fell within the purview of a sectoral policy with the objective of having an optimum and secure road network and facilitating local, sub-regional and international trade. It was planned that the project construct 306 km of priority secondary roads (6 trunks) in Phase I and 301 km in Phase II (3 trunks) with an economic return rate ranging from 13.1% to 37.8%, depending on the trunk. Both phases were scheduled to last 33 months. In the loan agreement, the MEI, through the Directorate of Public Works, was designated as the executing agency.

1.1.2 The project for whose financing the Bank approved two ADF loans of UA 2.3 million and UA 4.6 million in August 1983 and June 1986, respectively, was implemented in two successive phases, and was jointly funded by Norway, UNSO and UNCDF. This performance evaluation report covers the implementation and operation of the component jointly financed by the Bank, the Norwegian Fund and the Government of Niger, the cost of which was estimated at UA 12.55 million.

1.2 Implementation Performance

1.2.1 The UA 2.3 million ADF loan for financing the first phase of the project, approved on 25/8/83, only became effective 17 months later, six months beyond the projected deadline. The UA 4.6 million ADF loan for financing the second phase was approved on 18/6/86 and became effective on 25/6/87 within the projected timeframe. The project component jointly financed by the Norwegian Fund and the Bank was implemented with 2.5% savings over the total cost and a six-month advance over the initial schedule. The UA 765 000 loan balance (16.6% of the loan) covering the second phase was used during the portfolio restructuring.

1.2.2 The loss of project archives impacted negatively on the performance evaluation. The performance evaluation mission, similar to other missions before it (completion, internal audit) was unable to monitor and evaluate the project implementation conditions.

1.2.3 The Borrower's performance is not satisfactory. The agreement on the first loan entered into force considerably late and the resources needed for maintaining project roads were not put in place as required by one of the loan conditions. The lax management of the project by the Borrower is an obvious sign of lack of interest and commitment.

1.2.4 The executing agency, the MEI and the DTP performed unsatisfactorily. The *de facto* executing agency (UNDP/OPE) performed satisfactorily since works were adequately undertaken as per the characteristics set out during the appraisal. However, the performance was mitigated by the delay in implementing the first phase of the project, especially the lack of cooperation and involvement of the Borrower's managers in project implementation, the loss of project archives and failure to forward the documents lost to the project partners on project completion.

1.2.5 Despite its sound evaluation quality, the Bank is considered to have performed unsatisfactorily owing to inadequate supervision of the project implementation phase and loss of control over project management to UNSO and UNDP/OPE, both of which had free rein over that key activity.

1.3 Institutional Performance

1.3.1 Although the MEI is blessed with very competent national managers, they are not enough to fill all positions. MEI's institutional capacity at the policy, organizational and regulatory level is inadequate. In the absence of sufficient financial resources and a clearly defined road maintenance and rehabilitation policy and programming, the preservation of road infrastructure is not guaranteed.

1.3.2 For its part, the MTP approved a short-term action plan to: (i) decentralize construction and maintenance, and set up trust works supervision agencies; (ii) review bidding and contract award procedures; (iii) allocate resources needed for road maintenance and set up a road maintenance fund (RMF); and (iv) maintain the priority network.

1.3.3 The implementation of the Transport Infrastructure Rehabilitation Project (TIRP) financed by the World Bank should help to remedy these shortcomings and gradually overcome constraints, especially with the introduction from 1999 of the Road Maintenance Fund, the restructuring of the MEI and the DTP and the withdrawal of the MEI from all road maintenance works for the benefit of private firms.

1.4 Results and Performance

The project attained its objectives. The general performance, its results and its economic return are satisfactory. However, owing to lack routine and scheduled maintenance, the results have considerably deteriorated, and project sustainability is in jeopardy. Indeed, inadequate maintenance has caused deterioration in the traffic situation on certain project roads.

1.5 Project Impact

The project's socio-economic side benefits are considerable and confirm the project relevance and rationale. The opening up of the regions produced a spillover effect on socio-economic development by granting access to markets and improving evacuation of agro-pastoral products, supply to the population and access to health centres. The project roads helped to settle the population and reduce the risk of famine (rapid assistance in the event of drought).

1.6 Sustainability

The project's sustainability is compromised by the MEI's and DTP's low institutional capacity and lack of routine and scheduled maintenance attributable to inadequate financial resources.

1.7 Conclusion

Project objectives were attained and the quality of works was satisfactory. However, the results have been mitigated owing to inadequate routine and scheduled maintenance which have seriously jeopardized the sustainability of project impact.

1.8 Lessons

The audit drew the following lessons from the project experience:

a/ the technical competence of the executing agency and thorough project preparation contributed to satisfactory project implementation and attainment of objectives (§ 4.1.1-4.4);

b/ the combination of project implementation responsibilities between the UNDP/OPE and the DTP, lack of coordination and cooperation between the two agencies, adversely affected the transfer of know-how and preservation of the project archives (§ 4.1.7 - 4.1.8);

c/ the absence of Bank supervision was detrimental to the implementation performance quality, the preservation of project archives, effective follow-up of fulfillment of loan conditions, therefore the sustainability of project impact (§ 4.1.1- 5.1- 5.4);

d) the low Borrower institutional capacity and lack of routine and scheduled maintenance of the road network are detrimental to the sustainability of the project impact; (§ 4.2.4);

e) the absence of set accounting procedures and project document archiving adversely affected the quality of performance evaluation (§ 4.0 - 4.1.8).

1.9 Recommendations

In the light of the preceding and in addition to the general recommendations to strengthen normal project supervision and monitor the fulfillment of loan conditions, it is recommended that:

The Borrower and the Executing Agency (MEI/DTP):

a) ensure the actual implementation of reforms agreed to by the MEI and the World Bank as contained in the TRIP, especially with regard to:

. an effective road maintenance planning, programming and management system (routine and scheduled) for the network as a whole, and including a reliable road data bank fed from a road network reconnaissance and follow-up system;

. a sustainable road financing system;

. the restructuring of the MEI and the DTP;

. use of the private sector in routine scheduled maintenance work to substitute work on force account (§ 4.2.9);

b) ensure actual implementation of AUDT recommendations concerning the recuperation of project archives from the UNDP (§ 4.1.8);

To the Bank:

a) ensure that future operations are consistent with those of other donors (UE, AFD) and their inclusion within the restructuring and reform framework undertaken with the support of the World Bank within the TIRP context (§ 4.2.9);

b) ensure that new sectoral projects proposed for financing fall within the context of a concerted sectoral development plan and that the institutional development components and conditions are integrated thereto (§ 4.2.4 - 4.2.9);

c) ensure the systematic establishment of project management units and centralization of accounting and financial management within the project management unit (§ 5.1);

d) define, codify and put in place an effective information and archiving system within the Bank, and during project appraisal, ensure at the Borrower's level the existence or initiation of provisions for document and project account filing and archiving (§ 4.0 - 4.1.8);

e) strengthen supervision and follow-up of implementation of loan conditions and the Borrower's commitments, and if necessary, propose the application of relevant sanctions (§ 5.3).

1.10. Follow-up Actions

Items requiring follow-up action are given in detail in the matrix of actions in Annex 1.

II. BACKGROUND

2.1 Economic and Sectoral Background

2.1.1 Niger, a landlocked country whose closest access to the sea is 600 km away, is characterized at the socio-economic level by the lowest indicators[1] among Sahelian countries. Poverty affects 63% of the population; the population growth is very high (3.3% yearly) and the per capita GDP has declined by more than 50% since 1980 to stand at US $ 176.

2.1.2 Apart from the country being landlocked, the constraints facing the economy of Niger include the low natural resource base, the high cost of factors of production, inefficient public service, the country's dependence on the mining industry, especially uranium which is the main source of export receipts (70%). The economy of Niger is based on the primary sector (38% of the GDP) dominated by agriculture and livestock, and on the secondary sector (44% of the GDP) dominated by the informal sector. The secondary sector which accounts for 18% of the GDP mostly comprises the mining (6.9% of the GDP) and few manufacturing industries (6% of the GDP). The informal sector generally contributes nearly 70% of the GDP (building, transport, commerce, agriculture, cottage industry, etc.), while the transport sector which is a vital economic activity owing to the country's enclavement accounts for nearly 4.5%. Neighbouring Nigeria considerably influences Niger for reasons of traditional trade and cultural links between them.

2.1.3 The sharp fall in uranium prices in 1981 marked the start of financial imbalances and brought about economic recession. Although average annual economic growth rate between 1990 and 1995 was 0.5% in real terms, the per capita growth rate is negative (-2.8%), heavily weighed down by the high population growth rate. The CFA Franc devaluation in January 1994, the IMF standby agreement (March 1994) and the implementation of the emergency recovery programme in 1995, combined with very favourable climatic conditions in 1994, led to recovery in 1994 and 1995 (4% and 3%, respectively). Unfortunately, the country's political instability limited the impact of these measures.

2.1.4 The sector is under the supervision of the Ministry of Infrastructure (MEI), with the Directorate of Public Works (DTP) with nearly 1 400 staff charged with road maintenance management. The interurban network comprises 14 000 km, of which 3 500 km tarred and 840 km of urban network, one quarter of which is tarred.

2.2 Background of Operations

2.2.1 Since 1970, Niger has benefited from 27 operations for 24 projects and 3 studies, representing a total commitment of UA 151.20 million. Bank operations in Niger went into the agricultural (36.3%), public utilities (22.1%), transport (26.5%), human resource development (12.8%), industry and banking sectors (2.3%). In the road sector, six projects were financed for a total UA 35.18 million from ADF resources. One of the projects is still in the implementation phase, while the Zinder-Agadez project was cancelled following persisting insecurity in the project area.

2.2.2 The constraints and hindrance factors to project implementation highlighted in 1996 during the review of the Bank's portfolio in Niger (see CSP with reference ADF/BD/WP/96/99), included: (i) bureaucracy in the preparation of loan effectiveness documents; (ii) the low capacity of existing

[1] *The general literacy rate is 14% compared with the 54% African average, and 9% for women. The primary enrolement rate stands at 30%, while the infant/child mortality rate is 320 per thousand. Life expectancy is 47. These indicators may be contrasted with the continental average of 67%,, 172 per thosand and 52 years, respectively.*

structures and their lack of coordination; (iii) inadequate understanding of Bank rules and procedures; (iv) the delay in releasing Government counterpart contribution for project financing; and (v) the frequency and persistence of sanctions following the accumulation of loan arrears. Persisting armed conflict and political tension delayed or froze project implementation in general, and road projects in particular.

2.3 Formulation, Objectives and Scope at Appraisal

2.3.1 The secondary roads project in Niger which is the subject of this intermediate performance audit report (PPAR) is an integral part of the Priority Secondary Road Construction, Improvement and Maintenance Programme, identified and prepared by the United Nations Sudano-Sahelian Office (UNSO), within the framework of a general programme to control desertification and the impact of drought. The formulation stages are well developed in Chapter 3 of the PCR.

2.3.2 The project was implemented in two successive stages, each having received a separate ADF loan. The first phase of the project estimated to cost UA 5.13 million, was appraised in April 1983, and the corresponding loan of UA 2.302 million was approved on 25/8/83 and became effective on 3 July 1985 six months behind the initial schedule. The second phase for a total cost of UA 7.42 million was appraised in January 1986 and the corresponding loan of UA 4.6 million, approved on 18/6/86, became effective within the required deadline on 25 June 1987.

2.3.3 The secondary roads project falls within the framework of a sectoral policy for providing an optimum and secure road network, and aims at facilitating local, sub-regional and international commercial trade. Its objective is to open up four rural areas in Tillaberi and Maradi provinces in order to: (i) ease the supply of essential items to them; (ii) develop local markets, therefore agro-pastoral production in the project's impact area; (iii) reduce transport cost in the said areas. These objectives were in phase with the national priorities and regional concerns at the time, within a context of increasingly long drought periods, gradual soil destruction and the usual retinue of malnutrition and endemic famine.

2.3.4 The project consisted in the construction of six modern secondary earth road trunks over 306 km during the first phase, and three trunks of the same type over 301 km during the second phase. The project components included:

(i) Supply of equipment necessary for implementation of works on force account,

(ii) Constitution and operation of the two construction brigades,

(iii) Equipment review and transfer of a site to one of the brigades,

(iv) Technical assistance and road administration,

(v) Logistic support and staff.

The project should make up for the low force account works implementation capacity through the establishment, training and equipping of two works brigades supervised by UNSO-OPE recruited technical assistance staff. The roads built by the first brigade during the first phase included Tillabéri-Ouallam, Tizégourou-Bani Bangou and Bani Bangou-Anderamboukane roads, and during the second phase, the Mayahi-Kornaka and Kornaka-Dakoro, amounting to a total 322 km of two-lane earth roads.

2.3.5 The Logical Framework Approach (LFA) did not exist at the time the project was appraised. Hence, the objectives set at appraisal lacked precision and did not contain quantifiable indicators on the basis of which their implementation rate would be measured. The PCR reconstituted, a posteriori, the project matrix, but shortcomings persist and for that reason, the project performance suffered. The PPAR retrospective matrix shown in Annex 2 supplements the one contained in the PCR.

2.3.6 With Norway and the Government of Niger, the Bank financed the equipping, operation, redeployment, equipment rehabilitation, logistic support and staffing for Brigade I. The equipment, teams and technical assistance in connection with Brigade II was financed by UNSO, the United Nations Capital Development Fund (UNCDF) and the Government of Niger. The contribution of the Government of Niger covered logistic support and counterpart funding for local staff. The support was equivalent to UA 528 000 during the first phase and UA 512 000 during the second phase, i.e. 18.6% and 11.12% of the total cost of the component financed by the Bank in each of these phases.

2.4 Evaluation Methodology and Approach

2.4.1 Apart from the summary analysis of the trend in the institutional capacity of Niger's Road Authority and the sustainability of the project impact, OPEV considered as satisfactory the quality of the project completion report (ADB/BD/IF/98/97), and recommended an abbreviated project performance audit focusing on the aspects mentioned, particularly the status of road maintenance in Niger, which is a determining factor in sustaining the impact of the project and the road stock. Since the preparation of this report necessitated a mission to Niger, the audit was changed into an intermediate audit.

2.4.2 Niger's project performance audit on the Zinder-Agadez road completed in 1987 emphasized the need to have mechanisms and enough resources to follow-up, operate and appropriately maintain works. As in most other road projects audited, it was also noted that: (i) the sustainability of investments is seriously jeopardized by inadequate financial resources allocated to road maintenance; (ii) traffic growth assumptions were unrealistic and the actual traffic level, below projections, did not permit enough returns on the project; (iii) at appraisal, project studies were not exhaustive enough to allow for rapid modifications and other adaptations to possible changes in the political and economic situation.

2.4.3 This report which was prepared following an audit mission, draws information from project appraisal and completion reports and is based on: (i) information available in the Bank on the project dossiers; and (ii) documents, data and statistics collected during the mission. Project performance analysis was seriously hampered by the near absence of project archives both at the MEI and the Ministry of Finance and Planning following the transfer of its management to a UNDP agency, and the tendency by some DTP managers to retain information and their reticence to cooperate with the mission. The very active cooperation of the World Bank office in Niamey allowed for detailed conclusions to be drawn on the institutional status through the presentation of and discussions on the recently approved Transport Infrastructure Rehabilitation Project (TIRP).

III. PROJECT ACHIEVEMENTS

3.1 Entry Into Force, Respect of Conditions and Provisions of the Loan

3.1.1 Conditions precedent to the first disbursement were fulfilled six months later for the loan in connection with the first phase of the project, and before the deadline for the second phase. The audit cannot give any objective and satisfactory reason for the delay in entry into force of the loan for the first phase except lack of commitment of the authorities to the secondary roads construction programme.

3.1.2 Indeed, bureaucracy alone cannot explain the delay since four of the conditions precedent to entry into force only involved financial commitments (counterpart financing, financing of taxes, cost overruns and recurrent expenditure), easy to fulfill since they were the usual recurrent Bank loan conditions, often redundant with certain general conditions applicable to loan and guarantee agreements. The other two conditions concerned proof of financing other project components and supply of the list of goods and services. None of them should have posed any problems because the Bank's participation in the project, the detailed studies, the components and the project financing were well defined.

3.1.3 Quality quarterly progress reports were regularly forwarded to the Bank. The Borrower's PCR was not forwarded to the Bank, nor were the project accounts audited. Conformity with the Bank's rules and procedures for the procurement of goods and services during the implementation phase was not reviewed owing to absence of project archives (par. 3.3).

3.2 Project Conditions and Implementation Performance

3.2.1 According to the terms of the loan agreement, the project executing agency was the Ministry of Works, now Ministry of Infrastructure (MEI) through its Directorate of Public Works (DTP). However, the *de facto* executing agency was the UNDP/OPE or the project executing agency for UNDP projects. This situation is attributable to the fact that the project was a follow-up to an UNSO/UNCDF secondary roads construction and rehabilitation, the aim of which was to combat desertification and the impact of drought. Following the implementation of the first phase of its project, UNSO called on the donor community to undertake the second phase, to which the Bank and the Government of Norway responded favourably. UNSO remained the lead project manager and, apart form its UNDP/OPE executing agency, maintained practically the same procedures, resources and means it employed during the initial project.

3.2.2 Under Phases I and II, project implementation recorded 4 and 10 months of overrun, respectively, vis-à-vis the works completion date and despite the 2 month gain on works duration during Phase II. These delays were mostly caused by vagaries of the weather, diversion of project resources to other works, frequent equipment breakdown and shortage of adequate materials and water on certain isolated sites (RAP § 4.1.5 to 4.1.8). The lessons of the first phase of the project were put to good use during the second phase which caught up with two months of the twelve-month delay at the start-up stage caused by obsolete equipment.

3.2.3 The project was implemented in accordance with the norms, in line with characteristics set out at appraisal and without modification with regard to the components financed by the Bank and the Norwegian Fund, except for the suspension of works on the Kornaka-Mayahi trunk 7 km from Mayahi. The suspension was justified, given the sound state of the road trunk which only required spot improvement.

3.3 Project Sources of Finance, Disbursement and Costs

3.3.1 Phase I of the project was jointly financed by Norway (16.75%), UNSO and UNCDF (57.06%), the Government of Niger (9.4%), and in Phase II by Norway (19.1%), UNSO (38.4%) and the Government of Niger (4.3%). The sub-project to which Bank financing was directed was jointly financed by the Norwegian Fund which, by a tripartite agreement with the Government of Niger and the Bank, put at ADF disposal the equivalent of UA 2.3 million in the form of grant, for each of both phases. The final cost of the Bank project stood at UA 12.23 million, 2.5% below the cost estimated at appraisal. The UA 764 851 balance from the ADF loan for the second phase was reallocated during the 1996 country portfolio restructuring exercise.

		<------ ESTIMATES ------->			<-------- ACTUAL --------->		
		FE	LC	Total	FE	LC	Total
1.	Cost of sub-project	5.85	6.70	12.55	5.92	6.41	12.23
2.	Financing plan						
	ADF	2.38	4.52	6.90	2.36	4.47	6.83
	Norway	3.47	1.14	4.61	3.56	0.90	4.46
	GN	0	1.04	1.04	0	1.04	1.04
	Total	5.85	6.70	12.55	5.92	6.41	12.23

3.3.2 By memorandum of 13 April 1983, signed between the Government of Niger, the UNDP, UNSO and the Bank, provisions were made with regard to fund utilization that the Norwegian and ADF funds be used for:

- operation of the brigades: with a working capital provided by the ADF, managed by the Government and servicing two project working capitals, one at Niamey for local expenditure, the other at New York for foreign expenditure;

- equipment procurement: direct payment to suppliers by the UNDP/OPE, with the consent of the Government and the Bank.

3.3.3 Hence, UNSO prefinanced the project expenditure, and the cumulative working capital made it impossible to control utilization of the Bank's fund a priori. Administrative documents allowing only for monitoring of expenditures a posteriori was carried out by the Bank during reimbursement of expenditure statements presented by UNSO. According to current Niger officials, the UNDP/OPE should not have associated the Road Department in the project implementation. That explains why the MEI has no archives on the administrative, technical, accounts and financial management of the project, apart from a few fragmentary documents. Therefore, the project performance audit could not verify the goods and services procurement procedures, nor procedures for loan and counterpart contribution disbursements. No more than some cross-checking of the project's physical implementation was carried out using the few site reports still available at the MEI.

3.3.4 Owing to this vacuum in the project archives, the PCR preparation mission also recommended deferment of auditing of the project accounts. Moreover, for the same reason, the AUDT Department mission (see Report ADF/BD/IF/97/47) was unable to attain its 1996

objectives even after visiting the UNDP resident mission in Niamey where the project archives could not be found. In its aide-memoire on the mission, AUDT recommended that the authorities of Niger contact the UNDP management in New York to inquire into and recover the entire project archives and ledgers. The project performance audit mission noted that no progress whatsoever had been made in that regard.

IV. PERFORMANCE EVALUATION

The objective of opening up access to the project areas has been attained and positive impacts such as the settlement of the population and development of economic activities have begun. Generally, project achievements are satisfactory overall. Nevertheless, project returns are less than projected and not all conditions for sustaining project impact have been met.

4.1 Operating Performance

In view of the limited time, the dispersal and outback location of roads built under the project, only the Tillabery-Ouallam road received a reconnaissance visit from the audit mission. The general condition of the road is satisfactory; the state of the pavement is acceptable and confirmed by a quality rating of 11.8/20. Concerning the status of other roads, the audit drew its conclusions from the most recent information from the road data bank (banque de données routières, BDR). The status has hardly changed since the visit of the completion mission, except for roads in Maradi Region where deterioration is worsened by shortage of equipment in the region, thus aggravating maintenance constraints. The Bani Bangou–Anderamboukan road, the road base of which is still satisfactory, is silted up and some spots are cut off, making the road unusable during the rainy season. The Tizegourou-Bani Bangou road has several potholes and ruts, as well as a washed out section at PK 39. The Dakoro-Kornaka road receives a very average rating of 9.2/20. The Kornaka-Mayahi road is not mentioned in the BDR and for that reason is not subject to regular follow-up and counting. Managers responsible for follow-up at the central level are unaware of the road's current status.

4.2 Economic and Financial Performance

4.2.1 Economic return on investments, although satisfactory, is lower than projected since traffic growth on various road trunks was generally overestimated during project appraisal. It ranges from 11.2% to 30.1%, depending on the road trunk, compared with 15.6% to 37.8% estimated at appraisal.

4.2.2 The routine maintenance works undertaken on force account by the MEI departments are financed from the national budget, although the resources allocated are usually not sufficient. According to the World Bank, the budget (excluding salaries) needed to cover the routine maintenance of the priority network (7 500 km) and operations of the Directorate of Public Works should be in the region of FCFA 4 billion. For comparison, FCFA 3.1 billion was allocated under that chapter in 1997. The gap between needs and resources allocated to maintenance financing has worsened from year to year, culminating at 43% in 1995 and 1996. The following Table illustrates the deficit trend.

Table 4.1 – Trend of Routine Maintenance and Resource Needs

(in FCFA Billion)

Year	Needs	Allocation	Gap (%)
1975	NS	0.663	-
1982	NS	1.330	-
1991	3.0	2.8	7
1995	4.4	2.5	43
1997	4.2	3.1	26

Source: MEI

4.2.3 The resource needs for scheduled maintenance, equated with rehabilitation (hence an investment) and not a recurrent cost, are covered with external resources, although these are rare for now. Therefore, there is considerable fluctuation as shown in the following Table:

Table 4.2 – Financing Resources for Scheduled Maintenance

(in FCFA Billion)

1990	1991	1992	1993	1994	1995	1996
3.79	1.12	1.28	0.43	3.62	4.09	0.32

Source: MEI

4.2.4 Income generated through transport sector tax does not cover the maintenance cost mostly due to tax evasion attributable to smuggled fuel from Nigeria. Road toll income (FCFA 600 million in 1996) instituted in 1991 is irregular and lower than projected, and is not enough to cover the maintenance deficit budget even if the recovery were more effective. Table 4.3 below illustrates the maintenance resources and application.

Table 4.3 – Maintenance Cost and Fiscal Income (in FCFA)

	Passenger Transport		Goods Transportation		Total
	Private	Public	Trucks	Trailers	
Mainten. Cost	2,012	2,032	1,620	2,715	8,379
Fiscal income	2,256	1,377	367	615	4,615
Surplus/Fin. deficit	244	- 655	-1,253	-2,100	-3,764

Source: World Bank

4.3 Institutional and Social Performance

4.3.1 The constraints facing the road stock management include lack of financial resources, the weak institutional capacity of the Directorate of Public Works (DTP) which is responsible for road construction and maintenance within the MEI. Niger's worsening economic and financial situation from 1989 brought a sudden halt to the country's road network expansion and maintenance, hitherto one of the most efficient in sub-Saharan Africa. The deteriorating road network performance speeded up the disrepair of the network as a whole, especially the earth road network. Thus, 31% of the tarred network is in a poor or very poor state, and practically the wearing course of all earth roads, the average residual thickness of which is currently below 10 cm, needs to be refilled. A 7 656 km priority network (50% of the network) was defined and maintenance work is concentrated thereon.

4.3.2 The road maintenance and rehabilitation policy and its programming are not clearly defined, even though the Ministry has a road data bank set up within the framework of the 1993 project financed by the World Bank. However, this programming and management tool is not very efficient, and its data is not regularly updated. The related software and equipment have become obsolete.

4.3.3 The Transport Infrastructure Rehabilitation Project (TIRP) the financing (US $ 28 million) of which was recently approved by the World Bank and which concerns the rehabilitation and maintenance of earth roads (1060 km) and a pilot development of 105 km of rural roads, plans to gradually overcome these constraints especially by setting up the following institutional components:

- establishment from 1999 of a road maintenance fund;
- strengthening of the road management capacity by preparing a road works maintenance programme for 1999, defining a new rural road design and maintenance strategy, a road maintenance strategy and implementation of studies for the modernization of the BDR, restructuring of the DTP and establishment of a road fund;
- restructuring of the DTP;
- disengagement of the MEI from implementing all road maintenance works, for the benefit of private contracting firms;
- privatization of the Equipment Department and establishment of a public works equipment leasing company;
- change in the status of the Roads Laboratory from a department of the MEI to an autonomous body, and its restructuring.

4.3.4 The project's socio-economic side benefits discussed in paragraph 8.1 of the PCR are considerable and many, and confirm the relevance of objectives as well as the rationale and consistency of project design with the objectives. With access to the regions, the general living standard improved and produced a trickle down effect on socio-economic development by opening access to markets, improving evacuation of agro-pastoral production and supply of the population, as

well as access to health centres. The project roads permitted settlement of the population; it reduced the risk of famine and allowed for the rapid transport of assistance in the event of drought.

4.4 Impact on Women and the Environment

The project did not have any special impact on women apart from those of a socio-economic nature described in the PCR (paragraph 8.2). There was hardly any environmental impact since the layout changed little from the original roads. The few impacts attributable to material borrowing were corrected through subsequent soil rehabilitation (see PCR paragraph 8.3).

4.5 Performance of the Borrower, the Executing Agency and the Bank

4.5.1 The Borrower performed unsatisfactorily. The agreement on the first loan became effective considerably late and the resources for maintaining the project roads were often not put in place as required by one of the loan conditions. Moreover, conditions for follow-up and accounts auditing were not set out, nor were the project archives collected and preserved. The Borrower's lax management is an obvious sign of lack of interest and commitment.

4.5.2 The performance of the executing agency, the MEI and the DTP is not satisfactory and testifies to a total lack of interest and commitment to the project objectives. The performance of the *de facto* executing agency (UNDP/OPE) is satisfactory since the works were completed under good conditions and in accordance with characteristics outlined at appraisal. However, the performance of the executing agency is highly mitigated by the delay in the implementation of the first phase of the project, more especially its failure to cooperate and integrate the Borrower's managers into the implementation process, the loss of project archives and not forwarding same to the project partners on project completion.

4.5.3 The Bank, in giving a free hand to the UNSO and the UNDP/OPE, performed unsatisfactorily. Two supervision missions only visited the project throughout the implementation phase and no control or actual follow-up of loan conditions was noted. The AUDT mission was followed with no action to recover the project archives from the UNDP.

V. PROJECT SUSTAINABILITY

The institutional inadequacies noted at MEI level (study, planning and follow-up capacity, qualification and availability of human resources) and road maintenance constraints (budgetary restrictions, implementation capacity, force account effectiveness and small-scale private enterprises) are the risk factors facing the sustainability of the project impact. The implementation of the World Bank's TIRP project with the creation of a road maintenance fund and strengthening of the institutional capacity of the Roads Department are key factors for attenuating the risk.

VI. PERFORMANCE RATING AND RESULTS

The detailed project performance rating tables are given in Annex 3 of this report.

6.1 Implementation Performance

The implementation performance is satisfactory despite the delay in project implementation and entry into force of the first loan. The performance is attenuated by the loss of the project archives.

6.2 Bank's Performance

Notwithstanding the sound appraisal quality, the Bank's performance is considered unsatisfactory owing to inadequate supervision of project implementation and loss of control over project management.

6.3 Project Performance

The project objectives were met and the general objectives satisfactorily attained. However, lack of maintenance and the MEI's low institutional capacity have negatively affected the sustainability of the project impact.

VII. CONCLUSIONS AND LESSONS

7.1 Conclusions

General project performance with an average 2.25 rating is satisfactory. Sound project implementation assigned to an experienced agency outside the MEI is somewhat mitigated by the loss of project archives, Niger's Road Department's disqualification from managing the project's roads and the unsatisfactory performance in the transfer of know-how. The sustainability of project impact is subject to the Government's willingness to restructure the sector and put in place sufficient resources for road maintenance.

7.2 Lessons

The audit drew the following lessons from the project experience:

a/ the technical competence of the executing agency and thorough project preparation contributed to satisfactory project implementation and attainment of objectives (§ 4.1.1-4.4);

b/ the combination of project implementation responsibilities between the UNDP/OPE and the DTP, lack of coordination and cooperation between the two agencies, adversely affected the transfer of know-how and preservation of the project archives (§ 4.1.7 - 4.1.8);

c/ the absence of Bank supervision was detrimental to the implementation performance quality, the preservation of project archives, effective follow-up of fulfillment of loan conditions, therefore the sustainability of project impact (§ 4.1.1- 5.1- 5.4);

d) the low Borrower institutional capacity and lack of routine and scheduled maintenance of the road network are detrimental to the sustainability of the project impact; (§ 4.2.4);

e) the absence of set accounting procedures and project document archiving adversely affected the quality of performance evaluation (§ 4.0 - 4.1.8).

7.3 **Recommendations**

In the light of the preceding and in addition to the general recommendations to strengthen normal project supervision and monitor the fulfillment of loan conditions, it is recommended that:

The Borrower and the Executing Agency (MEI/DTP):

a) ensure the actual implementation of reforms agreed to by the MEI and the World Bank as contained in the TRIP, especially with regard to:

. an effective road maintenance planning, programming and management system (routine and scheduled) for the network as a whole, and including a reliable road data bank fed from a road network reconnaissance and follow-up system;

. a sustainable road financing system;

. the restructuring of the MEI and the DTP;

. use of the private sector in routine scheduled maintenance work to substitute work on force account (§ 4.2.9);

b) ensure actual implementation of AUDT recommendations concerning the recuperation of project archives from the UNDP (§ 4.1.8);

To the Bank:

a) ensure that future operations are consistent with those of other donors (UE, AFD) and their inclusion within the restructuring and reform framework undertaken with the support of the World Bank within the TIRP context (§ 4.2.9);

b) ensure that new sectoral projects proposed for financing fall within the context of a concerted sectoral development plan and that the institutional development components and conditions are integrated thereto (§ 4.2.4 - 4.2.9);

c) ensure the systematic establishment of project management units and centralization of accounting and financial management within the project management unit (§ 5.1);

d) define, codify and put in place an effective information and archiving system within the Bank, and during project appraisal, ensure at the Borrower's level the existence or initiation of provisions for document and project account filing and archiving (§ 4.0 - 4.1.8);

e) strengthen supervision and follow-up of implementation of loan conditions and the Borrower's commitments, and if necessary, propose the application of relevant sanctions (§ 5.3).

7.4 **Follow-up Actions**

Items requiring follow-up action are given in detail in the matrix of actions in Annex 1.

NIGER – PERFORMANCE EVALUATION REPORT **Annex 1**

SECONDARY ROADS PROJECT

MATRIX OF RECOMMENDATIONS AND FOLLOW-UP ACTIONS

Observations and Lessons	Recommendations	Follow-up Action	In Charge
Formulation			
1. The project was well prepared and benefited from UNSO's detailed studies.	1. The project preparation phase is indispensable and should secure the preparation of detailed studies.	1. Strengthen the strict application of operational directives for project preparation and appraisal.	1. OCOD OCDW
2. The combination of responsibility between the MEI and the UNDP/OPE sidelined the Borrower's services from implementing the project.	2. The Borrower's actual commitment should be an indispensable condition for sound project implementation.	2. Precisely define the project management agency and involve the Borrower in project management and attainment of project objectives.	2. OCDW
Implementation			
1. The project benefited from the experience and sound project management and implementation capacity of the UNDP/OPE.	1. During project appraisal, the management capacity of the executing agency should be assured.	1. Systematically set up project management units in charge of project technical, administrative, accounting and financial management.	1. OCDW Borrower
2. Lack of Bank supervision was detrimental to follow-up of fulfillment of loan conditions, therefore of implementation performance.	2. The Bank and the Borrower should see to the rapid and effective fulfillment of loan conditions and commitments.	2. Strengthen project supervision and follow-up of fulfillment of project commitments and conditions.	2. OCOD OCDW
Respect of Loan Provisions			
1. The Borrower did not fulfill its commitment to mobilize funds needed for road maintenance and the project accounts were not audited.	1.The Borrower should strictly respect loan commitments and conditions.	1. Initiate the definition of a schedule for putting in place and monitoring loan commitments and conditions, ensure they are respected and propose, if necessary, the application of relevant sanctions.	1. OCDW OCOD Borrower
Sustainability			
1. The sustainability of project impact is compromised by the absence of road network maintenance.	1. Project appraisal should ensure that an effective road maintenance system exists, backed by sustainable and sufficient financial resources.	1. & 2 Ensure that all new projects in the sector fall within the framework of reforms provided under the PRIT, especially: (i) restructuring of the MEI and the DTP; (ii) disengagement of the MEI from maintenance work for the benefit of the private sector; (iii) establishment of a road maintenance fund; and (iv) definition of a effective maintenance planning, programming and management system; in addition, ensure that the components and institutional development conditions are integrated into the system.	1. OCDW Borrower
2. The effectiveness of network maintenance management is limited by MTP's low institutional capacity.	2. The institutional capacity of the MEI should be strengthened and its operations refocused.		2. – ditto –
3. The spread of responsibility between the UNDP/OPE and the DTP, their lack of coordination and cooperation, were detrimental to knowledge transfer and conservation of the project's archives.	3. Supervision missions should see to the effective participation of the Borrower's departments in project management and implementation.	3. For the Borrower, set up or strengthen provisions in connection with the filing and archiving of project documents and accounts, and ensure the actual implementation of AUDT recommendations regarding the recuperation of the project archives from the UNDP.	3. OCDW

RETROSPECTIVE MATRIX

<table>
<tr><th>Narrative Description</th><th>Variable Indicators at Appraisal and Evaluation</th><th>Means of Verification</th><th>Assumptions/Risks</th></tr>
<tr>
<td><u>Sectoral Objective</u>

1. Have an optimum and secure road network, and

2. Facilitate internal, sub-regional and international trade.</td>
<td>
1. <u>Network Trend (km)</u> 1983 1986 1990 93 to 97
Network total, of which: 8,587 9,880 11,696 13,807
Tarred roads 3,058 3,161 3,304 3,735
Modern earth roads 2,985 2,441 2,701 2,860
2. <u>Agricultural Production in the Project Area (T)</u>
<table>
<tr><th></th><th colspan="2">1991</th><th colspan="2">1995</th></tr>
<tr><th></th><th><u>Tillabéri</u></th><th><u>Maradi</u></th><th><u>Tillabéry</u></th><th><u>Maradi</u></th></tr>
<tr><td>Millet</td><td>428,488</td><td>382,129</td><td>323,145</td><td>474,514</td></tr>
<tr><td>Sorghum</td><td>31,207</td><td>145,693</td><td>17,129</td><td>75,055</td></tr>
<tr><td>Niébé</td><td>81,645</td><td>58,502</td><td>18,695</td><td>41,312</td></tr>
</table>
</td>
<td>* Statistics and reports of Planning and the MEI.</td>
<td></td>
</tr>
<tr>
<td><u>Specific Project Objectives</u>

1. Open up four rural areas in the Tillaberi and Maradi provinces to:
. facilitate supply of essential items,
. develop local markets and agro-pastoral production in the area,
. reduce transport cost in the area.</td>
<td>
1. <u>Traffic Trend on the Project Roads</u> (ADR)
<table>
<tr><th></th><th><u>1983</u></th><th><u>1986</u></th><th><u>1989</u></th><th><u>1994</u></th><th><u>1996/7</u></th></tr>
<tr><td>Tillabéri-Ouallam</td><td>*</td><td>*</td><td>*</td><td>10</td><td>44</td></tr>
<tr><td>BB-Andéramboukan</td><td>*</td><td>2</td><td>5</td><td>*</td><td>*</td></tr>
<tr><td>Tizégourou-BB</td><td>3</td><td>8</td><td>20</td><td>2</td><td>*</td></tr>
<tr><td>Dakoro-Kornaka</td><td>55</td><td>63</td><td>*</td><td>137</td><td>145</td></tr>
<tr><td>Kornaka-Mayahi</td><td>27</td><td>31</td><td>*</td><td>*</td><td>*</td></tr>
</table>
*: not stated
2. <u>VOC</u> (FCFA/km) <u>No Project</u> <u>Post Project</u>
Average vehicles 240 185
3. <u>ERR</u> Appraisal PCR
1.Phase 1 roads 15.6 11.2
4. Mayahi-Kornaka 23.3 20.5
5. Kornaka-Dakoro 37.8 30.1
</td>
<td>* Road counting results and surveys, MTP studies

* User survey

* ADB appraisal</td>
<td>* Economic reforms are put in place, the country is no longer under sanctions.

* An infrastructure rehabilitation project is initiated and provides for the establishment of a road fund, a comprehensive restructuring of the MEI and the introduction of a new road maintenance strategy.</td>
</tr>
<tr>
<td><u>Achievements</u>: Five earth roads:
<u>Phase 1</u>:
Tillabéri-Ouallam
Tizégourou-Bani Bangou
Bani Bangou-Anderamboukane
<u>Phase 2</u>:
Mayahi-Kornaka
Kornaka-Dakoro</td>
<td>
Five modern earth roads, six metres shoulder to shoulder, are built:
<table>
<tr><th></th><th><u>Est.</u></th><th><u>Actual</u></th></tr>
<tr><td>1. Tillabéri Ouallam</td><td>71 km</td><td>71 km</td></tr>
<tr><td>2. Tizégourou-Bani Bangou</td><td>35 km</td><td>35 km</td></tr>
<tr><td>3. Bani Bangou-Anderamboukane</td><td>60 km</td><td>60 km</td></tr>
<tr><td>4. Mayahi-Kornaka</td><td>92 km</td><td>91 km</td></tr>
<tr><td>5. Kornaka-Dakoro</td><td>64 km</td><td>52 km</td></tr>
<tr><td>Total</td><td>322 km</td><td>309 km</td></tr>
</table>
</td>
<td>• Progress reports

* Bank completion report</td>
<td>* The project recorded a ten-month overrun.

* No road maintenance.

* The MEI is inefficient.</td>
</tr>
</table>

RETROSPECTIVE MATRIX

<table>
<tr>
<td>Activities

1. Procurement of goods and services

2. Road works

3. Works follow-up and supervision</td>
<td>
1. Cost of ADF/Norw. Sub-Projects (in FUA million)
<table>
<tr><th></th><th>Dev</th><th>Est.
Ml</th><th>Total</th><th>Actual</th></tr>
<tr><td>Equipment supplies</td><td>1.220</td><td>0.137</td><td>1.357</td><td>NS</td></tr>
<tr><td>Equipment rehab.</td><td>0.298</td><td>0.447</td><td>0.745</td><td>NS</td></tr>
<tr><td>Brigade operations</td><td>1.878</td><td>3.694</td><td>5.572</td><td>NS</td></tr>
<tr><td>Brigade redeployment</td><td>0.139</td><td>0.217</td><td>0.356</td><td>NS</td></tr>
<tr><td>Technical assistance</td><td>1.546</td><td>0.171</td><td>1.717</td><td>NS</td></tr>
<tr><td>Logistic support</td><td>0</td><td>1.322</td><td>1.322</td><td>NS</td></tr>
<tr><td>Total 1</td><td>5.081</td><td>5.988</td><td>11.069</td><td>NS</td></tr>
<tr><td>Misc. contingencies</td><td>1.271</td><td>1.482</td><td>2.753</td><td>NS</td></tr>
<tr><td>Total 2</td><td>6.352</td><td>7.470</td><td>13.822</td><td>13.28</td></tr>
</table>
2. Financing (in UA million)
<table>
<tr><th></th><th colspan="3"><----- Estimated -----></th><th colspan="3"><------ Actual --------></th></tr>
<tr><th></th><th>FE</th><th>LC</th><th>Total</th><th>FE</th><th>LC</th><th>Total</th></tr>
<tr><td></td><td colspan="6">Phase 1</td></tr>
<tr><td>ADF</td><td>0.75</td><td>1.55</td><td>2.30</td><td>0.91</td><td>1.39</td><td>2.30</td></tr>
<tr><td>Norw. Gov.</td><td>1.49</td><td>0.81</td><td>2.30</td><td>1.58</td><td>0.57</td><td>2.15</td></tr>
<tr><td>Niger Gov.</td><td>0</td><td>0.53</td><td>0.53</td><td>0</td><td>0.53</td><td>0.53</td></tr>
<tr><td>Total</td><td>2.24</td><td>2.89</td><td>5.13</td><td>2.49</td><td>2.49</td><td>4.88</td></tr>
<tr><td></td><td colspan="6">Phase 2</td></tr>
<tr><td>ADF</td><td>1.63</td><td>2.97</td><td>4.60</td><td>1.45</td><td>3.08</td><td>4.53</td></tr>
<tr><td>Norw. Gov.</td><td>1.98</td><td>0.33</td><td>2.30</td><td>1.98</td><td>0.33</td><td>2.31</td></tr>
<tr><td>Niger Gov.</td><td>0</td><td>0.51</td><td>0.51</td><td>0</td><td>0.51</td><td>0.51</td></tr>
<tr><td>Total</td><td>3.61</td><td>3.81</td><td>7.42</td><td>3.43</td><td>3.92</td><td>7.35</td></tr>
</table>
</td>
<td>*Completion and quarterly progress reports

* ADB completion report

* ADB status of disbursements.</td>
<td>*Financing is put in place.

* The works quality is satisfactory.</td>
</tr>
</table>

PERFORMANCE RATING

Implementation Performance

Indicators	Rating	Observations
1. Respect of implementation schedule	2	The project was implemented ten months beyond the scheduled completion date, although two months before the implementation deadline.
2. Respect of costs	2	The project was implemented with a marginal 2.5% savings compared with the initially estimated cost, and left a balance of UA 0.76 million which was sued in the portfolio restructuring. In the absence of archival records, project expenditures cannot be audited.
3. Respect of loan conditions	2	The project accounts were not audited and the Government of Niger did not honour its commitments to mobilize resources for road maintenance.
4. Adequate follow-up and quarterly progress reports	3	The quality of project supervision by the UNDP/OPE is satisfactory. The Bank received regular quality progress reports.
5. Satisfactory operation	3	Transport conditions improved considerably immediately following the commissioning of the roads, but lack of maintenance hampered the project performance.
General implementation performance evaluation	**2.4**	**Implementation performance is satisfactory.**

Bank's Performance

Indicators	Rating	Comments
1. At identification	NA	The Bank did not identify the project.
2. At project preparation	2	There was no project preparation mission; the preparation was proposed by UNSO to donors following its own study.
3. At appraisal	2	The project appraisal quality is satisfactory except for the "executing agency" component the definition of which was not set out and which led to the demobilization of the official executing agency and loss of project archives.
4. At supervision	1	The Bank over the five-year implementation phase only supervised the project twice. That is unsatisfactory. The project was characterized by the Bank's and the Borrower's inability to have control over the project, and the loss of the project memory.
Evaluation of the Bank's general performance	**1.67**	**The Bank's performance is not satisfactory. It lost control over project management by giving a free hand to UNSO.**

Project Performance

N°	Indicators	Rating	Comments
1	**Relevance and Attainment of Objectives**	**2.6**	**The project's set objective has been attained, and project achievements are satisfactory.**
i)	Macro-economic policy	2	The project was implemented during a period of economic reform and recovery the objectives of which were not fully attained.
ii)	Sectoral policy	3	The aim of opening up four rural areas fell squarely within the framework of the sectoral policy aimed at having an optimum road network and facilitating internal, sub-regional and international trade.
iii)	Physical achievements	3	Project achievements conform with the characteristics set out at appraisal and operate satisfactorily. The objective of opening up the areas and making the project zones accessible was attained.
iv)	Economic performance	2	The service quality (transport duration and vehicle operating costs) improved considerably. However, current maintenance constraints have jeopardized this performance especially for roads not included in the priority network.
v)	Poverty alleviation, social issues and women in development	3	The socio-economic fallout is considerable; by opening up the region and facilitating the population's access to markets and through it the development of food crops, the project has contributed considerably to the fight against malnutrition. The positive impact such as the settlement of the population and the development of diverse economic activities should also be mentioned.
vi)	Environment	NA	The project had no specific environmental component and no negative impact was noted.
vii)	Private sector development	NA	No specific impact in this connection was noted.
2	**Institutional development**	**1.25**	**The impact of the project on the institutional framework was low. The MEI's institutional capacity is not satisfactory; its weakness is a handicap to the sustainability of its achievements.**
i)	Institutional framework	1	The MEI's institutional capacity is low in every component, and the network management is inefficient.
ii)	Financial and management information system, including the audit system	1	There is no archival system or procedure in place. Technical, administrative, accounting and financial information on the project is lost or non-existent.
iii)	Technology transfer	1	The Borrower's staff could not benefit from the experience of managing the modern earth road construction project since the UNDP/OPE staff did not cooperate in that regard as they were meant to.
iv)	Provision of skilled staff, training and provision of counterpart staff	2	The human resources lacked in quality and quantity, while project supervision by the Borrower and the official executing agency was non-existent.

3	**Sustainability**	**2.14**	**The sustainability of the project impact is uncertain, jeopardized by lack of maintenance and institutional weaknesses within the MEI. However, its recovery prospects are bright although they are subject to the Government meeting is commitments.**
i)	Borrower's continued commitment	2	The financial resources needed for the road maintenance are inadequate. However, the creation of the road fund provided for under the TIRP will improve the situation.
ii)	Policy environment	2	The policy environment has improved favourably with the definition of a strategy aimed at sustaining investments in the sector, improving management and maintenance use, as well as the disengagement of the MEI from maintenance works for the profit of the private sector.
iii)	Institutional framework	2	The institutional framework should improve positively with the introduction of a new strategy and the TIRP which will also bring about the restructuring of the MEI and its departments.
iv)	Technical viability, staff training	2	The technical viability is jeopardized owing to lack of maintenance and the weak institutional capacity. However, recovery action is envisaged within the TIRP framework, especially mass training actions.
v)	Financial viability and cost recovery system	2	The financial resources for road maintenance are constantly inadequate and the cost recovery system ineffective. These have to be reviewed within the framework of the MEI restructuring and the creation of the road maintenance fund.
vi)	Economic viability	3	The project's economic viability is satisfactory, even though it is hampered by low traffic on most of the project roads.
vii)	Environmental viability	NA	No EIA was carried out on the project, nor was there any specific environmental component. Provisions have been made with the TIRP framework to integrate that dimension institutionally and structurally and minimize any negative impact during road construction and maintenance.
viii)	Operating and maintenance mechanism (availability of recurrent funds, foreign exchange, spare parts, maintenance workshop)	2	Resources are rare and poorly used, but with the establishment of the road maintenance fund, the MEI's new strategy aims at rationalization and efficient resource management, operating and maintenance of the road network.
4	**Economic return rate**	**3**	**The economic return rate is lower than the rate calculated in the PCT, but remains satisfactory. The rate was attenuated by the traffic growth rate which was lower than that projected at appraisal.**
5	**General performance evaluation**	**2.25**	**The general project performance is satisfactory, although it is attenuated by lack of maintenance and the MEI's low institutional capacity which affects the programme's sustainability.**