

PCR EVALUATION NOTE (Form)

1. Basic Project Data				
Country:	Liberia	Project SAP Reference:	LR-K009 and P-LR-K00-011	
Project Title :	Public Financial Management Reform Support Programme			
Sector :	Multi-sector		Appraisal	Actual
Theme		Project Costs (MUA)	15.386	15.386
Amount cancelled (MUA)	NIL	Loan (MUA)	12.0	12.0
		ADF Grant (MUA)	3.386	3.386
PCR Date	20/11/09	Co-financing (MUA)		
PCR Evaluation Note Date	Jan. 2010	Board Approval Date	Oct. 2008	13 May 2009
Partners		Signature Date		
		Effective Date	31/01/09	19/01/09
		Project Completion Date	31/12/09	05/06/09
	:			
Project Officers (Names)	Designation (HQ or FO)		From (mm/yy)	To (mm/yy)
F. Perrault G. Negatu Tove Strauss	Regional Director Sector Director PCR Team Leader/Task Manager			
Evaluator/consultant: O. O. Ojo		Peer Reviewer/Task Manager:		

2. Project Description (summary from Appraisal Report including addendum/corrigendum or loan agreement)

a. Rationale and Expected Impacts:

The Liberia civil war (1989-2002) destroyed the country's economy and the capacity of its institutions. Since then the economy has grown considerably—during 2004-07, it grew on average basis by 6%. But the challenge of economic management, particularly of public financial management, remained. The objective of the programme was to buttress the four pillars of economic management: strengthen public financial management, modernization of revenue administration, reinforcement of procurement and audit systems and provision of support government response to the global food crisis.

b. Objectives / Expected Outcomes:

The objectives of the project were to deepen public financial management along the four pillars described above. The programme would benefit the Ministry of Finance and other key institutions by allowing them to speed up the implementation of the reform process. The programme would also benefit the people of Liberia through the improvement in public service delivery and the promotion of an enabling environment for private sector development.

c. Outputs and Intended Beneficiaries:

The expected outputs included: implementation of the Public Financial Management law; merging of Bureau of Budget with the Ministry of Finance; Macro-Fiscal unit increasingly performing core functions; budget starts providing information on donor aid flows; establishment of a fully equipped IT department; establishment of an integrated tax administration system; risks management systems implemented.

d. Principal Activities/Components:

The project had four major components: Strengthening of public financial management system; strengthening revenue mobilization; enhancing procurement and auditing system and assisting the government to respond to the global food crisis.

The activities in support of the project were ADF loan of UA 12million; ADF grant of UA 3.386 million.

3. Evaluation of Design and Implementation (Evaluator assessment of actual vs. envisioned)

a. **Relevance of Project Design (and Readiness for Implementation) (The evaluator assesses, independent of the PCR assessment, the Relevance of the project Design):**

By focusing on the key elements for improving public financial management, the project design was relevant. Its approach was logical as it contained fairly well, the causal chain by which the objectives were to be achieved. The assumptions and risks were also indicated and one was able to get an idea as to how to measure outputs and outcomes.

b. **Project Cost (including Borrower Contribution), Disbursements, and Adherence to Schedules (as relevant to project performance):**

The total cost of the project was UA 15.386 million, made up of UA 12.0 million ADF loan and an ADF grant of UA 3.386 million. The entire financial support had been fully disbursed in strict adherence to approved schedule.

c. **Implementation Arrangements, Conditions and Covenants, and related Technical Assistance:**

The implementation of the programme was vested in the Ministry of Finance. Other entities were responsible for carrying out their own programmes and attaining the respective performance indicators. The implementation of actions under the programme was monitored by the Liberian Reconstruction and Development Committee (LRDC) and the Budget Support Working Group (BSWG), chaired by the Minister for Finance. These bodies presented semi-annual reports aimed at guiding the implementation of donor assistance. Several of the monitorable actions were subject to formal validation of progress in the context of IMF's Poverty Reduction GR reviews.

d. **Monitoring & Evaluation Design, Implementation, & Utilization (Evaluator assessment)**

The appraisal report provided for adequate monitoring and evaluation of the programme. The monitoring was done within the framework of IMF's PRGF reviews. Thus there was adequate provision for monitoring and evaluation. Similarly the implementation was effective as the Minister of Finance was directly in charge.

e. **Other Issues (such as Safeguards, Fiduciary):**

While the Bank ensured that fiduciary issues and project covenants were observed, the condition for the release of the second tranche was waived for reasons of non-compliance. One of the triggers for the second release was also waived as the delay was due to revisions on behalf of the World Bank which was financing LAN. Bank monitoring was also inadequate because of the absence of Bank presence on the ground.

4. Evaluation of Performance (Evaluator assessment)

a. **Relevance of project objectives** (Assessment of the ex-ante and ex-post relevance (including during implementation):

During its civil war years, the economy of Liberia as well as its basic institutions, in particular those relating to policy formulation and implementation were destroyed. The end of hostilities thus called for assistance to put those institutions back on their feet as a step towards the restoration of growth. The project which was aimed at strengthening the public finance management, modernizing revenue administration and reinforcing the procurement and audit systems was therefore highly relevant both ex-ante and ex-post.

b. **Effectiveness in Delivering Outputs:**

With heavy reliance on the project matrix, the PCR was able to show that the outputs were in the main largely delivered: the PFM law has been submitted to Parliament, the MFU was staffed while an IT department has been established. An internal audit strategy has been approved but the internal audits have yet to be implemented. Similarly the comprehensive food strategy continued to include suspended import duties on rice.

c. **Effectiveness in Achieving Outcomes:**

Partly as a result of the programme, the general economic indicators have improved. For example, Liberia's Doing Business ranking has improved by ten between 2008 and 2009. Liberia was the most improved of all African countries in the Ibrahim Governance index between 2005 and 2008. The CPIA

ratings for economic management increased from 4 to 4.17 between 2007 and 2008. But governance ratings remained at 3.6. The PFM law has been approved while capacity in budget preparation through institutional reform is progressing but is being held back by risk in automation, difficulties in recruiting qualified staff and insufficient change management. Aid information is systemized by the Aid Management Unit. The project has been effective in the delivery of its major outcomes.

d. **Efficiency in Achieving Outputs and Outcome :**

There was no cost over-run. Similarly the project was implemented on timely basis. Thus both outputs and outcomes were delivered efficiently.

e. **Project/Development Outcome (PO):**

By reforming public finance management, the project has paved way for the resumption of sustainable economic growth. A sustained growth would permit poverty reduction and assist Liberia to meet HIPC completion point.

f. **Risk to sustained achievement of Project Outcomes**

The major risk to the project remains capacity constraints at mid and lower level of government and unmet training needs. As a fragile country, there is the risk of political instability but this could be mitigated by the activities of the Truth and Reconciliation Commission.

g. **Additional Outcomes/Impacts (positive and negative, not captured in the logframe):**

h. **Performance of Borrower:**

The performance of the Borrower was just highly satisfactory. Project implementation was carried out in an orderly fashion.

i. **Bank Performance (preparation/appraisal –partly ensuring QAE: supervision quality):**

Bank performance was also good throughout all the phases of the project. The Bank supervised the project well and it ensured that its rules and regulations were adhered to. The Bank coordinated well with other donors in particular, the World Bank with which it jointly prepared a Joint Assistance Strategy for Liberia.

i. **Overall Assessment:**

Overall the project achieved its major objectives—it has improved public finance management in Liberia and laid the foundations for sustainable economic growth. But the reforms would need to be sustained.

5. Major Lessons, and Recommendations (Evaluator assessment)

a. **Lessons Learned:**

- For policy reforms to be internalized they must be sustained.
- Capacity constraints could undermine reform efforts. It is important that this factor be taken into account prior to the implementation of policy reforms
- Coordination with other donors is particularly important for the success of policy reforms.

b. **Recommendations:**

The PCR template did not contain any recommendation. But the following recommendations tend to emerge from the PCR.

For the Bank:

- The Bank should ensure that there are no capacity, in particular human, constraints prior to the implementation of a policy reform programme.
- Ensure timely implementation of projects as any delay in project implementation always negatively affect project outcome
- There is a need for a follow-up programme in order to deepen reforms
- The Bank must ensure greater donor coordination in order to be able to avoid cross-conditionalities.

The followings are stressed for the government:

- Continue to deepen policy reforms and ensure that there are no policy reversals.
- Address some of the risks that could adversely affect the gains of the programme.

ASSESSMENT SUMMARY

6. Ratings:	PCR	OPEV Review	Reason for Disagreement/Comments
Relevance:	4	4	
Effectiveness in delivering outputs:	3	3	
Effectiveness in achieving outcomes:	3	3	
Efficiency in achieving outputs & outcomes - Timeliness:	4	4	
Efficiency in achieving outputs & outcomes –other criteria			
Overall efficiency in achieving outputs & outcomes	4	4	
Risk to Development outcome:	3	2	The risks are real but they do not pose substantial threat to sustained achievement
Borrower Performance:	4	4	
Bank Performance:	4	4	
Quality of PCR:		3.1	The quality of the PCR is good

7. Comments on PCR Quality and Timeliness

PCR quality assessment will be based on some or all of the all of the following criteria and others (as appropriate):

- Quality and completeness of the PCR evidence and analysis to base ratings:
The quality of the evidence on which the PCR based its ratings was good and complete
- Objectivity/fairness of PCR assessment:
The PCR was fair and objective in its assessment
- Internal consistency of PCR assessment: inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings):
The ratings were internally consistent and there were no errors
- Identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:
The PCR correctly identified the factors which affect project design and implementation.
- Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization
- Soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment:
The data generated and its analysis were sound
- Overall adequacy of the accessible evidence (from PCR including annexure and other data provided):
The accessible evidence were quite adequate
- Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):
The lessons flew directly from the narrative in the PCR although there were no recommendations.
- Overall clarity and completeness of the PCR:
Overall the PCR was clear and readable. It was also complete

- Other (to be specified)

The PCR quality will be assessed as highly satisfactory/exemplary (4), satisfactory (3), unsatisfactory (2) or highly unsatisfactory (1).

Comments on the extent of compliance of the PCR with PCR guidelines and pertinent OPEV guidelines:

- PCR Timeliness; rated as timely (exemplary = 4) or late/unsatisfactory (1):
The PCR was timely—it was produced within 6 months of project completion. The rating is therefore 4.
- Extent of participation of Borrower, co-financiers and Bank field office, rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1):
There was no evidence that the Borrower participated in the PCR but the PCR mission held useful discussions with the officials of the Borrower and other donors. The rating on this score is 2
- Other aspects (to be specified)

8. Priority for Future Evaluative work: Project for Performance Evaluation Report, Impact Evaluation, Country/Sector reviews or Thematic Evaluation Studies:

- | | |
|---|--------------------------|
| - Project is part of series and suitable for cluster evaluation [X] | <input type="checkbox"/> |
| - Project is a Success Story [X] | <input type="checkbox"/> |
| - High priority for impact evaluation | <input type="checkbox"/> |
| - Performance evaluation is required to sector/country reviews [X] | <input type="checkbox"/> |
| - High Priority for thematic or special evaluation studies (Specify) | <input type="checkbox"/> |
| - PPER is required because of incomplete validation rating | <input type="checkbox"/> |

Major areas of focus in future evaluation work:

- Cluster evaluation
- Sector review
-

Follow Up Action by OPEV:

Project could form part of a sector review or a cluster evaluation.

Division Manager Clearance

Director Signing Off

Data sources for validation:

- **Task managers/Bank staff interviewed/contacted (in persons, by phone & email)**
- **Documents/reports and database**

Documents

ADF, Liberia: Proposal to finance the Public Financial Management Reform Support Programme I (ADF/BD/WP/2008/155)

ADF, Liberia: Joint African Development Bank/World Bank Interim Strategy Note 2007-2008 (ADF/BD/WP/2007/51)

ADF, Liberia: Public Financial Management Reform Support Programme (PCR)

ADF, Liberia: Public Financial Management Reform Support Programme (Supervision Summary, May 2009).

Attachment: PCR Evaluation Note Validation Sheet of Performance Ratings

PROJECT COMPLETION REPORT EVALUATION NOTE

Validation of PCR Performance Ratings

PCR Rating Scale:

Score	Description
4.	Very Good – Full achieved with no shortcomings
3.	Good – Mostly achieved despite a few shortcomings
2.	Fair – Partially achieved. Shortcomings and achievements are roughly balanced
1.	Poor – Very limited achievement with extensive shortcomings
UTS	Unable to score/rate
NA	Non Applicable

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for deviation/ Comments
Relevance of project Objectives & Design	Relevance of project Objectives			
	1. Programme objectives were relevant to country development priorities.	4	4	
	2. Programme Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	4	Programme objectives could in principle be achieved with the available inputs and in the expected time frame
	3. Programme Objectives were consistent with the Bank's country's strategy	4	4	
	5. Ex-post Relevance of objectives	Not rated	4	Ex-post, the project remained relevant to the country's development objective.
	Relevance of project Design -Project Design & Readiness for Implementation			
	1. The log frame presents a logical causal chain for achieving the project development objectives.	4	4	
	2. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	4	4	
	3. The log frame states the risks and key assumptions.	3	3	
	4. Programme conditionality is matched by country capacity and political	4	4	

	commitment.			
	5 Programme design includes adequate risk analysis and mitigating measures.	3	3	
	6. Financial management, monitoring and/or other systems are based on those already in use by government and/other partners	4	4	
	7. Responsibilities for programme implementation were clearly defined.	4	4	
	9. Monitoring indicators and monitoring plan were agreed upon during design.	4	4	
	10. Baseline data were available or were collected during design.	4	4	
Achievement of Project Outputs*	Output 1	4	4	
	Output 2	3	3	
	Output 3	2	2	
	Output 4	4	4	
	Overall Output weighted Score	4	4	
Achievement of Project Outcomes	Outcome 1	3	3	
	Outcome 2	3	3	
	Outcome 3	3	3	
	Outcome 4	4	4	
	OVERALL PROJECT OUTCOME SCORE	3	3	
Additional Outcomes (not captured in the logframe)	Institutional Development		2	The programme assisted in building the infrastructure for public finance management
	Gender			
	Environment & Climate Change			
	Poverty Reduction		2	Although not explicitly stated, the improvements in GDP growth which the programme brought about might have contributed to poverty reduction
	Private Sector Development			
	Regional Integration			

	Other (Specify)			
Efficiency in achieving outputs & outcomes	Timeliness (in adhering to the original closing date)	4	4	
	Rates of returns (Specify if applicable)			
	Other Criteria (Specify)			
	OVERALL PROJECT EFFICIENCY	4	4	
Risk to Sustained achievement of Project Outcome**	Institutional capacity constraints, possibility of possible policy reversals and the absence of follow-up programme.	3	2	The risks are real but they are not substantial enough to irrevocably undermine the achievements
<p>* The output ratings have to be weighted by the relative output costs (see PCR format). The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>** Overall risk to sustained achievement of project outcome is rated as follows:</p> <ul style="list-style-type: none"> (i) High (H) : 4 (ii) Substantial/significant (S) : 3 (iii) Moderate (M) : 2 (iv) Negligible (N): 1 (v) UTS (vi) NA 				

Criteria	Sub-Criteria	PCR Work Score	OPEV Review	Reason for disagreement/ Comments
Bank Performance	Design and Readiness			
	1. Programme Objectives were relevant to country development priorities.	4	4	
	2. Programme Objectives could in principle be achieved with the project inputs and in the expected time frame.	3	4	The programme objectives could be achieved in principle with the available inputs and in the expected time frame
	3. Programme Objectives were consistent with the Bank's country strategy paper	4	4	
	4. Programme Objectives were consistent with the Bank's corporate priorities	N/A	N/A	
	5. The log frame presents a logical causal chain for achieving the programme development objectives.	4	4	
	6. The log frame expresses objectives and outcomes in a way that is measurable and quantifiable.	4	4	
	7. The log frame states the risks and key assumptions.	3	3	
	9. Programme design includes adequate risk analysis.	3	3	
	11 Conditionality is matched with country capacity and political commitment	4	4	
	12 Responsibilities for programme implementation were clearly defined	4	4	
	12. Financial management, monitoring and/or other systems are based on those already in use by government and/other partners	N/A	N/A	
	13. Monitoring indicators and monitoring plan were agreed upon during design.	4	4	
	14. Baseline data were available or were collected during design.	4	4	
	Project Design and Readiness Sub-Score	4	4	

Criteria	Sub-Criteria	PCR Score	OPEV Review	Justification/ Reason for deviation/Disconnect/ Comments
Bank Performance	Supervision			

	1. Bank complied with:			
	<ul style="list-style-type: none"> Environmental Safeguards 	4	N/A	There were no environmental safeguards to be complied with by the project
	<ul style="list-style-type: none"> Fiduciary Requirements 	3	3	
	<ul style="list-style-type: none"> Project Covenants 	3	3	
	2. Bank provided quality supervision in the form of skills mix provided and practicality of solutions.	3	3	
	3. Bank provided quality management oversight.	4	4	
	PCR was delivered on a timely basis	4	4	PCR was delivered on timely basis
	Supervision Sub-Score	4	4	
	OVERALL BANK PERFORMANCE SCORE	4	4	
<p>The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.</p> <p>(i) Very Good (HS) : 4 (ii) Good (H) : 3 (iii) Fair (US) : 2 (iv) Poor (HUS): 1</p>				

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
Borrower Performance	Design and Readiness			
	1. Responsibilities for programme implementation are clearly defined.	3	3	
	2. Monitoring indicators and monitoring plans are agreed upon before programme launch	4	4	
	3. Baseline data were available or collected during programme design	4	4	
	Project Design and Readiness Sub-Score	4	4	
	Implementation			
	1. Borrower complied with:			
	<ul style="list-style-type: none"> Environmental Safeguards 	4	N/A	There were no environmental safeguards to be complied with
	<ul style="list-style-type: none"> Fiduciary Requirements 	3	3	
	<ul style="list-style-type: none"> Conditions and triggers 	4	2	Conditions for the second tranche had to be waived for non-compliance. This caused

				delay in implementation
	2. Borrower was responsive to Bank supervision findings and recommendations.	4	4	
	3. Borrower collected and used of monitoring information for decision-making.	4	4	
	Implementation Sub-Score	2	4	
	OVERALL BORROWER PERFORMANCE SCORE	4	4	

The Overall rating is given Very Good, Good, Fair and Poor. Overall rating is the sub-criteria average.

- (i) **Very Good (HS) : 4**
- (ii) **Good (H) : 3**
- (iii) **Fair (US) : 2**
- (iv) **Poor (HUS): 1**

M & E Design, Implementation & Utilization

Criteria	Sub-Criteria	PCR Score	PCR-EVN Validation	Justification/ Reason for deviation/Disconnect/ Comments
M & E Design	M & E Design			
	Relevance	4	4	
	Achievable	3	4	The objectives were in principle, achievable
	Consistent	4	4	
	Design Score	4	4	
M & E Implementation	M & E Implementation			
	Timeliness	4	4	.
	Bank performance	4	4	
	Borrower Performance	4	4	
	Implementation Score	4	4	
M & E Use				
	Use Score			
	OVERALL M & E PERFORMANCE SCORE	4	4	

PCR Quality Assessment

Criteria	PCR-EVN (1-4)	Comments
QUALITY OF PCR		
1. Extent of quality and completeness of the PCR evidence and analysis to substantiate the ratings of the various sections:	4	The quality of the PCR evidence is good. It is also complete in the sense that its ratings were on concrete evidence gathered from the field.
2. Extent of objectivity PCR assessment scores	3	The scores were objective and fair
3. Extent of internal consistency of PCR assessment ratings; inaccuracies; inconsistencies (in various sections; between texts and ratings; consistency of overall rating with individual component ratings)	4	The ratings were internally consistent with no major errors.
4. Extent of identification and assessment of key factors (internal and exogenous) and unintended effects (positive and negatives) affecting design and implementation:	3	The PCR identified the factors which affected programme design and implementation, for example the issue on non-compliance with conditions.
5. Adequacy of treatment of safeguards, fiduciary issues, and alignment and harmonization	3	These issues were well covered, particularly harmonization with other donors
6. Extent of soundness of data generating and analysis processes (including rates of returns) in support of PCR assessment:	3	Data gathering in support of PCR assessment was sound
7. Overall adequacy of the accessible evidence (from PCR including annexure and other data provided)	3	The available data was quite accessible but there were no annexes.
8. Extent to which lessons learned (and recommendations) are clear and based on the PCR assessment (evidence & analysis):	2	The lessons were derived from the PCR assessment but there were no recommendations.
9. Extent of overall clarity and completeness of the PCR	3	The PCR was very clear and readable.
Other (to be specified)		
PCR Quality Score	3.1	The quality of the PCR was good
PCR Compliance with Guidelines (PCR/OM; OPEV)		
1. PCR Timeliness (On time = 4; late = 1)	4	The PCR was timely
2. Extent of participation of Borrower, Co-financiers & field office in PCR preparation***	2	There was no evidence of Borrower participation but the mission held discussions with the officials of the Borrower. It also held discussions with

		other donors.
3. Other aspect (Specify)		
PCR Compliance Score	3	The PCR complied well with the guidelines but it tended to confuse the format for project PCR with that of programme.
*** rated as high/exemplary (4), or substantial/significant (3), or moderate (2), or negligible (1)		