

AFRICAN DEVELOPMENT BANK GROUP



REHABILITATION OF EAST AFRICA SELECTED ROAD SECTIONS ALONG THE CENTRAL CORRIDOR IN TANZANIA, BURUNDI AND RWANDA

PROJECT COMPLETION REPORT (PCR)

RDGE DEPARTMENT

Final Version

August 2020

REHABILITATION OF EAST AFRICA SELECTED ROAD SECTIONS ALONG THE CENTRAL CORRIDOR IN TANZANIA, BURUNDI AND RWANDA - PCR



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I BASIC DATA

A Report data

Report Date	Date of Report:	28 August 2020	
	Mission Date (if field mission)	From: 16 February 2020	To: 18 February 2020

B Responsible Bank staff

Positions	At approval	At completion
Regional Director	Mr. Gabriel NEGATU	Ms. Nnenna NWABUFO
Country Manager	Mr. Negatu MAKONNEN / Mr. Abou Amadou BA	Mr. Daniel NDOYE / Mr. Alex MUBIRU/Ms. Fauzia HAJI
Sector Director	Mr. Sylvain MALIKO	Mr. Amadou OUMAROU
Sector Manager	Mr. Bamory TRAORE	Mr. Mike SALAWOU
Task Manager	Dr. Sadok ZERELLI	Mr. Alex MBARAGA
Alternate Task Manager	N/A	Mr. Buberwa KEMIBARO
PCR Team Leader		Mr. Jeffrey KOUTON / Mr. Suleiman ATHUMANI
PCR Team Members		Mr. Emmanuel Chiejina EJIKE/ Mr. Alex MBARAGA
Peer Reviewers		Mr. Alain Pierre MBONAMPEKA Mr. Patrick KANYIMBO Mr. Mercy MOSONIK Mr. Chirwa MTCHERA JOHANNES

C Project data

Project Name: Rehabilitation of East Africa Selected Road Sections along the Central Corridor in Tanzania, Burundi and Rwanda		
Project Code : P-Z1-DB0-153	Instrument number(s): NEPAD-IPPF GRANT No. 5150155001502	
Project type: Preparation Phase	Sector: Transport	
Country: MULTINATIONAL (Tanzania/Burundi/Rwanda)	Environmental categorization (1-3): 3	
Processing milestones – Bank approved financing only (add/delete rows depending on the number of financing sources)	Key Events (Bank approved financing only)	Disbursement and closing dates (Bank approved financing only)
Financing source/ instrument1: NEPAD-IPPF GRANT	Financing source/ instrument1:	Financing source/ instrument1:
Date approved: 20/06/2014	Cancelled amounts: N/A	Original disbursement deadline: 31/07/2016
Date signed: 02/10/2014 (LoA)	Supplementary financing: N/A	Original closing date: 31/07/2016
Date of entry into force: 02/10/2014	Restructuring (specify date & amount involved): N/A	Revised (if applicable) disbursement

		deadline: 01/04/2019		
Date effective for 1st disbursement: 11/08/2016	Extensions (specify dates): July 31, 2016 to 1 st April 2019 1 st April 2019 to December 2019		Revised (if applicable) closing date: 31st December 2019	
Date of actual 1st disbursement: 24/03/2017				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Disbursed amount (amount, Million USD):	Percentage disbursed (%):	Undisbursed amount (Million USD):	Percentage undisbursed (%):
Financing source/ instrument1:	USD 2,500,572	99%	USD 19,643	1%
Financing source/ instrument2:	-	-	-	-
Government:	-	-	-	-
Other (e.g. co-financiers).	-	-	-	-
TOTAL	USD 2,500,572	99%	USD 19,643	1%
Financing source/instrument (add/delete rows depending on the number of financing sources):	Committed amount (Million USD):	Percentage Committed (%):	Uncommitted amount (Million USD):	Percentage undisbursed (%):
Financing source/ instrument1: (NEPAD-IPPF)	USD 2,520,215	88%	0%	1%
Financing source/ instrument2:	-	-	-	-
Government:	-	-	-	-
Beneficiaries: East African Community (EAC) Contribution	USD 330,000	12%	0%	0%
Other (e.g. co-financiers).	-	-	-	-
TOTAL	USD 2,850,215	100%	0%	1%
Co-financiers and other external partners: N/A				
Executing and implementing agency (ies): East Africa Community (EAC)				

D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Manager	Mr. Daniel NDOYE / Mr. Alex MUBIRU/Ms. Fauzia HAJI		
Sector Manager	Mr. Mike SALAWOU		
Sector Director	Mr. Amadou OUMAROU		
Director General	Ms. Nnenna NWABUFO		

A Relevance

i) Relevance of project development objective

Rating*	Narrative assessment (max 250 words)
4	<p>East Africa Community (EAC) submitted to NEPAD-IPPF on 18th January 2013, a request to finance the consultancy services for carrying out the feasibility studies and detailed designs of two regional trunk road projects connecting the Republics of Rwanda and Burundi to the East African Regional Trunk Road Network Corridor in the United Republic of Tanzania, namely:</p> <p>a) Tanzania/Rwanda: Lusahunga – Rusumo (91 km) /Kayonza - Kigali (70 km) – Total = 161 km</p> <p>b) Tanzania/Burundi: Nyakanazi – Kasulu– Manyovu (250 km) /Rumonge - Rutunga - Bujumbura (78 km) – Total = 328 km.</p> <p>Both roads align to the Central Corridor identified by PIDA-PAP as part of the TR08 to modernize the third priority African Regional Transport Integration Network (ARTIN) corridor in East Africa and facilitate travel for people and goods across the borders between Tanzania, Uganda, Rwanda, Burundi and DRC. In addition, these roads were given high priority by the 2nd EAC Heads of States Retreat on Infrastructure Development held on 29th November, 2012 in Nairobi, Kenya as crucial links in promoting regional integration and easing of access to the sea for the two landlocked countries, in line with the Almaty Programme of Action (APOA). This project forms part of the Bank's regional integration strategy for Eastern Africa (Eastern Africa Regional Integration Strategy Paper 2018-2022). The Bank's specific support aims at linking regional markets through investments in Infrastructures, Trade & Transport Facilitation and promoting Private Sector Development. Furthermore, in Tanzania's Country Strategy Paper (CSP 2016-2020), one outcome under Pillar 1 (Infrastructure Development for Inclusive and Green Growth), is to reduce travel times from 5 hours to 2.5 hours between Manyovu and Nyakanazi, a road section of the current project. The Bank Group intervention identified the Manyovu-Kasulu-Nyakanazi Road (Burundi/Tanzania) as a priority in this CSP. Burundi's CSP (2019-2023) also has a Pillar on the improvement of transport and energy infrastructure (Pillar 2) which aims to remove the bottlenecks restricting the productive sectors and hindering access to domestic, regional and international markets. The current project fits well under this Pillar. Finally, Rwanda's CSP (2012-2016) focused on interventions in infrastructure that aimed at addressing the country's transport bottlenecks.</p> <p>The objectives of the project (Rehabilitation of East Africa Selected Road Sections along the Central Corridor in Tanzania, Burundi and Rwanda) are to facilitate trade between countries in central (DRC) and eastern Africa to enhance the economies of the region and facilitate improved movement of goods and people who will benefit through job creation and increased wealth, among other benefits. The baseline amount of intra-regional trade was USD 4.0 billion in 2010 (accounting for 11% of EAC total trade of USD 37 billion). At the time of approving the financing of the study, at least a 5% increase per year in intra-regional trade was set as a target. In addition, the average transport costs along the Central Corridor from Dar es Salam to Kigali was USD 450/tonne in 2010. A 12% decrease in Transport costs was expected at time of approval of the study.</p> <p>The project will be complementary to other projects and programs financed earlier such as (i) the Grant Agreement signed with EAC in February 2007 aiming at the implementation of the East African Trade and Transport Facilitation Project (EATTF), (ii) Arusha – Namanga – Athi River Road, (iii) Arusha – Holili/Taveta – Voi Road, (iv) Malindi – Mombasa - Lunga Lunga/Tanga – Bagamoyo Road, (v) Feasibility Studies for EAC Railway Program, (vi) Multinational Bujumbura-Ruhwa-Ntendezi-Gisenyi Road and (vii) Issaka-Kigali-Bujumbura Railways Project.</p> <p>Under Pillar 1 (Regional infrastructure development for economic transformation) of the Eastern Africa Regional Integration Strategy Paper 2018-2022, improved transport connectivity and trade facilitation in East Africa will lead to</p>

enhanced connectivity to markets for landlocked countries, rural and urban growth poles and centres of production in the region. The expected output will include improved navigability and cross-border trade via inland waterways, and an increase in kilometres of cross-border roads constructed and/or rehabilitated from 1,371km by the end of the previous RISP to 2,165 km by 2022.

The project objectives are relevant to specific countries' development and beyond. The relevance of this project is also reinforced by the need of all EAC partner countries to have more feasible transport competing corridor options for their export and import requirements.

* For all ratings in the PCR use the following scale: 4 (Highly satisfactory), 3 (Satisfactory), 2 (Unsatisfactory), 1 (Highly unsatisfactory)

ii) Relevance of project design

Rating*	Narrative assessment (max 250 words)
4	<p>The preparatory activities funded under the current NEPAD-IPPF grant are mainly studies whose reports have made recommendations, which, if implemented, will contribute to producing the anticipated development impacts. These activities were captured in two main components: Component A - To determine the best technical, economic, environmental and socio-economic options for upgrading of the two road sections as per scope of assignment (Multinational Tanzania/Burundi: Nyakanazi-Kasulu - Manyovu/Rumonge- Rutunga- Bujumbura) and Component B - (Multinational Tanzania/Rwanda: Lusahunga - Rusumo/Kayonza - Kigali Road sections). The last component is the Financial Audit.</p> <p>During the project appraisal stage, the Bank / NEPAD-IPPF and the EAC Secretariat discussed, negotiated and agreed on an organizational structure for the management of the implementation of funded preparatory activities. According to this agreement, oversight of the studies was done by a Steering Committee comprising of Permanent Secretaries from the Ministries responsible for transport in Tanzania, Burundi and Rwanda and the CEOs of the Roads Agencies of the three countries under the Chairmanship of the Director of Infrastructure at the EAC Secretariat. The EAC has a well-established Management structure for coordination and management of Multinational Road projects which has a Technical Committee and Steering Committee. The committees discharged their roles effectively in the implementation of the project. The Technical Committee was responsible for the day-to-day management and monitoring of the progress and recommendations to the Steering Committee.</p> <p>The EAC ensured that periodical progress reports were submitted to the Bank on a quarterly basis, as well as any additional project-related information that was requested by the Bank at any given time. The design and implementation stages benefited from lessons learnt from previous Bank interventions in the transport sector in the three countries.</p>

iii) Lessons learned related to relevance

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
Planning and Monitoring	Lessons learned on planning and monitoring are: (i) The need to validate the study phases with the beneficiaries (road agencies) is very crucial. This gives comfort that all stakeholders have been involved and the final study report is owned by all. (ii) The need to plan ahead as far as logistics are concerned so that monitoring meetings are done on time and the consultant is not delayed. (iii) The need to provide in advance, information and make introductions to the borders where the consultants will be moving frequently during field visits. (iv)The need to have a clearly defined communication and monitoring structure between EAC as originating entity and the Bank.	EAC/AfDB
Preparation of regional projects	Regional projects raise considerable challenges that require more focus on Identification, Design, Preparation and Appraisal stages. Moreover, these	EAC/AfDB

	<p>projects require a closer supervision during the implementation phase to avoid and or anticipate related impediments.</p>	
Procurement Challenge Issue (Delays in Procurement)	<p>The NEPAD-IPPF Grant Agreement was signed by the AfDB on 2 October 2014 and countersigned by EAC Secretariat on 3 November 2014. Despite signing the Grant Agreement in 2014, the EAC Secretariat executed Service Contracts of fifteen (15) calendar months duration with HP GAUFF INGENIEURE GmbH & Co. (Germany) and EGIS (France) on 1st April 2016, 18 months (1.5 years) after signing the NEPAD-IPPF Grant Agreement. The initial closing date for the Grant was 31 July 2016, but this was extended to December 2019. Both Consulting firms (HP GAUFF INGENIEURE GmbH & Co. and EGIS) commenced provision of services 1 May 2016.</p> <p>It is vital to identify project activities that lie on a critical path and to promptly initiate procurement processes once commitment to fund a project has been agreed to allow the project to kick-off immediately after signature of the funding agreement. Also, it is important to strengthen capacity in procurement, project scheduling/ planning and project management.</p>	EAC Secretariat/Bank
Increased Scope of Work	<p>The project saw an increase in the scope of work ranging from the designing of an additional 5 bridges, realignment design, bypass designs and feeder roads design to topographical surveys, geotechnical investigation and material surveys together with logistics and management considerations.</p> <p>Project Design needs to ensure adequate visits to the proposed sites with a view to i) conduct walkover surveys so that the site-visiting team can familiarize themselves with the project area, ii) undertake visual assessments and site inventories, iii) gather relevant information, iv) identify restrictions or risks posed and opportunities offered by the site, v) identify potential locations for new bridges, and vi) determine the approximate extent of the road realignment required. This will improve project cost estimates.</p>	EAC Secretariat/Bank
Implementation arrangements	<p>There is a need for EAC Secretariat to ensure that staff responsible for day-to-day administration of projects are versed in undertaking feasibility studies, and engineering designs of roads and project management in order to be able to review the works of others and avoid technical and management challenges that may eventually constitute a risk to project accomplishment.</p> <p>Such potential risks should be highlighted during project appraisal and mitigation measures formulated.</p>	EAC Secretariat/Bank
Allotment of the design studies and standards	<p>The study for Burundi and Rwanda was conducted in one lot. For the future projects, it is highly recommended to undertake separate study for each country and especially for French and English speaking countries in order to avoid any eventual language, standards and translation issues.</p>	EAC Secretariat/Bank
Language of the design documents	<p>The language of the design documents should be set out separately from the beginning for the French and English speaking countries. For instance, the English detailed design and tender documents of the Burundian road section was the main reason for the road work delay and for additional design cost needed for the translation of the tender documents.</p>	EAC Secretariat/Bank
Design quality	<p>The design quality for Burundi road section was not satisfactory due to many involved parties in the approval of the documents. The approval of the design for the new projects should be conducted by the executing agency of the relevant country in coordination with EAC only.</p>	EAC Secretariat/Bank

B Effectiveness

1. Progress towards the project's development objective (project purpose)

Comments
<p><i>Provide a brief description of the Project (components) and the context in which it was designed and implemented. State the project development objective (usually the project purpose as set out in the RLF) and assess progress. Unanticipated outcomes should also be accounted for, as well as specific reference of gender equality in the project. The consistency of the assumptions that link the different levels of the results chain in the RLF should also be considered. Indicative max length: 400 words.</i></p>
<p>The project components were to determine the best technical, economic, environmental and socio-economic options for upgrading of the two road sections (Component A - Multinational Tanzania/Burundi: Nyakanazi-Kasulu - Manyovu/Rumonge- Rutunga-Bujumbura and Component B - Multinational Tanzania/Rwanda: Lusahunga - Rusumo/Kayonza - Kigali Road sections). Project Management and financial audit were also part of the key activities.</p>
<p>The objectives of the preparatory activities were achieved as evidenced by the quality of the study reports. However, these activities were completed with a slippage of several months mainly due to a lack of capacity of the executing agency to efficiently manage the implementation of the project.</p>
<p>Some project implementation related risks such as procurement delays, insecurity during field studies in some regions and misapplication by the executing agency of the Bank's procedures were noted.</p>
<p>The development objectives of the feasibility studies and detailed engineering design of the two road sections is being achieved as some sections of the project have already secured financing from the AfDB.</p>

2. Outcome reporting

Outcome indicators (as per RLF; add more rows as needed)	Baseline value (Year)	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
Feasibility Studies and detailed Engineering Design of the two road sections as per scope of the assignment <i>(Multinational Tanzania/Burundi: Nyakanazi-Kasulu - Manyovu/Rumonge - Rutunga-Bujumbura) and Component B - (Multinational Tanzania/Rwanda: Lusahunga - Rusumo/Kayonza - Kigali Road</i>	None	None	Approved	100%	The Feasibility Studies and detailed Engineering Design of the two road sections as per scope of the assignment (Multinational Tanzania/Burundi: Nyakanazi-Kasulu - Manyovu/Rumonge-Rutunga- Bujumbura) and Component B - (Multinational Tanzania/Rwanda: Lusahunga - Rusumo/Kayonza - Kigali Road sections) are completed and validated.	N/A

sections) demonstrated						
True and fair view of the financial position of the project produced	None	None	Financial position approved	85%	The audit of the project is yet to commence. There have been changes in the EAC procurement process and procedures, which have contributed to the delays in concluding the procurement process. On 18 August 2020, the EAC submitted to the Bank (for non-objection) the combined evaluation report, the initial draft contract and the contract Negotiation minutes for the recruitment of the Auditors. As of 28 August 2020, the non-objection procedure is still ongoing. Following the non-objection from the Bank, the EAC will sign the contract with the successful Audit Firm.	N/A
Weaknesses and good practices in the project implementation highlighted	None	None	Good practices and weakness highlighted	100%	There was insecurity along some areas where the project site lies. However, the performance of consultants has been regular thanks to facilitation by the government of Burundi for access to the project site and experience of consultants. In terms of readiness of the project, the organizational structure was well managed to monitor the project	N/A
Rating*(see IPR methodology)	Narrative assessment					
3	The average rating for outcomes is Satisfactory .					

3. Output reporting

Output indicators (as specified in the RLF; add more rows as needed)	Most recent value (A)	End target(B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per output)	Core Sector Indicator (Yes/No)
Technical feasibility study report	1	1	100%	Technical feasibility study and economic viability study reports were completed. The audit of the project is yet to commence. As of 28 August 2020, the Bank is giving its non-objection on a draft initialed contract for the financial audit. Following the non-objection from the Bank, the EAC will sign the contract with the successful Audit Firm. The Management letter will be submitted along with the audit report.	N/A
Economic viability study report	1	1	100%		
Report on audited project accounts (Auditor's opinion) and Management Letter	0	1	0%		
Rating*(see IPR methodology)	Narrative assessment				
3	The main outputs of the project have been accomplished and reports delivered by the Consultants to the EAC Secretariat and the Bank. The average rating for outputs is Satisfactory since one component, the financial audit, did not start yet after 5 years.				

4. Development Objective (DO) rating

DO rating (derived from updated IPR) *	Narrative assessment (indicative max length: 250 words)
4	<p>The rehabilitation of the road sections along the Central corridor will contribute to strengthening road infrastructure of the Great Lakes region to meet the needs of regional integration and development areas with trade. The project development objective is to facilitate and strengthen intra-regional trade, and stimulate the productivity and competitiveness of the economies in the area of influence of the project as well as to reduce transit and border crossing times and to reduce transport costs along transport corridors.</p> <p>The objective of the study, which was achieved, was to determine technical and economic viability, assess the environmental and social impact, carry out design reviews and detailed engineering designs, and prepare tender documents for the most viable options. Prescribed reports and deliverables required for the implementation of the project were gradually completed in 2019.</p>

5. Beneficiaries (add rows as needed)

Actual(A)	Planned(B)	Progress towards target (% realized) (A/B)	% of women	Category (e.g. farmers, students)
EAC Secretariat	EAC Secretariat	100%	-	-
Regional Member Countries (Tanzania, Rwanda and Burundi)	Regional Member Countries (Tanzania, Rwanda and Burundi)	100%	-	The regional farmers and local cross border traders are among the beneficiaries of the project. They face difficulties in accessing markets during the rainy season when the road is barely passable. It should also be noted that women and children will benefit from the project, which will enable them to have easier access to health centres. In addition, this project will lead to other benefits to the population through on site job creation during the road construction and maintenance phases.

6. Unanticipated or additional outcomes (add rows as needed)

Description	Type (e.g. gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)
None	None	None	None

7. Lessons learned related to effectiveness (add rows as needed)

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
Adequacy of Design outputs	The adequacy and completeness of the study outputs depend largely on the scope and extent of the activities the Consultants carried out. The detailed design assignments and ESIA for both roads have been reviewed and validated in terms of the quality of the designs and related outputs during the stakeholder workshops.	EAC Secretariat/ Bank

	<p>Recommendations: The review of the design should be conducted deeply by the executing agency of each country and by the engineers of EAC before the workshop. For instance, the quality of the design for Burundi was not good and standards used to conduct this study was not compliant with French standards applicable in the country. Hence, the French translation took a long time and many parties of the study were reviewed by the new consultant, that involved an additional cost and important delay for the implementation of the project.</p>	
Preparation of initial feasibility studies and initial detailed designs	<p>EGIS review of the Feasibility Study and ESIA Study submitted in August 2006 to TRANROADS for upgrading of Nyakanazi-Kasulu road section on Tanzania side and the existing Detailed Engineering Designs for the upgrading of the Nyakanazi-Kasulu road section resulted in a need for additional scope of work to be undertaken. Parts of the initial design were either not performed by the previous Consultant, or were not compliant with the EAC standards. The additional scope of work would require additional resources in finance and time to ensure that needs are adequately met.</p> <p>Recommendations: Future project designs must ensure that a thorough understanding of the technical complexity, scope and character of the assignments, time required and funds required for designs and implementation of all foreseen activities are accounted for in the project design budget.</p>	EAC Secretariat/ Bank
Procurement Challenge Issue (Delays in Procurement)	<p>A coordinated and more effective mechanism needs to be adopted whilst complying with the Bank's Procurement Rules and Procedures. The EAC Secretariat and the Bank need to schedule the project milestones to ensure a smooth flow of all necessary approvals aligned with procurement.</p> <p>Recommendations: One good approach to mitigate procurement delays is to initiate the procurement process immediately after signature of the Letter of Agreement or via advance contracting.</p>	EAC Secretariat/ Bank

C Efficiency

1. Timeliness

Planned project duration – years (A) (as per PAR)	Actual implementation time – years (B) (from effectiveness for 1st disb.)	Ratio of planned and actual implementation time (A/B)	Rating*
1 year 3 months (exclusive of procurement phase)=1.25 years	3.58 years	0.35	1
<p>The project was approved in June 2014. Though the NEPAD-IPPF Grant Agreement was signed on 2 October 2014, it was not until 1 April 2016 (1.5 years or 18 months after signature of the Grant Agreement) that the EAC Secretariat concluded the fifteen (15) calendar months contracts with two Consultants (HP GAUFF INGENIEURE GmbH & Co. and EGIS).</p> <p>The initial stages of procurement went according to schedule, with AfDB's non-objection for issuance of RFPs to shortlisted bidders given on 20 October 2014 and Issuance of RFPs on 29 October 2014. The EAC signed the LoA on 3 November 2014. Technical and Financial proposals were received by EAC on 20 February 2015, with some delays due to the following reasons: Heads of State</p>			

Retreat and Summit in November 2014; December holiday period for most organizations; the need by consultants for more time to prepare technical proposals, due to the remote locations of the project roads. The valuation of the technical proposals was done on 20 March 2015, with delays due to the need to convene the technical committee. On 24 March 2015, the non-objection to open the financial proposals was requested and non-objection was given on 18 May 2015. Delays by NEPAD-IPPF was because of seeking clarifications on way forward for the project due to unrest in Burundi following the March 2015 elections.

Contract negotiations started on 11 September 2015. The delays experimented here were due to the need to determine how to split the Tanzania/Burundi connector to take account of the unrest in Burundi (splitting the contract into two lots and therefore stagger the implementation schedule). In addition, there was an Addendum, which had to be executed when it was discovered that the original designs on the Tanzanian side had omitted major bridges. This meant more time for the consultancy services. Following some delays due to discussions with consultants on how to handle the Burundi situation, non-objection to the signature of the contracts was given on 01 December 2015. The contracts were finally signed on 01 April 2016.

Both Consultants satisfactorily completed the services in December 2019, 3.67 years (44 months) after concluding their contracts instead of the 1.25 years (15 months) initial duration. This translated to time overrun of 2.42 years (29 months). The Grant closed on 31 December 2019 after two extensions. One of the main reasons was due to factors beyond EA's control related to country insecurity, preventing consultants from fulfilling field missions. In addition, unsuitable coordination between many involved parties was one major reason for this important delay.

Furthermore, disbursements encountered some delays, which also impacted on the overall project implementation duration. Due to a delayed procurement process, the first request for disbursement was submitted by EGIS to EAC on 13th May 2016, 1.58 years (19 months) after signature of the NEPAD-IPPF Grant Agreement on 2 October 2014 with the EAC Secretariat. They in turn submitted the request to the Bank in June 2016.

This delay is explained by the fact that EGIS contract was denominated in Euro and USD, with expected exchange rate fluctuations, this posed some challenges in terms of contract management at time of disbursement. After several exchanges between the Bank, EA and EGIS, the Bank finally received a letter from EGIS in December 2016 confirming that they would accept payments in USD equivalence for the Euro component using the rate of 23rd June 2015: 1EUR=1,13650000238 USD. As a result, an amendment of Clause 6.2 (a) on special conditions of contract was undertaken to resolve this issue.

With regards to HP GAUFF INGENIEURE GmbH & Co, after the Bank waited for four months for the consultants' fee note and upon enquiry, they informed the executing agency that they had encountered difficulty in raising a bank guarantee because other clients had not deposited with their bankers, the expired guarantees for other projects. Consequently, they were unable to present a request for Advance Payment. In accordance with the provisions contained in the consultancy contract agreement, the Consultants are to be paid thirty (30) percent of the Contract Price on the commencement date against the submission of a demand guarantee for the same.

These issues were resolved and the project started disbursing in 2017, with EGIS being paid in the first quarter of 2017 (24/03/2017).

2. Resource use efficiency

Median % physical implementation of RLF outputs financed by all financiers (A) (see II.B.3)	Commitment rate (%) (B) (See table 1.C – Total commitment rate of all financiers)	Ratio of the median percentage physical implementation and commitment rate (A/B)	Rating*
85%	100%	85%	3
Narrative assessment (indicative max length: 250 words)			
<p>The original commitment of NEPAD-IPPF on the project was USD 2,685,215. USD 165,000 were de-committed, bringing the revised commitment amount by NEPAD-IPPF to USD 2,520,215. EAC Counterpart on the project amounted to USD 222,000. By the end of the project period, 99% of the NEPAD-IPPF funding was disbursed. The main outputs of the projects can be assessed</p>			

as 85%. The audit of the project is yet to commence.

The USD 165,000 represent savings from the project and served to extend additional funding to the grant for the Rehabilitation of Selected Road Section Phase II: Detailed Architectural and Engineering Design of Manyovu/Mugina One-Stop Border Post (OSBP) and Preparation of Tender Documents. This project on the OSBP design was approved on 29 November 2018, following a request from the EAC Secretariat. The Manyovu/Mugina OSBP is located along the multinational Burundi/Tanzania: Kabingo-Kasulu-Manyovu road in Tanzania and Rumonge-Gitaza road in Burundi. This OSBP project is filling a gap that was not initially included in the design of the current project.

Resource use efficiency is therefore satisfactory (rated 3).

3. Cost benefit analysis

Economic Rate of Return (at appraisal)	Updated Economic Rate of Return (at completion)	Rating*
EIRR = N/A	EIRR = N/A	-
Narrative assessment (indicative max length: 250 words)		
N/A		

4. Implementation Progress (IP)

IP Rating (derived from updated IPR) *	Narrative comments (commenting specifically on those IP items that were rated Unsatisfactory or Highly Unsatisfactory, as per last IPR). (indicative max length: 500 words)
3	<p>Following a competitive international bidding, the firms "Egis International" and " HP GAUFF INGENIEURE GmbH & Co." were selected to undertake the funded study. "Egis International" was recruited to conduct the feasibility studies and detailed engineering design of the Nyakanazi-Kasulu-Manyovu/Rumonge-Rutunga-Bujumbura road (Tanzania, Burundi) while "HP GAUFF INGENIEURE GmbH & Co." was recruited to conduct the feasibility studies and detailed engineering design of the Lusahunga-Rusumo/Kanyoza-Kigali Road (Tanzania, Rwanda).</p> <p>The consultancy services commenced in April 2016 and were to terminate in August 2017. The closing date of the NEPAD-IPPF grant was extended from the initial date of July 31, 2016 to 1st April 2019 and then to 31 December 2019. This significant slippage of several months on the completion time was due to four main factors: (i) Delays in recruiting the consultants, (ii) Insecurity reported in one of the implementing countries (Burundi) which hindered the consultants from fulfilling field missions, (iii) Challenges in organization of validation meetings (logistics and permit issues faced by road agencies in attending these meetings), (iv) disbursement delays due to the use of the two currencies USD and EURO.</p> <p>In terms of compliance, all procurement, financial management and monitoring systems used during the implementation of funded activities were in line with EAC Secretariat procedures as well as with the Bank's rules, guidelines and procedures. Thus, the Bank's rules were used as agreed.</p> <p>The Bank / NEPAD-IPPF carried out field supervision missions to assess the progress and resolve implementation issues. The executing agency, the consultant and NEPAD-IPPF worked in full collaboration. The supervision missions were effective in resolving implementation issues that arose.</p> <p>Technical compliances have been executed by the consultant through the periodic progress reports in accordance with the Bank's requirements.</p>

5. Lessons learned related to efficiency

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
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Time overruns due to additional scope of work and insecurity in the field	<p>The EAC Secretariat and the Bank should ensure that the scope of the consultancy services is adequately determined and defined so that the Terms of References are comprehensive and address all the activities and costs necessary and sufficient for the delivery of the consultancy services. In addition, the Bank and EAC should have better assessed political and insecurity risks in the regions and take it into account during estimation of the project duration.</p> <p>Recommendations: At project design stage and procurement stage, the Bank and EAC Secretariat should satisfy themselves that the TOR for consultancy services comprehensively address all required activities and costs. Furthermore, assessment of political risks should be key in planning the project thus giving a buffer to project execution and duration.</p>	EAC Secretariat/ Bank
Delays in recruiting consultants	<p>The procurement process should be initiated immediately after signing funding agreements. A better anticipation of the activities required, readiness and capacity of EAC to undertake the procurement required for the project should have been done.</p> <p>Recommendations: It is important to have a better estimation of the time required to recruit the consultants and the capacity of the Executing Agency to undertake all the procurement activities in a timely manner. In addition, AfDB should ensure continuity with Task Managers and avoid turnover of Task Managers of projects; which may contribute to delays in the project. Trainings are also required to EAC staff on procurement procedures of the Bank from the beginning of future projects.</p>	EAC Secretariat/Bank
Challenges in organization of validation meetings	<p>A key lesson learned is that there should be a better assessment of readiness, institutional arrangements and any potential bottlenecks that could prevent stakeholders and steering committees of the project from moving from one country to another, to clear reports and to undertake validations critical for project implementation.</p> <p>Recommendations: Better assessment of cross border projects and anticipation in terms of facilitation and access to countries Better assessment of political environment Better anticipation of bottlenecks.</p>	EAC Secretariat/Bank

D Sustainability

1. Financial sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>In line with the project objective, the two roads have been found bankable and suitable for investment and therefore expected to raise the necessary financing for implementation as well as operations and maintenance.</p> <p>For Tanzania/Burundi, at Final Detailed Design Stage, three (3) pavement options were analyzed which were as follows: (i) Pavement Option A: Tanzania-50 AC: Base DBM-Burundi-50AC-Base: DBM; (ii) Pavement Option B: Tanzania-50 AC Base CRR & Burundi 50 AC Base CRR; and (iii) Pavement Option C : Tanzania – DBSD 50AC Base 150 C2.</p> <p>For the Tanzania Section, Pavement Option A was found to be more economically viable by having an IRR of 19.0% and NPV</p>

of USD 140.84 million compared to Pavement Option B and Pavement Option C with IRR of 17.0% and NPV of USD 93.12 million and IRR of 19.8% and NPV of USD 122.8 million respectively. For Burundi Section, Pavement Option A was found to be more economically viable by having an IRR 18.6% and NPV of USD 38.17 million compared to Pavement Option B with IRR of 10.3% and NPV of USD -13.72 million.

The Lusahunga - Rusumo road section yielded positive IRR's, NPV's and NPV/Cost ratios at 12% discount rate for two rehabilitation options. Option 1 involving reconstruction to asphalt concrete (AC) surface, CRR base material, C2 upper subbase from existing base course material and C1 lower subbase from existing natural gravel subbase material has yielded the most positive IRR at 15.5% and a positive NPV at 12% discount rate of US\$33 million and NPV/Cost ratio of 0.4.

The economic analysis suggests that this option is the most economically viable option for implementation.

2. Institutional sustainability and strengthening of capacities

Rating*	Narrative assessment (indicative max length: 250 words)
3	<p>This project reinforced EAC's capacity to manage regional projects. This has led to the strengthening of EAC's Capacity to oversee and build institutional capacity to implement and manage other regional projects. EAC has been implementing cross-border projects for the region and has good experience in this regard. It is expected that EAC will continue to implement projects as demonstrated, on NEPAD-IPPF pipeline and the Bank's Indicative Operations Program.</p> <p>EAC has adequate staff capabilities and skills to implement or support downstream activities of the project. However, technical assistance to enhance the procurement, financial management and project oversight may still be necessary in the short to medium terms to ensure long term capacity and skills to oversee downstream projects</p>

3. Ownership and sustainability of partnerships

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>The beneficiary's members as well as the EAC secretariat were engaged and involved in the implementation of the project study. Key ministries of government from the concerned countries and institutions within the Ministry of Transport also participated in the implementation of the project. Stakeholder information dissemination and validation workshops were held to ensure direct participation in evaluating the project deliverables.</p>

4. Environmental and social sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
N/A	<p>As this is a study, environmental and social sustainability does not apply, and will only come into play after the physical rehabilitation and modernization projects.</p>

5. Lessons learned related to sustainability

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
Project timelines	<p>Projects must be structured in a way that the procurement process and overall execution of works are realized swiftly.</p> <p>Recommendations: Project planning should further take into account: depth of coordination required, complexity of cross border projects, and any bottlenecks that may hinder the consultants' field work.</p>	EAC Secretariat/ Bank

III Performance of stakeholders

- Bank performance

Rating*	Narrative assessment by the Borrower on the Bank's performance, as well as any other aspects of the project (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)	
3	<p>Borrower's assessment of Bank's performance:</p> <p>The funded activities were implemented in compliance with the Bank's environmental safeguards. The Bank ensured that its fiduciary rules and procedures were adhered to throughout the project implementation by granting "No objections" to the recipient's requests. All project covenants were duly fulfilled and the Bank performed field supervision missions. The Bank / NEPAD-IPPF has processed the recipient requests (for disbursement, non-objection, etc.) in line with the Letter of Agreement relating to the NEPAD-IPPF grant.</p> <p>Overall, the Borrower has judged the Bank's performance satisfactory. The project had savings that were used for another EAC project. The collaboration between the Bank and the EAC took place in a cordial environment. The main drawbacks raised by the EAC is the temporary high turnover of Task Managers of the project (from the Bank's side). This has negatively affected the timeliness of Bank's responses in implementation of the project and also in terms of continuity. This also affected the documentation of the projects, which sometimes was reflected in multiple requests to EAC to provide documents already submitted to the Bank.</p> <p>EAC also recognized the facilitation role of the Bank's office in Nairobi.</p>	
<p>Comments to be inserted by the Bank on its own performance (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)</p> <p>Borrower's assessment of the Bank's performance is correct. The Bank team delivered, as expected, in terms of effectiveness, launching and supervision of the study.</p>		
Key issues (related to Bank performance, max 5, add rows as needed)	Lessons learned	
Turnover of Task Managers	<p>Overall, four (4) Task Managers were involved in the project. The average time for each Task Manager was 22 months (It should be noted that one of the Task Managers, a transport consultant recruited by the Bank, handled the project for 6 months).</p> <p>It is necessary, to ensure continuity of the work, to always have an alternate Task Manager. This alternate TM could be a designated staff on the field. In addition, a proper handover of the operation from previous to incoming task manager should be done to ensure project continuity.</p>	
Lack of adequate storage of project documentation	<p>At times some requests for project documents were addressed to the executing agency by the Bank, even though some of these documents had already been sent to the Bank. As a lesson learnt, a documentation record management system is necessary for future projects.</p>	

- Borrower performance

Rating*	Narrative assessment on the Borrower performance to be inserted by the Bank (both quantitative and qualitative, depending on available information). See guidance note. (indicative max length: 250 words)	
3	<p>The executing agency followed the Bank's Environmental safeguards and its own environmental rules and procedures throughout the project implementation. The executing agency mostly followed the Bank's fiduciary requirements and its own rules and procedures throughout the project implementation. Most of the project covenants were duly fulfilled and</p>	

<p>the executing agency collected and used monitoring information for decision making.</p> <p>The project was signed in the required time and quarterly progress reports were regularly submitted to the Bank.</p> <p>Though there were delays in the procurement of the consultants, the beneficiary was diligent and managed the project well. As a result, the project made a saving, which was used as a supplementary fund for another priority project -One-Stop-Border-Post (OSBP) submitted by the same EA, the EAC. Moreover, this project has been well implemented and is leading in lending.</p>	
Key issues (related to Borrower performance, max 5, add rows as needed)	Lessons learned
Delays in the procurement of consultants	<p>Ensuring procurement of consultants in the required time in order to avoid project delay.</p> <p>The Bank should conduct training to the EAC staff on its procurement procedure at the beginning of the project in order to avoid any eventual delay due to this matter.</p>

- Performance of other stakeholders

Rating*	Narrative assessment on the performance of other stakeholders, including co-financiers, contractors and service providers. See guidance note on issues to cover. (indicative max length: 250 words)
3	<p>Consultants performance: The project was carried out by HP GAUFF INGENIEURE GmbH & Co. and EGIS. The design quality for Burundi side was not satisfactory. The executing agency was obliged to review the study and to translate the design documents in French by another consultant that involved an additional design cost and delay in the project implementation.</p> <p>In terms of readiness of the project, the organizational structure was well managed to monitor the project. The government of Burundi diligently provided facilitation for access to the project site by the consultants.</p>

IV Summary of key lessons learned and recommendations

1. Key lessons learned

Key issues (max 5, add rows as needed)	Key lessons learned	Target audience
Procurement Challenge Issue (Delays in Procurement)	<p>The NEPAD-IPPF Grant Agreement was signed by the AfDB on 2 October 2014 and countersigned by EAC Secretariat on 3 November 2014. Despite signing the Grant Agreement in 2014, the EAC Secretariat executed Service Contracts of fifteen (15) calendar months duration with HP GAUFF INGENIEURE GmbH & Co. (Germany) and EGIS (France) on 1st April 2016, 18 months (1.5 years) after signing the NEPAD-IPPF Grant Agreement. The initial closing date for the Grant was 31 July 2016, but this was extended to December 2019. Both Consulting firms (HP GAUFF INGENIEURE GmbH & Co. and EGIS) commenced provision of services 1 May 2016.</p> <p>Recommendations: It is vital to identify project activities that lie on a critical path and to promptly initiate procurement processes having committed to fund a project in order for the project to kick-off immediately after signature of the funding agreement. Also, it is important to strengthen capacity in procurement, project scheduling/ planning and project management.</p>	EAC Secretariat/Bank
Increased Scope of Work	The project saw an increase in the scope of works ranging from the designing of an additional 5 bridges, realignment designs, bypass designs and feeder roads design to topographical surveys, geotechnical investigation and materials surveys together with	EAC Secretariat/Bank

	<p>logistics and management considerations.</p> <p>Recommendations: Project design needs to ensure adequate visits to the proposed sites with a view to i) conducting walkover surveys so that the site-visiting team can familiarize themselves with the project area, ii) undertaking visual assessments and site inventories, iii) gathering relevant information, iv) identifying restrictions and risks posed by the site and opportunities offered by the site, v) identifying potential locations for new bridges, and vi) determining approximate extent of road realignment required. This will improve project cost estimates.</p>	
Implementation arrangements	<p>There is a need for EAC Secretariat to ensure that staff responsible for day-to-day administration of projects are versed in undertaking feasibility studies and engineering designs of roads and project management to feel able to review the works of others to avoid technical and management challenges that may eventually constitute a risk to project accomplishment.</p> <p>Recommendations: Such potential risks should be highlighted during project appraisal and mitigation measures formulated.</p>	EAC Secretariat/Bank
Time overruns due to additional scope of work and insecurity in the field	<p>The EAC Secretariat and the Bank should ensure that the scope of the consultancy services is adequately determined and defined so that the Terms of References are comprehensive and address all the activities and costs necessary and sufficient for the delivery of the consultancy services. In addition, the Bank and EAC should have better assessed political and insecurity risks in the regions and take them into account during estimation of the project duration.</p> <p>Recommendations: At project design stage and procurement stage, the Bank and EAC Secretariat should satisfy themselves that the TOR for consultancy services comprehensively addresses all required activities and costs. Furthermore, assessment of political risks should be key in planning the project thus giving a buffer to project execution and duration.</p>	EAC Secretariat/ Bank
Turnover of Task Managers	<p>It is necessary to ensure continuity of the work by always having an alternate Task Manager. This alternate TM could be a designated staff on the field. In addition, a proper handover of the operation from previous to incoming Task Manager should be done to ensure project continuity.</p>	Bank
Lack of adequate storage of project documentation	<p>At times, some requests for project documents were addressed to the executing agency by the Bank, even though some of these documents had already been sent to the Bank. As a lesson learnt, a documentation record management system is necessary.</p> <p>Recommendations: Electronic storage system should be encouraged and adapted to avoid space shortage problems.</p>	Bank
Need to mainstream trade facilitation/border issues in designing/preparing cross-border corridor projects	<p>NEPAD-IPPF is currently financing the OSBP study for the Manyovu/Mugina OSBP, which lies on one of the road sections funded by this project. The OSBP is filling a gap that was not included in the design of this project. As a risk to the sustained achievement of outcomes of the project, construction of the corridor without paying attention to border issues could have threatened the prospects to achieve the full benefits of improved transport infrastructure. As a lesson learnt, there is a need to mainstream trade facilitation measures such as OSBP in the preparation of cross-border corridors).</p>	EAC
Delays in disbursement	<p>One reason of the delay in disbursement was explained by the fact that EGIS contract was denominated in Euro and USD, with expected exchange rate fluctuations.</p> <p>Recommendations: The financial contingencies of the new projects should take into</p>	EAC

	consideration exchange rate fluctuation issue to avoid disbursement delays for future projects.	
Design quality	The detailed design and tender documents should be reviewed deeply by the executing agency and the EAC staff, in order to avoid any eventual issues during the projects implementation. In addition, the consultant have to be responsible of any defect noticed during the launching of the tender or the work implementation stage.	EAC/Bank
Language and standards of the study	It is highly recommended to undertake French studies in compliance with French standards for the French speaking countries.	EAC/Bank
Design allotment	It is highly recommended to undertake separate studies for French and English speaking countries in order to avoid any eventual non-satisfactory quality design.	EAC/Bank

2. Key recommendations (with particular emphasis on ensuring sustainability of project benefits)

Key issue (max 10, add rows as needed)	Key recommendation	Responsible	Deadline
Capacity of the EAC to physically implement the project	Capacity building and training, especially on Bank procedures and requirements, will be required for the EAC in terms of Procurement, Financial Management, Project Management and disbursements (Training of the EAC Staff on Bank's disbursement procedures should be conducted at the beginning of new future projects in order to avoid disbursement delays). For the execution of future projects, emphasis should be on technical Assistance not only during the preparation phase but also for the implementation of the physical works project.	EAC Secretariat/ Bank	Prior to the beginning of the physical implementation and before the preparation of future projects.
EAC's ability to support members countries to raise funding to keep the projects benefits	It is recommended: (i) to support EAC to mobilize its partners to mobilize funding for the maintenance of the roads (ii) the maintenance, facilitation, fund raising for the project implementation.	EAC Secretariat/ Bank	Prior to the beginning of the physical implementation

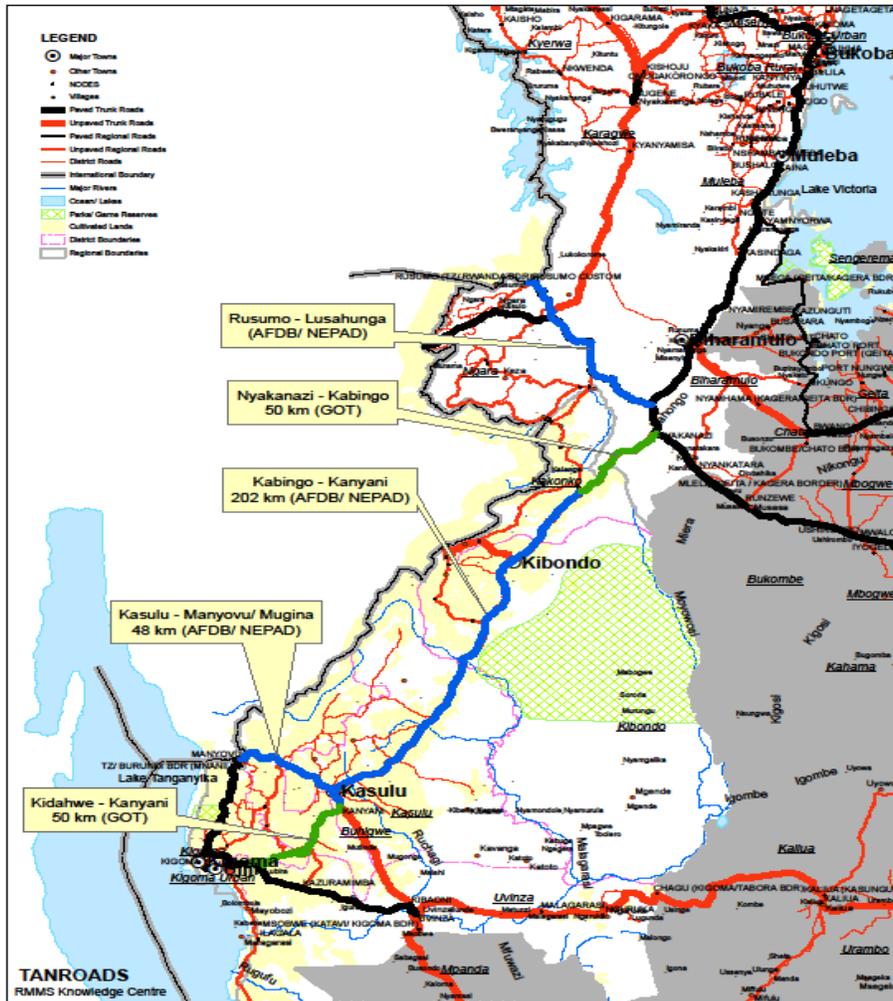
V Overall PCR rating

Dimensions and criteria	Rating*
DIMENSION A: RELEVANCE	4
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	4
DIMENSION B: EFFECTIVENESS	4
Development Objective (DO) (II.B.4)	4
DIMENSION C: EFFICIENCY	2.33
Timeliness (II.C.1)	1
Resource use efficiency (II.C.2)	3
Cost-benefit analysis (II.C.3)	-
Implementation Progress (IP) (II.C.4)	3
DIMENSION D: SUSTAINABILITY	3.67
Financial sustainability (II.D.1)	4
Institutional sustainability and strengthening of capacities (II.D.2)	3
Ownership and sustainability of partnerships (II.D.3)	4
Environmental and social sustainability (II.D.4)	-
AVERAGE OF THE DIMENSION RATINGS	3.5
OVERALL PROJECT COMPLETION RATING	3.5

VI Acronyms and Abbreviations

Acronym (add rows as needed)	Full name
AC	Asphalt Concrete
AfDB	African Development Bank
ARTIN	African Regional Transport Integration Network
APOA	Almaty Programme of Action
CEOs	Chief Executing Officers
CRR	Colorado Rose Red
CSP	Country Strategy paper
EAC	East African Community
EATTF	East African Trade and Transport Facilitation
EIRR	Economic Internal Rate of Return
IPR	Implementation Progress Report
NEPAD-IPPF	NEPAD – Infrastructure Project Preparation Facility
NPV	Net Present Value
PCR	Project Completion Report

PROPOSED PROJECT ROADS FOR NEPAD/ IPPF FINANCING





Source : OdR