

AFRICAN DEVELOPMENT FUND



MALAWI

MZUZU-NKHATA BAY ROAD REHABILITATION PROJECT

PROJECT COMPLETION REPORT

(PCR)

RDGS/PICU/COMW

April 2019

PROJECT COMPLETION REPORT

MZUZU-NKHATA BAY ROAD REHABILITATION PROJECT



AFRICAN
DEVELOPMENT
BANK GROUP

I BASIC DATA

A Report data

Report date	Date of report	14/12/2018	
	Mission date (<i>if field mission</i>)	From: 20/11/2018	To: 30/11/2018

B Responsible Bank staff

Positions	At approval	At completion
Regional Director	Kennedy MBEKEANI	Kapil KAPOOR
Country Manager	Andrew MWABA	Eyerusalem FASIKA (OIC)
Sector Director	Gilbert MBESHERUBUSA	Amadou OUMAROU
Sector Manager	Amadou OUMAROU	Noel KULEMEKA
Task Manager	Davies MAKASA	Davies MAKASA
Alternate Task Manager	Katala JUMBE	
PCR Team Leader		Davies Makasa
PCR Team Members		Joseph BYAMUGISHA, Kalumba MKANDAWIRE, Annah MUJA

C Project data

Project name: Mzuzu-Nkhatabay Road Rehabilitation Project				
Project code: P-MW-DB0-0012		Instrument number(s): ADF Loan No. 2100150028743		
Project type: Sovereign		Sector: Transport		
Country: Malawi		Environmental categorization (1-3): 2		
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:	Financing source/ instrument1:	Financing source/ instrument1:		
Approval Date : 13/03/2013	Cancelled amounts:	Original disbursement deadline: 31/03/2018		
Signature date: 05/04/2013	Supplementary financing:	Original closing date: 31/12/2017		
Date of entry into force: 05/04/2013	Restructuring (<i>specify date & amount involved</i>):	Revised (<i>if applicable</i>) disbursement deadline: 31/03/2019		
Date effective for 1st disbursement: 13/02/2014	Extensions (<i>specify dates</i>):	Revised (<i>if applicable</i>) closing date: 31/12/2018		
Date of actual 1st disbursement: 11/06/2014				
Financing source/instrument (add/delete rows depending on the number of financing sources):	Disbursed amount (amount, UA):	Percentage disbursed (%):	Undisbursed amount (UA):	Percentage undisbursed (%):

Financing source/ instrument1: UA 21,890,000.00	21,452,200.00	98%	437,800	2%
Government: N/A	N/A			
Other (eg. co-financiers). <i>Add rows as needed</i>	N/A			
TOTAL 21,890,000.00	21,452,200.00	98%	437,800	2%
Co-financiers and other external partners: N/A				
Executing and implementing agency (ies): Roads Authority				

D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Manager	Eyerusalem FASIKA		
Sector Manager	Noel Kulemekka		
Regional Director (as chair of Country Team)	Kapil KAPOOR		
Sector Director	Oumarou AMADOU		

II Project performance assessment

A Relevance

1. Relevance of project development objective

Rating*	Narrative assessment (max 250 words)
4	<p>Project development objectives. The overarching development objective of the project was to contribute improved mobility of people, goods and services between the towns of Mzuzu and Nkhata Bay. The majority of road users in the area are involved in agricultural, fishing, tourism, commuting to health centres, schools and markets. It was expected that, rehabilitation of the road would contribute to reducing transportation costs as a result of savings in travel time and vehicle operating costs.</p> <p>Banks CSP. At project design, the project was designed inline with the Bank's Interim Country Strategy Paper (ICSP, 2011-2012), which committed to development of transport infrastructure in Malawi as an enabler for growth, wealth creation and poverty reduction. This objective is consistent with the current Bank Country Strategy Paper for Malawi (2018-2022) Pillar 1, whose objectives is to support "Investing in infrastructure to reduce the cost of doing business.</p> <p>Country Development Strategy. The Project was conceived to support Malawi's Growth and Development Strategy Phase I, whose objective was to create wealth and reduce poverty. Transport infrastructure was recognised as a key ingredient in facilitating creation of wealth through provision of affordable and efficient transport system in the country. The project objective is still in line with the current Malawi Growth and Development Strategy Phase (2017-2022), which among others, recognises transport infrastructure as a key factor in developing other growth sectors, such as agriculture and tourism.</p> <p>Beneficiaries. The rehabilitated road has eased travel between the two towns of Mzuzu and Nkhata Bay. From the interviews with the local people, they indicated that, the road has helped to increase frequency of fleets of small commuter buses. Small scale traders are able to transport their goods between Mzuzu and Khata Bay much more quickly than before.</p>

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

2. Relevance of project design

Rating*	Narrative assessment (max 250 words)
4	<p>Soundness of project design. The design considered all the aspects of the project, including, technical, social, and environment. The road was narrow and in a poor state of repair. This meant that, excessive time was being spent to travel between the two towns, each journey took more than 1 and half hours. This was coupled with high accident incidents involving small public buses. The road has now been widened, thus safety has improved and the journey time has been reduced from more than 1 hour to less than 40 minutes. The public including the government officials interviewed have indicated that, the road is one of the best roads constructed in Malawi. The project ensured that all affected persons were adequately compensated. The Environmental Mitigation Plan was implemented and ensured that all negative impacts to the communities and the environment was minimized.</p>

3. Lessons learned related to relevance

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
Consultation with government and other stakeholders was key to indentifying this important road link for rehabilitation.	1. There are usually many competing roads to be rehabilitated, and to optimise the resources, prioritization of roads is important. <u>This prioritization should not only be based on the economic benefits for the individual road links</u> , but should also consider national and regional strategies. This project took into account both national and regional strategies. For example the road forms part of the north-south corridor, which is an important link for both domestic and international traffic.	1. Government of Malawi/ Bank

B Effectiveness

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

Comments
<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>
The development objectives were to contribute to <u>reducing transportation costs</u> between the towns of Mzuzu and Nkhata Bay through savings in travel time and vehicle operating costs. <u>This objective has been achieved as follows:</u> (1) the entire 46 km road which was planned to be rehabilitated has been done. This has resulted in reduction in travel time from more than 1 hour to about 40 minutes, the road roughness has reduced, which means vehicle operating costs have reduced; (2) because of the good road, the fleets for public transport have increased. Increase in public transport fleets is expected to bring about competition, which in the medium to long-term will reduce fares for passengers; and (3) the road has been widened and all accident prone spots have been eliminated. This intervention is expected to reduce accidents by more than 60%, especially for small public passenger buses.

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)
Outcome 1: Transportation Costs: (ii) Composite vehicle operating costs; and (iii) travel time between Mzuzu and Nkhata Bay	(i) > 1 hour (ii) 0.49USD/ vehicle-km	(i) <40 minutes (ii) 0.37 USD/ veh-km	(i) <40 minutes (ii) 0.37 USD/ veh-km	100%	The road has been widened, all the sharp bends have been removed. Stopping sight distances have been increased and all black-spots have been removed.	YES
Outcome 2: Improved road condition (International Roughness Index -IRI)	IRI > 6.0	IRI < 305	IRI <3.5	100%	The road has been surfaced with asphalt concrete. The roughness index is now less than 3.0.	YES
Outcome 3: Number of accidents	12 accidents	-	Reduce by 60% 2020	-	This will be known 1 years after opening the road to traffic.	YES
Output 4: No of jobs created	0	¹ 400	300	> 100%		
Rating* (see methodology)	Narrative assessment					
4	The road has been widened and made more smooth by asphalt surfacing. The IRI is less than 3.0. This level of roughness corresponds to vehicle operating costs of less than 0.37 USD / vehicle km. Travel time has been reduced from more than 1 hour to less than 40 minutes. The accodents are exected to reduce by more than 60% because all accident prone curves have been flattened and widened. Based on the above, it can be seen that, the initial outcome objectives have been achieved.					

¹ At peak, more than 400 workers were employed.

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)
Output 1: 46 km of road rehabilitated between the towns of Mzuzu and Nkhata bay	(i) 46 km of main road completed (ii) 1.3km of dual carriageway in Mzuzu town constructed.	46km of road rehabilitated	> 100%	The planned 46km of road rehabilitation was completed. Part of the loan balance was used to construct an additional 1.3 km of dual carriageway in Mzuzu town.	YES
Output 2: Road sector Needs Assessment Study	Report Prepared	Report prepared	100%	Roads Authority prepared a similar report using their own funds.	NO
Output 3: Road side market	-	1 roadside market	-	The market construction was not done because of budget constraint forecast.	No
Output 4: No. of staff trained	40 staff trained	20 staff	> 100%	Local engineers were also trained in FIDC contract administration.	No
Rating* (see IPR methodology)	Narrative assessment				
3.8	All the planned outputs were achieved except for the road sidemarket. Construction of the road market was suspended because of the high bids which were received. This decision was made because of a high probability of having increased earthworks than was estimated in the bills of quantities for the road works. To be on the safe it was agreed to suspend the construction of the market.				

4. Development Objective (DO) rating

DO rating (derived from updated IPR)*	Narrative assessment (indicative max length: 250 words)
4	The development objectives were to contribute to the <u>reduction of transportation</u> costs between the towns of Mzuzu and Nkhata through savings in travel vehicle operating costs. <u>This objective has been achieved as follows:</u> (1) the entire road which was planned to be rehabilitated has been done. This has resulted in reduction in travel time from more than 1 hour to about 40 minutes, the road roughness has reduced, which means vehicle operating costs have reduced; (2) because of the good road, the fleets for public transport have increased. Increase in public transport fleets is expected to bring about competition, which in the medium to long-term is expected to result in reduced fares for passengers; and (3) the road has been widened and all accident prone spots have been eliminated. This intervention is expected to reduce accidents by more than 60%, especially by small public passenger buses between Mzuzu and Nkhata Bay.

5. Beneficiaries (add rows as needed)

³ Actual (A)	Planned (B)	Progress towards target (% realized) (A/B)	% of women	Category (eg. farmers, students)
> 400,000	> 400,000	100%	>50%	Small scale farmers and traders

² The bids were more than the budget. It was agreed that, this will be done by the government own resources.

³ <http://www.nsomalawi.mw/>

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

Description	Type (eg. gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)
The road will contribute growth in other sector, such as agriculture and the fishing industry. This has not been captured in the project benefits because it required more time to conduct, for example, current agriculture output in the affected areas before and after road construction.	Social and gender. More than 70% of women work on subsistence farms. The road will assist them to transport their produce to markets.	positive	The road may have a medium impact on agriculture. This is because agriculture productivity depends on other government policies and programs.

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

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Not all outcomes are captured in Bank road projects	1. The Bank should find a way of including exogenous economic benefits in road projects, in addition to the traditional savings in travel time and vehicle operating costs.	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*
5 Year	6 Years	0.83	3.5
Narrative assessment (indicative max length: 250 words)			
<p>The delay in completion of the project were mainly due to: (i) delays in procurement of services and works; (ii) excessive rainfall, which disrupted the contractor's work plan; (iii) because of the challenging terrain which presented difficulties in providing for bypass roads, the road users were using the same road which was being rehabilitated. This disrupted the works, especially when big trucks got stuck on the road; (iv) the contractor at some point was stopped from using a private quarry. This took more than 3 months to resolve by the courts. The above factors contributed to the extension of the project. Overall the works progressed well and were completed within the agreed extended time.</p>			

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*
UA20,904,990.99	UA21,890,000.00	0.98	2
Narrative assessment (indicative max length: 250 words)			
<p>The works contract did not experience cost overruns as is always the case on most works contracts. This is attributed to the experienced DRB which was hired on the project. The DRB helped the executing agency to determine the reasonableness of claims by the contractor, as and when the executing agency disputed such claims and/or when the contractor did not agree with the engineers determination. This helped to keep the costs in control. However, on the other hand, in spite of the fact that there was no cost overrun, 98% of the resources were used. This points to the fact that, the cost estimate during the project design phase was reasonable.</p>			

3. Cost benefit analysis

Economic Rate of Return (at appraisal)	Updated Economic Rate of Return (at completion)	Rating*
16.60%	15.30%	4
Narrative assessment (indicative max length: 250 words)		
<p>The ERR has reduced marginally from the appraisal ERR. This slight reduction is due to the increase in investment costs, while traffic projections have remained more or less the same. Bid prices were a little bit higher than the engineer's estimates. It should be noted that, the ERR has been derived from savings in travel time and composite vehicle operating costs and does not take into account other exogenous benefits such as reduction in road traffic accidents, potential increase in agriculture production, increase in tourists visiting the area, increase in SMEs traders and so on. This entails the indicated ERR is conservative and the actual benefits are much higher.</p>		

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)
3.5	<p>All the implementation parameters were rated satisfactory during the project implementation period. However, progress, especially on road works was sometimes slowed down by: (i) excessive rain days; (ii) obstruction of works by trucks breaking down on road; and (iii) stoppage of the contractor from unloading materials in a private land. Notwithstanding the above, the works proceeded smoothly and efficiently. The communities in the area, the road users, and government officials have expressed satisfaction at the quality of the road and completion time, and have hailed the road as one of the best roads in Malawi.</p>

5. Lessons learned related to efficiency

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. The proportion of time that was taken up by procurement of consultancy services and works is almost 50% of the actual implementation period of the Project.	1. To reduce the proportion of time taken up by procurement under Bank financed projects, the executing agencies should be encouraged to conduct advance procurement.	Bank/ Executing Agency
2. The Project benefited greatly from the experienced DRB members in controlling costs and claims and has thus assisted to avoid possible cost overruns on the Project.	2. Effort should be made to ensure that only experienced DRBs are recruited on Bank supported projects. The Bank should start funding the DRB. This will ensure Bank participation in scrutinizing the team members.	Bank/ Executing Agency
3. Deficiencies have been observed in RA staff to check Interim Payment Certificates (IPCs) and in analyzing claims from the contractors/ and engineer's determinations.	3. To improve capacity of RA staff in checking IPCs and contractor claims, an in-house training for RA and RFA staff shall be arranged under a separate project.	Bank/ Executing Agency

D Sustainability

1. Financial sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
3.5	<p>There are three main sources of road sector financing, namely: (i) the Road Fund (average 24%). This is mainly from the fuel levy and is used for routine maintenance and light rehabilitation works; (ii) Government development budget (average 32%). This is used for upgrades and periodic maintenance; and (iii) Loans and grants from development partners (average 44%). This is used for periodic maintenance. The Road Fund has, in the last decade, played a pivotal role in ensuring steady flow of funds towards routine maintenance. To sustain the road network in good and fair condition, the government is prioritizing maintenance as opposed to upgrading or constructing of new roads.</p> <p>The average annual budget based on recent annual work plans is approximately USD 200 million. However, the actual average amounts disbursed to the sector is in the range of USD 160 million (80%), which leaves a gap of USD 40 million (20%). To close this gap the government is among other initiatives doing the following: (i) expanding the Road Fund to include other road user fees, such international transit fees, motor vehicle licensing; (ii) increase development budget allocations; (iii) introduced a statutory instrument that allows the Roads Funds Administration to borrow from the public through road bonds; and (iv) introduced a statutory instrument that allows the Roads Fund Administration to collect road tolls.</p> <p>In addition to the above, the government has introduced a automatic fuel levy adjustment system. In the past, fuel levy was fixed to MWK47.00 per liter for diesel and MWK52.00 per liter for petrol. This meant that even when the pump price of fuel was increased, fuel levy remained the same. However, with a self-adjusting system, the government has</p>

	<p>introduced a fuel levy of 8.3 % on the pump price of petrol and 10.2% on the pump price of diesel. With this adjustment, it is expected that fuel levy contribution to routine maintenance will increase to more than 70%. This has already been confirmed by the Roads Fund Administration. In addition to this, the donors have agreed with government to gradually increase the fuel levy to an average of 14% by December 2020. At the moment the average is 11%.</p> <p>With all the above in place, and the road being a major trunk road, it is expected that, the project road and other major roads in the network shall be timely maintained to prolong and will ensure that it will not fail before the design life.</p>
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2. Institutional sustainability and strengthening of capacities

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>The government has put in place a sustainable legal and institutional framework which ensures consistency in the management of the public road networks. The Roads Authority has been established through an Act of parliament to plan, and manage the public road network.</p> <p>Similarly, the Roads Fund administration has been created by an Act of Parliament to carry out fiduciary functions in the road sector, in addition to mobilizing resources for the sector through various initiatives as mentioned above.</p> <p>The institutional arrangements as indicated above, ensure an ordered and systematic financing and management of the road network. The Roads Fund Administration has a Pavement Management System which is regularly populated by data from road inventory surveys and road roughness surveys. This makes it possible for the Roads Authority to monitor condition of the roads in the network and to accordingly plan for maintenance.</p>

3. Ownership and sustainability of partnerships

Rating*	Narrative assessment (indicative max length: 250 words)
4.0	<p>The road sector is one of the sectors that does not use Project Implementation Units on Bank and other donor funded projects. The staff on Bank funded projects are seconded by the Roads Authority from within the organization structure. This ensures ownership of the investment in the road sector by the Roads Authority. In the case of the subject road, the Roads Authority, will place it under maintenance upon it is rehabilitated.</p> <p>The Roads Fund Administration intends to install road toll plazas along the Mzuzu-Nkhata Bay Bay-Salima as a means of raising additional funds for maintenance. The Roads Fund Administration has approached the Bank for guidance and assistance. Discussions are on-going and perhaps this might be an opportunity for the private sector window of the Bank to consider.</p>

4. Environmental and social sustainability

Rating*	Narrative assessment (indicative max length: 250 words)
4	<p>The Roads Authority has a fully fledged Section for Environmental and Social, which falls under the Department of Construction. This Unit works closely with the government Department of Environmental Affairs to ensure that all periodic and routine maintenance activities comply with the environmental laws of the country. The Roads Authority ensures that Environmental Mitigation Plans are in place and all statutory permits are obtained by contractors for borrow pits and quarries, ground water and surface water abstraction, disposal of debris, etc. In addition to the above, Environmental and Social Impact Assessments (ESIA) are conducted on all road projects with associated Environmental Management Plans (EMP) and Resettlement Action Plans (RAP), put in place where required. These process are required by law to ensure that the environment and livelihoods of the Project Affected Persons (PAPs) are protected.</p>

5. Lessons learned related to sustainability

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Introduction of road tolls	There is always a deficit in the annual budget for routine maintenance. Introducing road tolls on selected roads will contribute to securing additional resources for maintenance of roads and improve financial sustainability. This would be in addition to other government financing initiatives in the sector. The Bank should consider providing technical assistance to implement road tolls.	Bank/ Ministry of Finance, Economic Planning and Development/ Roads Authority/ Roads Fund Administration

1. 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)	
4	<p>Overall performance by the Bank was highly satisfactory. The Bank was very engaged on the project and were involved on all consultations with the stakeholders as well in all consultative meetings with road users and local authorities at Nkhata Bay and Mzuzu and along the road. This was done during project preparation and partly during project appraisal.</p> <p>During project implementation, the Bank provided guidance on procurement, financial management and disbursements. They also provided training to Roads Authority and Roads Fund Administration on procurement procedures and financial management. These interventions helped to implement the project smoothly from the point of view fiduciary management. In some cases delays were experienced in responses to the requested no objections, however this was occasionally. The presence of the task manager in the country helped a lot to resolve project issues quickly for the Roads Authority to respond to the contractor and the consulting team quickly to avoid delays.</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>The Bank's performance during the entire project cycle from preparation to completion was highly satisfactory. The Bank Task Team managed day to day issues of the project consultation with the government counter-parts and ensured smooth progression of the project. The Task Team guided the Roads Authority and the Roads Fund Administration on all fiduciary matters. In addition to the above, the Task Team conducted two supervision missions per year during project implementation. Supervisions usually comprised of a full Bank team of experts, including engineer (task manager), environmental specialist, financial management specialist, and procurement specialist, and on some occasions, a Bank gender specialist. The above activities helped to identify issues and to guide the Roads Authority and the Roads Fund Administration accordingly. This effort has resulted in completing the road project smoothly and within budget.</p>		
Key issues (related to Bank performance, max 5, add rows as needed)		Lessons learned
1. Sometimes there were delays on the side of the Bank to clear no-objections from the client owing to multiple layers of approvals.		1. This has now been addressed through the new Delegation of Authority Matrix. The Task managers have now been given authority at reasonably high thresholds to approve procurement transactions in consultation with the procurement specialists. This is a good move by the Bank and will assist to quicken procurement processes.

2. 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>Overall the Borrower's performance was satisfactory. The borrower was very cooperative with the Bank and complied to all the Bank's guidance and comments on all procurement documentation as well on project and contract management issues. They also complied with all loan convenenats, except they were some lapses in submitting financial management reports and quarterly reports as required and stipulated in the loan agreement. The Roads Authority guided and facilitated the securing of all necessary government permits by the contractor. This helped smooth progression of the works and avoided work stoppages.</p>	
Key issues (related to Borrower performance, max 5, add rows as needed)		Lessons learned
1. Delays in submitting quarterly project progress reports and financial reports.		1. There is need to strengthen the Loan Agreement punitive actions associated with failure to submit the necessary project progress reports. This will act as an incentive for the executing agencies to implement reporting requirements on the projects; and (2) During project launch, the Bank should share and explain the templates on quarterly progress reports, financial management reports, etc. This can be followed by further training during the course of project implementation to make sure all persons charged with project implementation are up to speed with the reporting and formatting requirements of the progress reports.

3. 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)	
4	Overall performance by the stakeholders was highly satisfactory. The stakeholders on the project comprised the road users in Mzuzu and Nkhata Bay as well communities along the project road, the track association and public services passenger drivers, government, specifically Ministry of Transport, Ministry of Finance, Planning and Economic Development, Ministry of Lands, Department of Environmental Affairs, utility companies which included Electricity Supply Company of Malawi, Water Boards in Mzuzu and Nkhata Bay; telephone companies; local Assemblies at Mzuzu and Nkhata Bay; traditional authorities along the road; and last, but not least, the contractor and the consultants. Wide stakeholder consultations were conducted during project preparation and again later during preparation of the Resettlement Action Plan (RAP) for all project affected persons (PAPs). The performance of all the named stakeholders was satisfactory. For example, the local authorities and the road users made valuable contributions during preparation of the RAP in terms of vacating the road reserve in good time to pave way for construction works after payment of compensation; the utility companies relocated all the services at Mzuzu and Nkhata Bay and along the road way before the road works commenced. The land owners along the road cooperated in terms of permitting their land to be exploited for quarrying of aggregates and borrowing of gravel for road works. The construction team complied with all government environmental requirements in terms of obtaining the necessary permits for quarrying, borrowing and abstraction of surface and underground water resources for construction purposes. In addition to the above, the construction team constructed a high quality road which government and the general public has applauded as one of the best roads in Malawi.	
Key issues (related to performance of other stakeholders, max 5, add rows as needed)	Lessons learned (max 5)	Target audience (for lessons learned)
1. Inclusive consultations	1. The consultations should be well planned beginning with, first mapping out all the necessary stakeholders and drawing up an agenda for each of the mapped stakeholders. This kind of planning helps to focus on issues affecting each constituency of stakeholders as well as ensures efficient participation. For example, public passenger drivers were able to point out accident prone spots along the road which assisted the design review engineers to focus more attention on such spots to design for safety.	Roads Authority/ Roads Fund Administration/ Bank

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
1. Not all outcomes are captured in Bank road projects	1. The Bank should find a way of including exogenous economic benefits in road projects, in addition to the traditional savings in travel time and vehicle operating costs.	Bank
2. The Project benefited greatly from <u>experienced Dispute Resolution Board (DRB) members</u> in controlling costs and claims and has thus assisted to avoid possible cost overruns on the Project. This is in addition to the usual dispute resolution function of the DRB.	2. The Bank should commence paying for DRBs. This will ensure that the Bank is involved in the section of DRB members to ensure that only the best are included.	Bank/ Executing Agency
3. The Roads Authority has no capacity to analyse claims from contractors. The contractors take advantage of this weakness to make unreasonable claims.	3. In house training on claims analysis should be arranged for the Roads Authority and Roads Fund staff in a separate Bank project.	Bank/ Executing Agency
4. Inclusive consultations	4. The consultations should be well planned beginning with, first mapping out all the necessary stakeholders and drawing up an agenda for each of the mapped stakeholders. This kind of planning helps to focus on issues affecting each constituency of stakeholders as well as ensures efficient participation. For example, public passenger drivers were able to point out accident prone spots along the road which helped design review engineers to focus more attention on such spots to design for safety.	Roads Authority/ Roads Fund Administration/ 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
1. Not all outcomes are captured in Bank road projects	1. The Bank should find a way of including exogenous economic benefits in road projects, in addition to the traditional savings in travel time and vehicle operating costs.	Bank	
2. The Project benefited greatly from <u>experienced DRB members</u> in controlling costs and claims and has thus assisted to avoid possible cost overruns on the Project. This is in addition to the usual dispute resolution function of the the DRB.	2. The Bank should commence paying for DRBs. This will ensure that the Bank is involved in the selection of DRB members to ensure that only the best are included.	Bank/ Executing Agency	
3. The Roads Authority has no capacity to analyse claims from contractors. The contractors take advantage of this weakness to make unreasonable claims.	3. In house training on claims analysis should be arranged for the Roads Authority and Roads Fund staff in a separate Bank project.	Bank/ Executing Agency	

V

Overall PCR rating

Dimensions and criteria	Rating*
DIMENSION A: RELEVANCE	
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	4
DIMENSION B: EFFECTIVENESS	
Development Objective (DO) (II.B.4)	4
DIMENSION C: EFFICIENCY	
Timeliness (II.C.1)	3.5
Resource use efficiency (II.C.2)	4
Cost-benefit analysis (II.C.3)	4
Implementation Progress (IP) (II.C.4)	4
DIMENSION D: SUSTAINABILITY	
Financial sustainability (II.D.1)	3.5
Institutional sustainability and strengthening of capacities (II.D.2)	4
Ownership and sustainability of partnerships (II.D.3)	4
Environmental and social sustainability (II.D.4)	4
AVERAGE OF THE DIMENSION RATINGS	3.86
OVERALL PROJECT COMPLETION RATING	HS

Acronym (add rows as needed)	Full name
ADF	African Development Fund
CSP	Country Strategy Paper
EMP	Environmental Management Plan
ESIA	Environmental and Social Impact Assessment
DRB	Dispute Resolution Board
IRI	International Roughness Index
OIC	Officer In charge
PAPs	Project Affected Persons
PCR	Project Completion Report
PDO	Project Development Objectives
RA	Roads Authority
RAP	Resettlement Action Plan
RFA	Roads Fund Administration
RLF	Results Logical Framework
UA	Units of Accounts
VOCs	Vehicle Operating Costs