1. Project Data

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>P127543</td>
<td>MR-Local Government Development Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Practice Area(Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritania</td>
<td>Urban, Resilience and Land</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>L/C/TF Number(s)</th>
<th>Closing Date (Original)</th>
<th>Total Project Cost (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDA-52720,IDA-H8610</td>
<td>30-Jun-2019</td>
<td>23,641,343.23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Approval Date</th>
<th>Closing Date (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-Jun-2013</td>
<td>30-Jun-2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IBRD/IDA (USD)</th>
<th>Grants (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Original Commitment</td>
<td>25,000,000.00</td>
</tr>
<tr>
<td>Revised Commitment</td>
<td>25,000,000.00</td>
</tr>
<tr>
<td>Actual</td>
<td>23,641,343.23</td>
</tr>
</tbody>
</table>

Prepared by Cynthia Nunez-Ollero  
Reviewed by Vibecke Dixon  
ICR Review Coordinator Christopher David Nelson  
Group IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (FA, p.7) and the Project Appraisal Document (PAD, paragraph 12), the Project Development Objective (PDO) was "to strengthen the institutional performance of Mauritania’s targeted local governments in order to improve their capacity to deliver services."

This review will assess the following objectives:

- to strengthen the institutional performance of Mauritania’s targeted local governments
• to improve the capacity of Mauritania’s targeted local governments to deliver services.

b. Were the project objectives/key associated outcome targets revised during implementation?  
No

c. Will a split evaluation be undertaken?  
No

d. Components

1. **Conditional Performance Grants for Local Governments** (US$70 million at appraisal with US$42 million from the Government, US$15 million from IDA, and US$13 million from the EU; actual disbursement was US$50 million with US$35 million from the Government and US$15 million from IDA). This component financed performance based grants to 100 local governments. These local governments were from 10 of the 13 regions of the country and included 32 urban department capitals, and 68 rural local governments. These local governments were covered under the Government's National Integrated Program for Decentralization, Local Development, and Employment (or Program National Intégré pour la Décentralisation, le Développement et l’Emploi or PNIDDLE). Financing was divided into a basic grant and a performance grant. The grants were used for construction, maintenance, and supplies for local roads, primary school buildings, clinics and maternal and child health facilities, water supply and public lighting, urban transport, health and education, fire prevention, sanitation, garbage collection, markets, abattoirs, sports and cultural facilities, parks and gardens, cemeteries, assistance to the poor and development and management of areas granted by the central to the local government.

2. **Targeted Capacity Support to Targeted Local Governments, Deconcentrated and Central Institutions and Agencies** (US$19 million at appraisal with US$4 million from the Government, US$6 million from IDA, and US$9 million from the EU; actual disbursement was US$14 million with US$4 million from the Government, US$7 million from IDA and US$3 million from the EU). This component financed capacity building training and technical assistance for the 100 participating local governments, and institutional support to national, regional, and deconcentrated agencies. This component financed customized training in core aspect of local government management such as local government regulations and laws, financial management, procurement, planning and budgeting, own source revenue management, and sustainable natural resources management. Training was delivered to staff coming from different levels who met minimum qualifications. This component also financed mobile teams of consulting firms staffed with key personnel to provide rapid response or just-in-time on the job training and assistance. The capacity support to national agencies and their decentralized offices at the regional and department levels, including the department based treasury offices of the Ministry of Finance funded training and technical assistance to strengthen their capacity to operate the performance grant program; monitor the local government system and the performance of each local government; regulate the decentralization operating framework; develop and modify legislation, as appropriate; and identify and deliver support to local governments where needed. Activities financed included regular coordination on planning and budgeting; regular monitoring visits to track progress and submit reports to the national level, and technical support to local governments as they implement subprojects. With regard to supporting the Ministry of Finance’s treasury offices at the department level, activities such as oversight in timely submission of completed local government financial reports to the national level and supporting the quality of local government financial reporting.
3. **Project Management Support and Monitoring and Evaluation** (US$11.3 million at appraisal with US$6 million from the Government, US$4 million from IDA, and US$3 million from the EU; actual disbursement was US$6 million with US$2 million from the Government, US$3 million from IDA and US$1 million from the EU). This component financed overall program management and oversight of project implementation. Among the activities financed were biannual audits of the quality of the performance assessment; a baseline, mid-term, and end of project satisfaction survey of residents from participating local governments; an assessment of the effective use of mobile teams at mid term; and assessment of the effective use of investment resources by participating local governments at mid term and end of project.

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

**Project Cost:** The total project cost was US$102 million. Disbursements reached US$70 million, with the balance attributable to changes made to the financing scheme (see below).

**Financing:** The International Development Association (IDA) financed this investment financing project with both an IDA grant and IDA credit. The European Commission pledged US$25 million and disbursed US$4 million, after reducing its commitment by EUR16 million (US$21 million equivalent). Total project financing was reduced from the original US$102 million to US$70 million at closing. At appraisal, the European Commission agreed to parallel finance the project with the Bank managing its contribution. The EU global partnership framework, however, was updated just before the legal agreement was signed and the EU had to look for local actors to manage their contribution, in accordance with the new framework. The EU requested Bank participation a month before the EU financing expired. After preparing the legal documentation, another EU administrative condition for the Government could not be met. The financing did not materialize beyond the US$3 million under component 2 and US$1 million under project management (ICR, footnote 4).

**Borrower Contribution:** The government committed US$52 million and disbursed US$41 million. The government disbursed US$11 million less than its original commitment due to exchange rate fluctuations since the original commitment was in local currency (ICR, paragraph 23 and Table 1).

**Dates:** The project was approved on June 18, 2013 and became effective on February 24, 2014. The Mid Term Review was conducted on November 7, 2016. The project closed as originally scheduled, on June 30, 2019. There was one restructuring, on April 10, 2017, to reallocate resources among disbursement categories. After the EU withdrew its parallel financing, the team decided not to restructure to request additional financing because of limited local absorption capacity (see Section 5 Efficiency, and Section 8, Assessment of Bank Performance, subsection (b)Quality of Supervision).

3. **Relevance of Objectives**

**Rationale**
The PDO was highly relevant to the country's key national policy documents and strategies, which highlighted the importance of its decentralization agenda. One evidence of the importance the government placed on the PDO was its strong ownership of the project, contributing over half of the overall project cost. In addition, the PDO was relevant to the country's Strategy for Accelerated Growth and Shared Prosperity (Stratégie Nationale de Croissance Accélérée et de Prospérité Partagée or SCAPP) for 2016-2030, which emphasized a strengthened decentralization agenda for better access to basic services and the efficient use of public resources. The new President, elected in 2019, emphasized local development as one of his priorities and renewed government engagement on decentralization.

In addition, the PDO contributed to strengthening the Sahel Alliance’s commitment to decentralization as a means to deliver multi-sectoral infrastructure and services in areas of the country - the South and East of Mauritania - where the rate of poverty and the level of vulnerability were most pronounced. The Sahel Alliance is a donor-led organization launched in July 2017 by France, Germany, the European Union, the World Bank, the African Development Bank and the United Nations Development Program. Italy, Spain, the United Kingdom and Luxembourg later joined the Alliance. The following form the Sahel member countries - Mauritania, Mali, Niger, Burkina Faso and Chad (ICR, footnote 5).

The PDO was also highly relevant to the Bank's Country Partnership Framework (CPF) for Mauritania for 2018-2023. The CPF consisted of three strategic pillars: (i) Promote Economic Transition for Diversified and Resilient Growth; (ii) Build Human Capital for Inclusive Growth and (ii) Strengthening Economic Governance and Private Sector-Led Growth. The PDO supported pillars 1 and 2. Under pillar 1, priority was to “promote the development of productive cities and adjacent territories in the context of decentralization” through the devolution of administrative competencies, and the transfer of financing to local institutions. Under pillar 2 the PDO was relevant to improving the socio-economic environment of intermediary cities for increased access to basic services.

However, while there was clear alignment between the project's development objectives and the country and World Bank strategies, the relevance of the objectives was pitched at a level that did not adequately reflect a potential solution to a development problem. Focusing on a "strengthened institutional performance" and "improved capacity" alone was not outcome focused and did not help in understanding what development results were expected as a consequence of the project, whether those results were improved service delivery that would positively affect community livelihoods. These may be longer term targets but tracking them and identifying them was an important aspect of a successful development operation. The PDO only captured strengthened institutional performance and improved capacity and did not capture improved service delivery although the project did report on that.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1
Objective

• to strengthen the institutional performance of Mauritania’s targeted local governments

Rationale

Theory of Change: Incentives were used to improve local government capacity to deliver its services to constituents. These incentives took the form of achieving local government performance scores to become eligible for grants that supported local government Infrastructure investments and services. One hundred urban and rural local governments from 10 of the 13 regions that were in the government's PNIDDE program participated in this project. Local governments were eligible to receive grants after signing Grant Participation Agreements and meeting the following minimum conditions: (i) the functioning of the local government and its council, and (ii) having the minimum staff. Each local government received a score following annual independent Performance Assessments that determined further eligibility to qualify for an additional conditional performance grant for the coming budget year. The score was based on the assessment of the local government's performance in (i) planning and budgeting; (ii) organization and human resources; (iii) financial management and revenue collection; (iv) procurement management; (v) asset management and maintenance; and (vi) transparency and accountability. Capacity building technical assistance was then customized according to each local government annual performance assessment. Inputs such as technical assistance and the performance grants led to outputs such as the subproject investments in infrastructure and services, and performance reviews. Additional inputs such as capacity support to agencies both at the local, regional, and national levels that were covered by signed Memoranda of Understanding between the Project Coordination Unit (PCU) and the relevant agencies specified the collaborative framework and expected annual outputs. The intermediate outcomes were strengthened local government performance to deliver infrastructure such as roads, school buildings, health centers, maternal and child health facilities, markets, abattoirs, sports and cultural facilities such as parks and cemeteries. Intermediate outcomes also included services such as water supply, public lighting, urban transport, health and education, fire protection, sanitation, garbage collection, and assistance to the poor. Capacity of the local governments to prioritize and deliver services to their constituents used indicators from the Results Framework (see below). Higher level outcomes were excluded in the PDO formulation, thus making it difficult to measure and report on the project's effect on beneficiary lives.

OUTPUTS:

• 91 percent of participating local governments (target 100 percent, target mostly achieved) produced timely and acceptable final accounts at the end of the fiscal year.

• 93 percent of local governments in 2018 that received audits that were either unqualified or, if qualified, only with minor comments (target 100 percent, target mostly achieved)

• The indicative allocation of Conditional Performance Grants to local governments were published in a timely manner every October 1st, from 2013-2018. There were some delays for the 2018 allocations. Target mostly achieved.

• 4 mobile teams with four members each covered four geographic areas and reached at least 90 percent of their performance targets against work programs (achieving target). The local Project Implementation Units (PIU) hired “mobile teams” to support them in performance evaluation, financial management, planning, procurement, safeguards compliance (in particular environmental management and Grievance Resolution Management or GRM), and investment contract supervision (ICR, footnote 8).

• Conducted 290 training events reaching 1,312 persons or 16,341 training days in the areas of public financial management, local government administration, procurement, maintenance, environmental
and social safeguards, overall project implementation skills. Additional training was completed with targeted training on safeguards and service management commissioned directly by the PIU with an ending 1,817 persons trained (target 2,000 persons, target mostly achieved).

- Delivered training and technical assistance to 11 local governments to help improve their own-source revenue mobilization as targeted.
- Implemented Memoranda of Understanding (MOU) between the PCU and 3 (target 3, target achieved) entities (i.e., the Department of Local Government, Department of Local Finance, and the Ministry of Environment and Sustainable Development) who achieved at least 70 percent of their performance targets. After the Mid Term Review (MTR) this indicator was reduced (from 12 to 3) because of the complexity in managing collaboration with 12 entities.
- The following were prepared as planned: (i) a consultative Strategy for Decentralization and Local Development, (ii) recommendations for sustaining and improving the implementation of the Regional Development Fund, and (iii) several unidentified decrees.
- The following were piloted as targeted: (i) the implementation of the decree on local government human resources, and (ii) decentralized procurement commissions at two department levels.

OUTCOMES: (According to the Results Framework)

- 77 percent of participating local governments achieved 75 of 100 points in the annual performance assessment (target 75 percent, target exceeded). The Local Government Department conducted a national evaluation and found that 39 eligible local governments formed part of the 50 best performers out of 209 local governments, not including the regional capitals. 10 local governments could not be evaluated during the 2018 local election period because the mayors were not available. The 2018 local elections caused delays in the approval of local government budgets. 87 local governments were evaluated during project closing and 5 local governments failed to approve their 2017 budgets.
- 94 percent (target 100, target mostly achieved) of participating local governments met the minimum conditions to access the Conditional Performance Grants. The indicator was established as a number (output). Only 87 local governments could be evaluated at closing. Some local governments could not be evaluated because 1 or 2 localities were hard to reach during the rainy season, one local government never passed its budget due to political conflict in its council, and 10 mayors were not available because of the 2018 local election. This indicator unit was converted to percentage.
- According to the ICR, 781,549 direct beneficiaries benefited from the project (target 456,000, target exceeded), of which 52 percent were women (target 51 percent, target exceeded). The project provided limited gender disaggregated information (ICR, paragraph 55). This 52 percent female beneficiaries only reflect the share of women in the general population. The performance of the project with regard to gender was not captured. Women formed 16 percent of those trained in local government administration. The ICR acknowledged the low rate of women participating in local administration or locally elected positions. Women were mandated to be part of the local election lists and were mandatory participants in councils or committees but their voice in these institutions were not assessed after project closing (see Section 12. Lessons). According to the ICR, the target was established at appraisal when the types of infrastructure investments were not yet known. The access catchment area is large for health centers (88), markets (53) and other funded infrastructures, which supported the number of beneficiaries beyond half of the entire population of those 100 communes (about 1.3 million people).
- The Tintane local government now has improved its tax collection and own source revenue was now larger than the transfer from the state budget. However, 10 local governments who benefited from similar technical assistance in the second half of the project did not fare as well because of the timing...
of the 2018 local election. The fiscal database was shared with the newly elected local government teams.

- The Strategy for Decentralization and Local Development has not yet been adopted.
- A new procurement law was informed by the experience under the 2 piloted decentralized procurement commissions implemented at the department level. According to its May 15 email to IEG, the task team clarified that "the decentralized procurement commissions were discontinued at the end of the project due to the limited number of activities they would review and because of a 2019 procurement reform." This experience would inform the follow on operation to establish new, sustainable commissions in the regions as part of the reform. In addition, after all communes adopted the decree describing the responsibilities and roles of the General Secretary of the communes, the position proved difficult to retain competent staff because of the living condition and the salary. A General Secretary shared among communes was tested in several Departments (Moughataas).

Rating
Substantial

OBJECTIVE 2
Objective
• to improve the capacity of Mauritania's targeted local governments to deliver services.

Rationale
The Theory of Change above applies to this objective as well.

OUTPUTS:

- 553 subprojects were completed at project closing from a list of 558 subprojects (original target 563, target mostly achieved) implemented in 100 local governments. The remaining sub projects were to be completed with Government financing.
- Constructed 243 schools (original target not available because subprojects were identified during implementation using a framework arrangement agreed at design stage)
- Constructed 86 health facilities (original target not available because subprojects were identified during implementation using a framework arrangement agreed at design stage)
- Constructed 10 abattoirs (slaughterhouses) (original target not available because subprojects were identified during implementation using a framework arrangement agreed at design stage)
- Created 490,550 person-days of employment under the implemented sub-projects (original target established at mid-term was 800,000 person days, using unconfirmed numbers. This target was not formally updated following the EU exit. Target mostly achieved at 86% using available financing).

OUTCOMES:

- Conditional grant financing financed social infrastructure (education and health), economic infrastructure, and sport and cultural facilities. Local governments selected these subprojects based on a consultative approach, starting with the Commune Development Plan, followed by the consultative committees, and finally, a budget vote. Some priority investment subprojects were
ineligible under the project such as waste management due to its high environmental and social risks. Some water projects required lengthy feasibility studies. Town halls were initially ineligible but were later authorized due to high demand and the poor condition of existing buildings. Despite overall improvements in service delivery, the large number of participating local governments (100) with low densities diminished the impact of these sub-projects. These outcomes demonstrated improved service delivery, which is positive. However, due to shortcoming of the PDO formulation, improved service delivery was not captured in the PDO.

- Financed subprojects were functioning and continued to deliver services to constituents one year after project closing. As of December 15, 2019, 96% of infrastructure delivered were operational. Note that the project closed on June 30, 2019. At that point, 83 percent of the subprojects were operational (target was 90 percent, mostly achieved by project closing and eventually exceeded). The functionality of financed subprojects was linked to the installation of equipment and delivery of related supplies, such as school benches, tables, executive offices, books, and teaching material. Some sub-projects were reported operational before formal turn over, such as some sport fields. Some subprojects remained unused for an extended period of time, such as a day care center at Mbagné, due to the local elections, and then a failed consultation for contracting the necessary staff to operate the center. According to the ICR, the center was reported up and running at closing.

- The subprojects led to improved access to services reaching almost 800,000 direct beneficiaries or 70 percent of the population of all 100 participating local governments. 52 percent of these direct beneficiaries were women (target was 51 percent, exceeded). The ICR acknowledged that design and implementation did not inform either a gender assessment or gender action plan (see Section 12, Lessons). The total population of the 100 eligible local governments was 1,114,000 residents (target 456,000, target exceeded). According to the ICR, it was not feasible to estimate the target number of direct beneficiaries because the list of subproject investments was only identified during implementation following a framework arrangement.

- Overall, those subprojects contributed to improving service delivery in the eligible communes. A positive impact on social development was evident in the reported increase in the number of patients visiting the new health centers. Underserved areas were provided with increased access to health facilities and services. The Bank team conducted site visits, which confirmed, for example, shops rented in the markets and new businesses that sprouted around the markets indicating a positive impact on the local economy. In a survey conducted at the end of the project, 90 percent of project funded markets were occupied. In the case of schools, more classrooms showed that greater densification of the school map, reflecting increased enrollment. The number of students per class and the number of multi-grade classes were reduced. Absenteeism was reduced. The increase in enrollment rates and reduced absenteeism were used as proxy to indicate improved delivery of education services. In its May 15, 2020 email to IEG, the task team clarified that while there were no MoUs with either the Ministry of Education or the Ministry of Health, the subproject planning process systematically sought their endorsements, evident in the increased use of the schools and health centers at project closing. However, the team confirmed they did not have statistics to support this claim. A fair number of the investments replaced old inadequate buildings and were not expected to have an increase in the number of staff. The national policy changed in the second half of the project when the government prioritized full schools and close single class room schools. The project stopped funding single class rooms. For health centers, there were no policy change that would impact the use of project investments. Most of the 10 abattoirs built by the project were underutilized a few months or
years after delivery (ICR paragraph 42). According to the May 15, 2020 email to IEG, the task team clarified that the capacity and willingness to pay for the service were not assessed during the planning for these abattoirs. This project stopped financing this infrastructure type in the second half of the project until a national strategy for abattoirs was established. There is none to date.

- The local government sub-projects created 490,550 person-days of employment (target of 800,000 person days, target mostly achieved at 86 percent of target). The target, introduced at mid-term without a robust methodology, used unconfirmed numbers of a per US$ estimate using available data at that time. This indicator and was not formally updated after the withdrawal of EU funding. However this indicator, employment generation, was not included as an outcome indicator.

Rating
Substantial

OVERALL EFFICACY

Rationale
The efficacy rating was substantial. All the PDO outcome indicators were achieved, mostly achieved, or likely to be achieved. The high share of participating local governments that achieved 75 points in the annual independent assessments, the population benefiting from access to improved services, and the rate of functioning infrastructure sub projects, all contributed to substantially achieving the PDO.

Overall Efficacy Rating
Substantial

5. Efficiency

Economic and Financial Efficiency: At appraisal, no cost benefit analysis was carried out. Benefit-cost ratios, net present values (NPVs), and economic rates of return (ERRs) from other World Bank funded projects in Mauritania were collected to identify hypothetical gains from investments in water, sanitation, and roads. There were 558 sub-project investments but very few in water, sanitation, or roads. The ICR did not conduct a cost-benefit analysis because the average size of the subproject (US$90,000) was small.

The ICR instead conducted an efficiency analysis using administrative, allocative, and targeting efficiencies. The improvements from the sub project investments were used as evidence of improved planning and administration with clear downstream links to services delivered by participating local governments. Allocative efficiency referred to whether subprojects were allocated according to the needs of beneficiaries. The technical or productive efficiency analysis was not applied because of the small size of the subprojects. In addition, the subprojects were not similar and could not be normalized across representative beneficiaries.
Analysis of allocative efficiency concluded that investments were tailored to the needs of the population since subproject investments were taken from the Commune Development Plan (CDPs) of each participant local government. The Consultation Committees prepared these CDPs with priority subproject investments following consultations to access conditional grants. Final investment priorities with accompanying budgets were published, showing transparency of financial management. Beneficiaries prioritized water and waste management projects but were not submitted for financing under conditional grants because of expected lengthy feasibility studies and high risks associated with environmental and social safeguards compliance.

Administrative efficiency analyzed the effective use of the 21 criteria (further detailed in Annex 5 of the ICR) to assess the eligibility of participant local governments to receive conditional grants. These criteria evaluated the capacity of the local government to implement the grants and included basic institutional capacity factors such as better planning, budgeting, service delivery, revenue management, accountability, and sustainability. With the support of mobile teams, improvements in institutional capacity facilitated a steady disbursement rate and timely implementation of subprojects. This process led to efficient and timely utilization of both IDA and government resources. On average, around 70 percent of the local governments qualified to receive performance after meeting the capacity building criteria. The predictable, transparent grant system strengthened local government administrative capacity to deliver basic services.

The targeting efficiency considered the ability of the project to target poorer segments of the population. The project targeted 100 local governments out of a total 216. These were located in the poorer areas, based on the 2008 household survey and reconfirmed under the 2016 World Bank poverty assessment. The analysis concluded that the project targeted its decentralized government spending on the poor.

**Administrative and Operational Efficiency:** At appraisal, the Bank and the European Commission agreed that the Bank would execute the EC’s parallel financed components on its behalf. However, just before signing the agreement, a new governing global partnership framework for the EC became effective. The new framework required administrative conditions that could not be met under the project. According to the May 15, 2020 email to EIG, the task team clarified that they did not receive detailed information on the framework and were advised that financing could not be triggered because a deadline had passed. The EC then withdrew its parallel financing commitment to the project. As a result, the number of investment subprojects and some technical assistance activities were reduced without affecting the original Theory of Change nor the Results Framework except for the reduced target of the labor intensive employment indicator. This indicator was not an outcome indicator associated with either objective (see Section 4 Achievement of Objectives above). The reduced financing, however, was welcomed because of observed low absorption capacity of the local governments during implementation. No additional financing was contemplated when the parallel financing from the European Commission fell through. A new operation was prepared instead.

The project helped the administrative efficiency of government institutions, both at the national and local levels. The PCU signed Memoranda of Understanding (MOUs) with the Department of Local Governments, the Department of Local Finance, and the Ministry of Environment. For example, as part of improving its administrative oversight, the Ministry of Environment conducted site visits of sub project investments. Administrative efficiency at the Ministry of Finance’s local offices was assisted by equipment and training in local government financial resources management. According to the ICR, other informal collaborative activities were made with other entities but were not monitored or reported, such as the case for the national Court of Accounts, which audited several local governments in the last 3 years of the project although the results were not made public.
Neither the PAD nor the ICR reported project ERRs or FRRs. Efficiency was substantial arising from the evidence provided in concluding the administrative, allocative, and targeting efficiencies of the project.

**Efficiency Rating**

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

<table>
<thead>
<tr>
<th>Rate Available?</th>
<th>Point value (%)</th>
<th>*Coverage/Scope (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisal</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ICR Estimate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>□ Not Applicable</td>
</tr>
</tbody>
</table>

* Refers to percent of total project cost for which ERR/FRR was calculated.

### 6. Outcome

The relevance of objective was rated substantial. The efficacy of both objectives was rated substantial as was Efficiency. The overall outcome was therefore rated satisfactory.

a. **Outcome Rating**

Satisfactory

### 7. Risk to Development Outcome

The following posed risks to development outcome:

- **Technical Risk that performance considerations, budgeting improvements, and resource mobilization introduced under the project would not be carried forward:** Capacity building considerations determined the eligibility of participating local governments to receive conditional grants. These grants financed priority investments. In addition, local government capacity to raise revenues, operate and maintain the assets built were supported under this project. Performance of local government revenues was the least performing criteria achieved according to performance assessments. For example, in the 2016 assessment, about half of the local governments increased their revenues. The land property tax and the communal tax were tracked, with a target at 5% increase over 3 years. The project offered technical assistance to 11 local governments to help improve their fiscal base to yield additional own source revenues. Those additional revenues were not yet realized at closing but could be directed for O&M needs of the infrastructure investments. Budgeting for O&M received 20 points out of 100 to qualify for performance based grants indicating
that submitted budgets included O&M for infrastructure investments. Government commitment to continue to use the eligibility criteria for future distribution of conditional grants may be discontinued after closing. However, the follow-on project currently under preparation is designed to build upon the results of this project for continuing support and sustainability of outcome.

- **Risk of National Government wavering in their commitment and ownership of the project outcomes.** This project together with the PNIDDDLE program showed strong government ownership of this project. The Government committed and disbursed a substantial share of total project cost. The project generated studies related to the decentralization policy, municipal governance, and public financial management, including the national decentralization strategy. However, there were no concrete actions or strategies to support the decentralization reform agenda. The newly elected President indicated renewed support for decentralization. A new operation under preparation aims to strengthen the tools to implement the decentralization policy.

- **Governance and Institutional Support Risks:** The project addressed capacity gaps of the local governments and the supporting national agencies but recognized the low technical qualifications of the staff and staff turnover that negatively affected gains in capacity. At closing, mobile teams were disbanded, further lending to uncertainty in local capacities. After project closing, the Local Government Department and the Ministry of Finance planned to organize delegations to support the local governments. To mitigate the risk of lack of training or capacity in this effort, France's *Agence Francais de Developpement* (AFD) is financing two projects to support five local governments from the 13 regions who participated in this project. In addition, the new operation under preparation would finance the reform of local government use of human resources such as sharing competent critical staff among rural local governments.

- **Financial Risk:** Primary project beneficiaries lauded strong local government ownership. 96% of the local sub projects were operational and functional as of December 2019. Required furniture and other materials and equipment (including solar panels) for all built infrastructures were delivered. The project, through the mobile teams, supported the preparation of operational plans for each infrastructure, for example management contracts for the markets or use agreements for sport fields with youth associations, etc. The mobile teams also supported the local governments to make decision on tariffs, whenever relevant. Those fees aimed to improve infrastructure O&M. Local governments depended on the Regional Development Fund (RDF) for O&M. The law required RDF to be at 3 percent of total annual national budget but has only peaked at 1.4 percent in 2010 and remained static for the next 3 years (PAD, paragraph 9). The RDF's small operating budget meant little space for infrastructure O&M. Lack of O&M funds could reduce the expected life of those investments. Further support will be provided by the new operation under preparation by improving local financial management (the highest priority of the technical assistance component of the new operation) and reforming the RDF.

- **Environmental and Social Risks.** Some priority subprojects outlined in the CDPs were not included for financing under this project because of time required to meet environmental and social safeguards requirements and lengthy feasibility preparation. These CDP priority subprojects would need to be eventually financed. There is a risk that these priorities may remain unfunded and contribute to a backlog that may then require intervention outside of the regular process. The ICR was silent on this risk but likely to be considered in the follow on project currently under preparation.
- **Risk from Natural Disasters.** According to the ICR, one or two localities were unreachable due to rains and were not assessed (see Note below the Table in paragraph 33). This risk from inundation could prevent the completion of assessments of eligible local governments to receive conditional grants. The current follow-on project under preparation may need to consider this risk in its design.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank identified, and prepared this project with a focus on achieving the PDO. Project components were adequate to meet the PDO. Lessons learned from three prior local government operations projects were relevant: (i) the Urban Development Program; (ii) the Community Based Rural Development Program; and (iii) the Public Sector Capacity Building Project (PAD, paragraph 40). Four lessons from these operations were adopted in this project's design: (1) Capacity building measures, such as systems development in areas such as financial management and planning, and training could be more effectively linked to a system that creates local government demand; (2) Maintaining the integrity of the performance grant system was critical. Integrity was reflected in (i) the measurability of selected performance indicators; (ii) the local governments' capacity to deliver on those indicators; (iii) adequate funding; (iv) credibility of the national government's commitment; and (v) real but realistic local government efforts to achieve these indicators. (3) Mainstreaming a robust, clearly understood, and well supported implementation arrangements into core government functions is important. (4) Flexibility is needed when introducing a grant system with novel requirements to be met by both the national and local governments. Sustainability would be achieved by strengthening the capacity of both the national and local governments to deliver decentralized basic services (PAD, paragraphs 43-46).

The technical, financial, and economic aspects of the project were adequately assessed, and adopted the framework nature of the subproject investments. This framework arrangement meant that subprojects were to be identified during implementation and led to a lack of baseline data in its M&E design. Poverty and social development aspects were adequately considered by targeting poorer rural local governments together with urban capitals. Social development focused on basic service delivery as eligible subproject investments. The results framework indicators did not have a gender focus because this was not required at the time of preparation. According to the ICR, design did not consider how gender could have affected the project even through there were mandates incorporated in local administration and elective offices. Fiduciary aspects and safeguards were eligible capacity building activities financed under the second project component. Timely completion of annual budgets and submission of audits were factors that determined eligibility for financing under the performance based grants (ICR, paragraph 90).

The government's ownership of the decentralization agenda was evident in its support to the PNIDLLE program and this project. The Government committed and disbursed its local financing commitment. Many design features were well thought out to achieve the PDO, such as the recruitment of four “mobile teams” to support the participant local governments after dividing the country into four regions. Targeting 100 local governments to participate in the project expanded the reach and results of the project, although the risks associated with implementing a project with a wide geographic scope were not fully
appreciated at preparation. Some risk issues in coordination, for example, may not have been evident during the design stage. Mauritania's density at 3.87 inhabitants per square kilometers, compared to the rest of African countries with 400 - 600 inhabitants per square mile was low. Some areas were isolated and lacked access. The road network was poor.

Implementation design features and M&E arrangements proved to be a challenge. The institutional arrangement for implementing Component 2 was covered by an MOU between the Local Government Department of the Ministry of Interior and the PIU. A late start for some activities - as late as after the mid-term review - affected the ability to evaluate performance to inform next steps, as designed. Implementation arrangement also called for the Inter-Ministerial Committee on Decentralization to oversee local project implementation. There was limited gender disaggregated information to assess the perception and acceptance of the different sub-projects, perception on service delivery, and employment generated for women.

There were only minor shortcomings in identification, preparation, or appraisal leading to a satisfactory rating.

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision
The Bank team conducted regular, semi-annual supervision and implementation support. Issues were monitored and addressed to ensure that the outcomes were achieved as designed. For example, the surge in subprojects early in the project overwhelmed the capacity of the national procurement commission slowing down project disbursement, leading to low implementation ratings after the first year of implementation. Training in financial management and procurement to meet challenges were delivered to national and local government staff. These efforts aided local governments to complete annual budgets and submit audit reports on time. According to the ICR, candor in reporting was evident in the detailed action plans prepared at the end of each mission, with attention to corrective measures for the government and the implementing entities to consider in response to implementation constraints. The Bank team suggested the adoption of M&E tools such as the disbursement tables (see M&E implementation in Section 9 below) to help achieve the PDO. Based on the analysis of these tables, for example, the team concluded low absorption capacity for more training and subproject investments that they agreed with the PCU not to pursue additional financing after the EU parallel financing fell through and some targets reduced. After the November 2016 MTR, the Bank team recommended a decentralization expert be hired to help supervise critical studies and pilot activities to inform future reforms, particularly in the preparation of the Strategy for Decentralization and Local Development.

The Bank also addressed ongoing environmental and social safeguard compliance issues. The team adopted a flexible solution to execute and monitor the detailed action plans.

In 2018, when the EU left the PNIDDL program as parallel financier, resources were reduced leading to uncertainty in achieving the objectives and targets. The conditional investment fund was reduced from US$70 million to US$38 million. The Bank team used this time to assess the local absorption capacity, and determined that any additional funding would not be approved before project closing. The Bank team
focused on the timely completion of the project, cancelling subprojects at risk of delays, and implementing smaller works (e.g., water connection to existing public trunk infrastructures) and equipment. Those measures did not reduce the impact of project outcomes, other than the outputs (number of subprojects).

The World Bank prepared and completed the project satisfactorily. During supervision, the World Bank proactively identified and solved issues to support the government in achieving the development outcomes. Only minor shortcomings were noted in the proactive identification of opportunities and resolution of challenges to the implementation arrangement such as in the lack of oversight by the Inter-Ministerial Committee that met only once during the last 4 years of the project instead of every year.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The PDO formulation focused on improved institutional strengthening and improved capacity but did not include improved services delivery although the project clearly was designed for improved service delivery. This resulted in some ill-defined indicators and difficulties for the project to measure and report on some of the positive outcomes of the project. The results framework that supported this theory of change contained vague indicators, non-specific ones, and proved difficult to monitor such as:

- The indicator for assessing the performance of collaboration with other entities as provided in the MOUs was vague and not specific.
- The indicator to monitor local government performance in making sure that sub-projects were functioning and operational one year after completion was difficult to assess because of a lack of institutionalized additional layers of local government reporting. There was no measurable annual target.
- The framework approach adopted for the project did not establish baseline targets at appraisal.

Other intermediate results indicators were specific, measurable, relevant and time bound. Local government performance indicators were simple, clearly defined, and realistic and was used to assess eligibility for the conditional grants. With minor adjustments at mid-term, the indicators of local government performance captured its contribution to achieving PDO level outcomes. The indicators were designed to be simple and easy to monitor because both the central and local governments had limited capacity to report and coordinate the monitoring of these indicators. Gender disaggregated information was not included in the design because this was not required at the time of appraisal but could have been easily included since there were existing institutional mandates for increased participation by women in local administration and local elective offices. Mid-term and final evaluations were be conducted as well as
independent reviews by third parties in specific areas of the project such as in procurement, financial management, and value-for-money audits (PAD, paragraph 53).

b. M&E Implementation

The Project Coordination Unit (PCU) implemented the overall M&E supported by a monitoring and evaluation expert. However, as mentioned above, some data collection methods were not in place. There were no established baselines (ICR, paragraph 72) although obtaining a baseline was an eligible activity under the third component of the project. The performance of some indicators could not be properly analyzed against an absent baseline. Gender disaggregated information could have allowed gender related impacts of the project for future use in design.

An independent performance assessment was conducted to determine the eligibility of local governments to the conditional grants and was used to monitor the performance of the results framework of the project. The annual performance evaluation of the local governments determined their eligibility for conditional grants in the following year. The performance evaluation was conducted for three fiscal years – 2015, 2016 and 2017 – and was based on two main parameters: (i) measurement of the minimum conditions for accessing the conditional window, and (ii) the level of achievements of the performance criteria. The performance conditions and criteria were stipulated in a partnership agreement between the PCU and the participant local governments. Evaluations were conducted following the Municipal Performance Manual and validated by the PCU. After a slow start, full data were collected and analyzed in 2017 and 2018.

Apart from the two indicators noted above that were not measured and reported, the indicators appearing in the Results Framework were monitored. The weaknesses mentioned, however, were not addressed during implementation because the required level of local government reporting needed was not yet in place. The ICR did not report on a mid-term and final evaluation. However, the ICR reported independent reviews by third parties in procurement, financial management, and audits as planned. The annex pointed out that a technical audit of the subproject investments was conducted at mid-term and at closing and found a few malfunctions that were corrected. Continuation of the M&E processes from this project would depend on its incorporation into the M&E system of the follow-on project.

c. M&E Utilization

The PCU monitored the M&E indicators and distributed timely quarterly reports. The independent assessments were used to assess the eligibility of participating local governments to receive performance based grants. M&E data was used to provide evidence of achievement of outcomes and were used to inform the follow-on project. For example, the software established to link the different steps of the project with respect to the investment component was operational in the last 2 years of the project. Contract payments used this software and could generate tracking reports. It is planned to keep using the tool in the new operation.

The M&E system used some of the indicators from the annual performance evaluations, which triggered the conditional grant allocation decisions. The PCU used the results of the annual performance indicators to customize capacity support features to further improve local governments performance. The performance of the collaboration MoUs with agencies was also tracked and the results used at
midterm review to reduce the target. Different departments also employed M&E tools to improve project implementation arrangements including:

- the use of disbursement ratios per year or per local government to assess the pace of sub-project preparation and implementation and as proxy to assess local government financial absorption capacity. Results were used to conclude that no additional financing was needed after the EU parallel financing fell through.
- The PCU also shared a list of problems encountered in implementing subprojects. Consequently, making land available prior to signing a contract was adopted for subproject implementation during the last months of the project.

M&E reports at MTR led to the following adjustments in implementation:

- the mobile teams reduced direct intervention and instead provided advice and control to lower local governments’ dependency on the teams (ICR paragraph 36)
- the target for the number of agencies achieving at least 70 percent of their performance targets per signed MOUs with the PCU was reduced from 12 to three, i.e., the Department of Local Governments, the Department of Local Finance, and the Ministry of Environment.
- the target for the number of person-days employment created was not revised even as the EU parallel financing fell through.
- the Minimum Conditions and the Performance Criteria were slightly adjusted, building on the early years experience (ICR, paragraph 6).
- the coordination of Component 2 lacked oversight from the Inter-Ministerial Committee on Decentralization. The planned annual coordination meeting occurred only once during the last four years of the project (ICR, paragraph 66).

The overall quality of the M&E was substantial. The M&E system as designed and implemented was sufficient to assess the achievement of the objectives and tested the links in the results chain. There were moderate shortcomings in the M&E system’s design, implementation, and use. For example, the number of beneficiaries and the gender composition outcome indicators, and the lack of a baseline. Those weaknesses did not alter project implementation or the overall project outcome.

**M&E Quality Rating**
Substantial

**10. Other Issues**

**a. Safeguards**

The project was assigned an Environmental Category B for purposes of OP/BP 4.01, which required a partial environmental assessment. The project triggered OP/BP 4.01 Environmental Assessment, OP/BP 4.04 Natural Habitats, OP/BP 4.11 Physical Cultural Resources, and OP/BP 4.12 Involuntary Resettlement. An Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF), were prepared with provisions for strengthening national safeguards capacities. Safeguards risk was
rated moderate at appraisal. The FA spelled out that sub-projects that would cause the safeguard category from B to A were ineligible for financing under the project.

At closing, the framework documents were evaluated. According to the ICR, compliance with environmental and social safeguards were lagging during most of the project life due to a lack of attention to systematically monitor compliance with the framework documents. Bank safeguards specialists prepared annual detailed action plans for the last 2 years of the project that were satisfactorily implemented. Compliance with safeguards required the recruitment of a safeguards specialist in the PIU that went through several iterations and in the end, that specialist participated intermittently in monitoring compliance. Since each of the 4 mobile teams had a safeguard specialist, they assisted and advised local governments in monitoring safeguards compliance. In addition, the Ministry of Environment also conducted site visits to ensure sub-project compliance with national standards. Safeguards compliance for each of the safeguards triggered was noted satisfactory in the project's Operations Portal but only indicated blanket satisfactory compliance in the ICR.

The project enjoined local governments to designate environmental and social safeguard focal points to monitor social and environmental issues and integrate these safeguard issues in regular municipal planning. Safeguard experts of the mobile teams reinforced local capacity with hands-on advisory support during investment planning and infrastructure construction in areas such as: (i) adequate waste management in construction sites and specific subprojects such as slaughterhouses and health facilities; (ii) completion of land acquisition before any commencement of works; and (iii) technical standards in security, notably traffic signs, sites and infrastructure fences, wearing of personal protective equipment, adequate health and hygiene standards for workers, safe electricity installations, etc.

The Resettlement Policy Framework included a grievance redress and conflict resolution mechanism (GRM) that had 4 layers of resolving conflict - (i) the commune level, (ii) the Local Land Commission, (iii) the Regional Land Commission, and (iv) the Court. At the commune level, citizens had access to a grievance notebook. The Municipal Consultation Committee was responsible for addressing the complaints from this notebook. In practice, traditional ways were used to address complaints: through the social network, community chiefs, mayors, or Hakems. These complaints were not systematically documented in the beginning. The mobile teams trained local governments on how to formalize their conflict resolution mechanisms, guiding the PIU staff to monitor and guide the local committees on conflict resolution. Only one land related conflict was formally brought to the attention of the Bank. The PIU and the local government resolved this. During site visits, residents voiced minor conflicts that were resolved by local authorities.

b. Fiduciary Compliance

**Financial Management:** The project provided substantial support in fiduciary compliance by training staff from the national and local government levels in financial management and procurement. Eligibility for financing from the performance based conditional financing window assessed the performance of local governments in areas such as the timely completion of the annual budgets and submission of audit reports. According to the Operations Portal but not reported in the ICR, Interim Unaudited Financial Reports were regularly produced, reviewed, and found acceptable by the Bank. Compliance with financial management was assessed as satisfactory (ICR, paragraph 90). The task team confirmed in their May 15,
2020 email to IEG that audits were not reported in the ICR following the new format but confirmed that all audits were submitted on time and all major issues were adequately addressed.

**Procurement:** The project was off to a slow start in procurement because a surge of subproject contracting overwhelmed an understaffed national procurement agency. The PCU experienced some delay recruiting procurement experts who were then given necessary training on procurement guidelines. According to the ICR, the last two Implementation Status and Results Reports (ISRs) assessed compliance with procurement and financial management as satisfactory.

c. Unintended impacts (Positive or Negative)  
---

d. Other  
---

### 11. Ratings

<table>
<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Bank Performance</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
<tr>
<td>Quality of M&amp;E</td>
<td>Substantial</td>
<td>Substantial</td>
<td></td>
</tr>
<tr>
<td>Quality of ICR</td>
<td>---</td>
<td>Substantial</td>
<td></td>
</tr>
</tbody>
</table>

### 12. Lessons

The following lessons were derived from the ICR with some modification of language:

- **Continuous Capacity Building Efforts May Sustain Capacity Gains as long as there is Staff to Receive these.** Mauritania’s decentralization agenda began in the 1980s. Different approaches were adopted to build its legal and policy framework, planning, and human resource capacity at different administrative levels. This project supported the PNIDDE program as a comprehensive initiative to address local capacity gaps and strengthen local administrations to deliver local services. However, to achieve capacity gains from training, there has to be adequate staff to receive that training. In rural Mauritania, attracting and maintaining qualified staff was difficult. The level of activity of rural local governments was limited. Some rural local governments started to share staff to attract more competent professionals. The new operation under preparation will support the local government human resource reform agenda and propose financially sustainable measures informed by the lessons of this project. The lesson from this operation was the need to have and retain adequate staff to carry forward the capacity gains from training and technical assistance.
• **Using Conditional Performance-Based Grants may be an Effective and an Efficient Strategy to Build Capacity.** In this project, investment financing for local services was linked to good local government administration performance. The performance-based mechanism rewarded good performance using predictable and transparent indicators assessed independently. The lesson from this operation was the effective approach brought by using the achievement of capacity building factors to qualify for investment projects that delivered basic services.

• **Numerous Participating Local Governments in a Single Operation may Provide Data and Evidence for an Effective Decentralization Strategy.** In Mauritania, precedent local government projects targeted a limited number of local governments. In this project, the 100 participating local governments represented a third of the national population and covered 10 of the 13 regions of the country. This project served as a laboratory for decentralization and showed local governments how to best deliver basic services. This project helped develop critical tools that apply to all local governments, such as the performance evaluation system, including auditing (with some simplification measures already discussed during project implementation, such as self-evaluation, to help with the financial sustainability of the tools), the technical support system needed, including with procurement, and determining human resource needs of rural local governments. The lesson from this project shows that performance assessment from a big enough sample may identify customized capacity building tools such as the decentralized procurement regulations as evidence in formulating an appropriate decentralization strategy.

• **A gender action plan may be useful to facilitate women’s participation in capacity building projects.** In this project, women’s participation in local administration and local elective offices were mandated. Not very many women (16 percent) benefited from the training programs in local administration funded under this project. Giving women voice may have been better guided by a gender action plan, presently included in investment projects financed by the World Bank. A gender assessment at closing may also help identify specific actionable steps for continuing to engage women in the area of local administration. The lesson from this project was that gender action plan may prove useful in offering measures to give women voice in delivering improved services to constituents.

• **A low cap on the size of subprojects may improve a project’s allocative efficiency but may discourage the financing of priority projects.** In this project, water services and waste management were listed as priorities during the consultative process of creating the Commune Development Plans. With a low cap on project size (the average was US$90,000), these projects were not tabled because of their inherent long gestation, longer periods of analyzing feasibility, and higher risks associated with environmental and social safeguards compliance. The lesson from this project was that establishing a cap on subprojects may be premature until informed by the priorities identified by the consulted beneficiaries.

13. **Assessment Recommended?**

No

14. **Comments on Quality of ICR**
The ICR was clear and concise, followed OPCS guidelines with regard to ratings. A minor shortcoming was in the poorly articulated theory of change. The report offered evidence from independent assessments that followed the design parameters of the conditional grants implemented under the project. Annex 5 of the ICR provided additional information, outlining the factors used in the detailed performance assessment of local governments, which provided robust evidence of how the project addressed capacity building. The performance narrative followed a consistent logic, focused on how the activities informed outcomes that led to the mutually reinforcing results. Results and outcomes were highlighted throughout the report. There were clear links between evidence and findings as reflected in the lessons from the project's operations. A follow-on project is currently under preparation to further strengthen the human resource needs of local governments and continue to support the government's decentralization agenda.

a. Quality of ICR Rating
Substantial