THE PROJECT CYCLE

October 2025

SCCI STRENGTHENING CLIENT CAPACITY FOR IMPACT | THE WORLD BANK IBRD • IDA | WORLD BANK GROUP

LEARNING OBJECTIVES

After the session, participants will be able to:

- ✓ Explain the World Bank Project cycle
- ✓ Assess the importance and linkages of each stage in the project cycle
- ✓ Identify the expectations, roles and responsibilities for WB and Client throughout the project cycle
- ✓ Contribute to a more effective project implementation, be able to take proactive actions timely to gain efficiencies through the process.

SESSION OUTLINE

1. The Project Cycle

2. Due Diligence in Implementation

3. Implementation in Practice: WB and Client

4. Potential challenges in implementation

5. Other means of project implementation due diligence

When does project implementation start?

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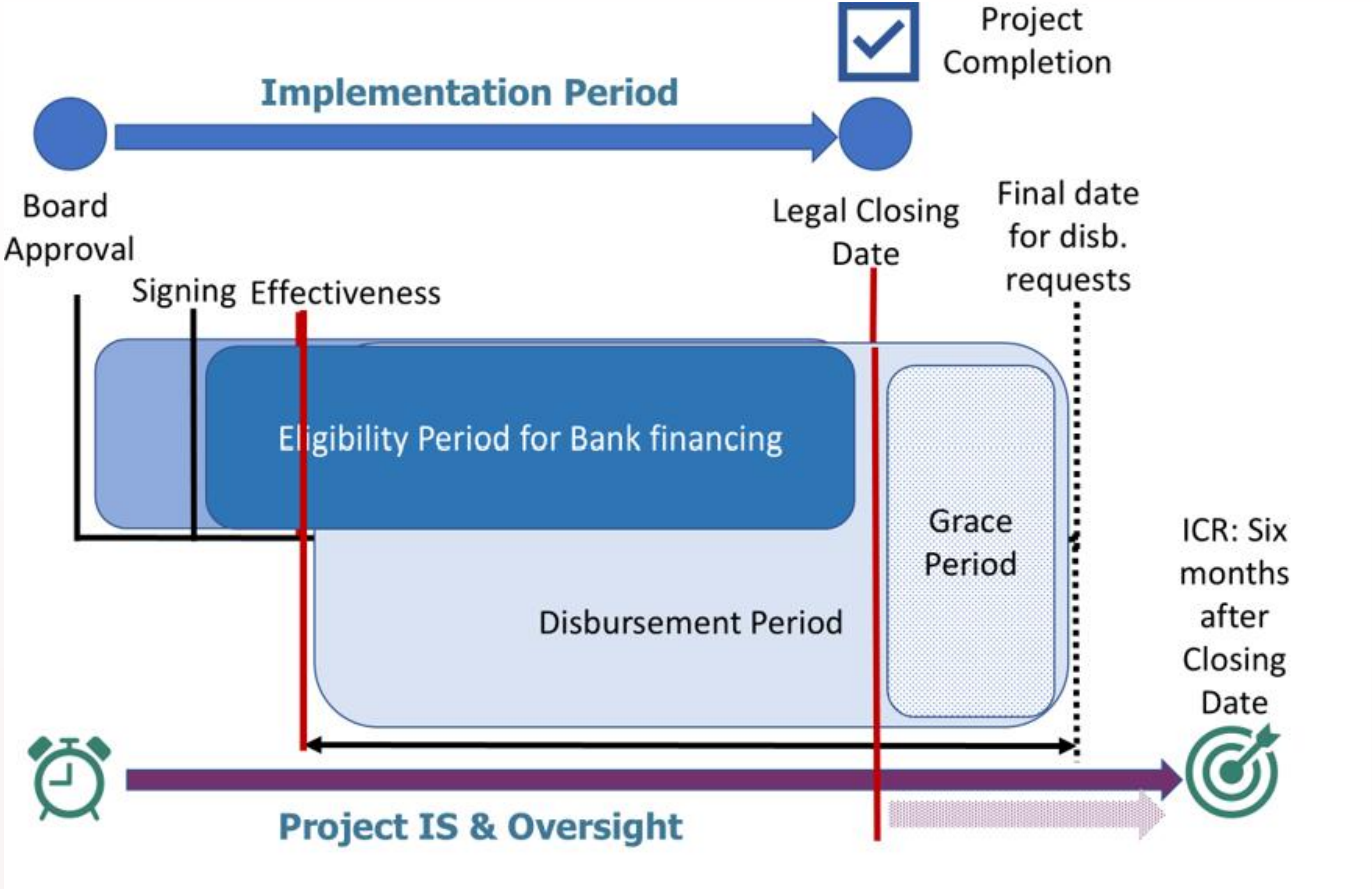
WHEN DOES IMPLEMENTATION START

- Expenditures are eligible after signing of the Legal Agreement
- All goods, services, works (IPF) of DLIs (PforR) need to be received or accepted/ achieved before the closing date to be eligible for Bank financing
- **Under the ideal scenario,** the project is completed by the legal closing date



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IMPLEMENTATION SUPPORT AND REPORTING

IPF Operations

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INVESTMENT PROJECT FINANCING PROJECT CYCLE

1. IDENTIFICATION

Government and Bank agree on initial project concept and identify expected beneficiaries.

2. PREPARATION / ASSESSMENTS

Implementation agency prepares project with Bank advice and support.

3. APPRAISAL

Government and Bank review the adequacy of project preparation.

4. NEGOTIATIONS AND BOARD APPROVAL

Government and Bank negotiate draft legal agreements. Executive Directors confirm approval for Bank financing.

5. IMPLEMENTATION SUPPORT

Implementing agency implements project with support from the Bank.

6. COMPLETION AND EVALUATION

Government and Bank assess project outcomes and lessons learned during implementation.

KEY QUESTIONS
FOR BANK TEAM AND THE GOVERNMENT

Is the project **on track** to achieve its Project Development Objective (PDO)?

Are there **significant issues** affecting implementation?

Have **risks** changed? Are planned **risk mitigation measures** working?

What **critical actions** need to be taken (by Government and/or Bank)?

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RISKS TO DEVELOPMENT OUTCOMES

Risks are identified, mitigated and rated throughout the life of the project.

RISKS

SORT FAQ'S

Risk Category	CONCEPT	IMPLEMENTATION		LATEST ISR
	03-Sep-2012	25-Apr-2013	15-Jun-2015	Draft
Political & Governance			M	M
Macroeconomic			L	L
Sector Strategies & Policies			S	L
Technical Design			H	M
Institutional Capacity			L	M
Fiduciary			M	M
Environment & Social			S	S
Stakeholders			M	M
Other			L	L
OVERALL			S	M

Note: For information on the Reputation Risk Heatmap, click here.

RISK CONCEPTS: INHERENT VS. RESIDUAL

Level of Risk

1

Inherent risk

The assessed level of untreated risk.

The potential negative impact of a risk: the perceived impact the risk would have on the achievement of the project development objective

The likelihood of a risk: the perceived certainty and frequency of the risk occurring

2

Mitigation Measures

Controls and actions that help to mitigate risks in order to ensure the achievement of objectives.

Risk is mitigated

3

Residual risk

The level of risk after controls or mitigation measures have been applied.

IMPLEMENTATION > DUE DILIGENCE

Effective implementation requires understanding and monitoring

Evolving context surrounding project

Compliance with technical, fiduciary, E&S, and legal requirements

Project progress and results

Risks and opportunities for enhancing dev. Impact / resolving issues

- Keep **up to date** with project progress
- Identify and follow up on **key issues critical for enhancing implementation**
- **Flag issues** and escalate problems where necessary
- **Seek advice** on unresolved problems
- **Respond promptly** to problems and **seek Sector Ministry/MoF/WB support**
- Use **available remedies**/ legal measures when necessary

IMPLEMENTATION IN PRACTICE: POTENTIAL ISSUES FROM THE BANK

The Bank team…

has high staff turnover during project implementation period	**Bank staff turnover diffuses efforts** to address ongoing project issues due to lack of knowledge of project context
does not visit project sites systematically, often relying on reports from the PIU	Could lead to **mis reporting/inaccuracies** in reporting which could be avoided through due diligence
not sufficiently proactive in advising the government on implementation bottlenecks, although there are regular missions at least every six months	**Project implementation suffers delays**, lack of technical guidance, could leave PIU/government in a state of confusion
does not follow up adequately on agreed actions, even when recorded in Aide-Memoires and Management Letters.	**Problems worsen, and project performance could record unsatisfactory** ratings/results
does not follow through on actions agreed to address prior challenges for problem projects for example: not recommending to suspend or cancel the project even though it was not in compliance with a number of legal covenants way beyond the dates.	At the end, **several key activities would not be completed,** results not achieved and number of project beneficiaries not in fact benefitting. Project funds not used

What issues do PIUs face during implementation?

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IMPLEMENTATION IN PRACTICE: POTENTIAL ISSUES FROM PIUS

What are some issues that PIUs face during implementation? What are the consequences?

The PIUs...

have high staff turnover - staff resigning or shifting to other departments/projects	Delayed implementation due to **lack of staff support**
do not coordinate with all relevant parties	**Lack of involvement from key players**, impacting the quality of implementation; lack of support
are not sufficiently proactive in reporting implementation bottlenecks, despite regular missions	Delayed implementation and **missed opportunities to address bottlenecks timely**
do not consistently follow up on agreed actions recorded in Aide-Memoires and Management Letters	Delayed implementation of agreed actions from missions lead to **possible complications and delayed results**
prioritized other responsibilities of the Government	Lack of commitment to implementation-**could impact achievement of PDO**

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WHAT IS ASSESSED IN AN ISR?

Likelihood of PDO Achievement & Implementation Progress

KEY RATINGS

Progress of Project Components

Specific aspects critical for the project

- Financial Management, Project Management, Procurement, Monitoring and Evaluation, Counterpart Funding (when applicable)
- Compliance with safeguards/ESF standards, and legal covenants
- Disbursements

Risk assessment: Residual Risk ratings reflected in Systematic Operations Risk-rating Tool (SORT)

Evidence-based progress on RESULTS (based on Results Framework)

All project ratings provided on a scale from Highly Satisfactory to Highly Unsatisfactory

Four scale risk rating: High, Substantial, Moderate & Low

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QUICK CHECK-IN QUESTIONS

- In the absence of Aide Memoire, how can PIUs inform both the Government and the WB on project implementation status?

- Why is this important?

- What is the counterfactual and what does this imply for the project?

COUNTRY PORTFOLIO PERFORMANCE REVIEW (CPPR)

Discuss overall performance of the World Bank lending portfolio

Ensure good alignment with the Country Partnership Framework

Review individual projects identify both project-specific and cross-cutting implementation constraints/opportunities

Propose actions and solutions to address implementation bottlenecks and explore new opportunities

Agree on a time-bound joint action plan; review consistently

THANK YOU!

Questions?

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