

Report Number: ICRR0022694

1. Project Data

Project ID P118826	Project		
Country	IN: Bihar Social Protection Practice Area(Lead)		
India	Social P	rotection & Jobs	
L/C/TF Number(s) IDA-53490	Closing Date (Original) 31-Mar-2020		Total Project Cost (USD) 42,065,971.29
Bank Approval Date 30-Dec-2013	Closing Date (Actual) 30-Sep-2020		
	IBRD/ID	A (USD)	Grants (USD)
Original Commitment	84,000,000.00		0.00
Revised Commitment	50,293,550.25		0.00
Actual	42,065,971.29		0.00
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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD, p. 5) and the Financing Agreement of May 28, 2014 (p.4), the objective of the project was "to strengthen institutional capacity of the Department of Social Welfare and the Rural Development Department to deliver social protection programs and services and expand outreach of social care services for poor and vulnerable households, persons with disabilities, older persons and widows in the state of Bihar".

This ICR Review did not apply a split evaluation because the original PDO indicators were weak in reflecting project achievements, and the change in indicators and targets was explained by the need to better capture intended project outcomes. Therefore, per guidelines, the entire project assessment was based on the revised PDO indicators and targets.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?

c. Will a split evaluation be undertaken?

d. Components

The project included two components:

Component 1: Strengthening Social Protection Systems and Capacity (appraisal estimate U\$\$32.9 million, actual U\$\$16.53 million): This component was to finance the strengthening of the core systems and capacity of the Bihar Rural Development Society (BRDS) and the State Society for Ultra-Poor and Social Welfare (SSUPSW), which are the program implementation arms of the Rural Development Department and the Department of Social Welfare respectively, at the state, district and block levels. This component had two sub-components:

<u>Sub-Component 1.1: Strengthening systems and capacity for safety net delivery:</u> This sub-component was to provide support to strengthen the delivery of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Indira Awaas Yojana (IAY) programs, focusing on: i) streamlining program delivery mechanisms; ii) strengthening staff capacity and performance incentives; and iii) putting in place monitoring and accountability mechanisms.

Sub-Component 1.2: Strengthening systems and capacity for social pension and social care service delivery: This sub-component was to support SSUPSW to strengthen the delivery of social pensions and social care services for persons with disabilities, widows and older persons by focusing on: i) promoting an enabling policy environment; ii) developing standardized procedures and tools; iii) strengthening staff capacity and performance incentives; and iv) setting up monitoring and accountability mechanisms.

Component 2: Strengthening Outreach and Social Protection Service Delivery (appraisal estimate US\$87.1 million, actual US\$43.57 million): This component was to support the establishment of 101 Social Care Service Centers to increase state-wide coverage of social care services. This component included three sub-components:

<u>Sub-component 1: Establish and Strengthen Social Care Services:</u> This sub-component was to support the establishment Social Care Service Centers that were to provide high quality care, support and rehabilitation services for older persons, widows and persons with disabilities.

<u>Sub-component 2: Pilot Models in Social Protection Delivery:</u> This sub-component was to support: i) establishment of mobile outreach and therapy services; and ii) development and pilot of workable models for Community Based Rehabilitation (CBR).

<u>Sub-component 3: Innovation window:</u> This sub-component was to finance small-scale pilots that were to contribute toward the project objectives by testing innovative mechanisms for increasing community level outreach for effective delivery of social protection programs and services at the local level; enhancing promotion and participation of stakeholders and project beneficiaries; and providing social protection for the poor and vulnerable during emergencies and disasters.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates Project Cost: The project was originally estimated to cost US\$120.0 million. This amount was revised to US\$50.4 million. The actual cost was US\$60.06 million. In October 2019 US\$22.0 million and in June 2020 US\$8.6 million of the financing was cancelled. The reasons for cancellations are discussed below.

Financing: The project was financed by an IDA credit in the amount of US\$84.0 million (of which US\$42.06 million was disbursed) and US\$36.0 million of Borrower contribution (of which US\$18.0 million materialized).

Borrower Contribution: The Borrower was to contribute US\$36.0 million. The actual contribution was US\$18.0 million due to the reduction in cost during project implementation.

Dates: The project was restructured five times:

- On June 20, 2018 the project was restructured to: i) realign the project results framework to better
 reflect the intended outcomes and introduce slight revisions to the rural development component to
 allow for better alignment with the SP tracking system; ii) revise PDO indicators so they better
 capture project outcomes and to make them more realistic and achievable under the revised
 implementation workplan which had to be modified due to implementation delays. The ICR did not
 provide further information on the targets that were revised.
- On October 16, 2019 the project was restructured to: i) allow for a partial cancellation of \$22 million largely due to the delayed operationalization the social care service centers as well as savings which emerged due to the exchange rate differences between US\$ and INR. This resulted in realigning some of the costs under the components and adjusting disbursement estimates for the remaining implementation period.
- On March 30, 2020 the project was restructured to extend the project closing date to June 2020 to allow for completion of project activities, which were delayed due to implementation bottlenecks.
- On June 30, 2020 the project was restructured to: i) extend the closing date from June 30, 2020 until September 30, 2020 to allow for the completion of project activities; and ii) cancel \$8.6 million (SDR 6.2 million) of the credit, relocate between categories and revise the disbursement estimates to correspond to the revised closing date.

• September 29, 2020 the project was restructured to make adjustments in components and costs.

3. Relevance of Objectives

Rationale

According to the PAD (p. 1) at the time of appraisal, Bihar was India's third largest state with a population of 104 million of which approximately 54 million people lived below the poverty line. Bihar's economy had been growing rapidly at 11 percent per year between 2004/2005 and 2010/2011 and made impressive improvements in human development outcomes in terms of access to schooling and health. However, the state still faced illiteracy, under-nutrition and infant and child mortality. In addition, certain groups including persons with disabilities, older persons and widows, were especially vulnerable to economic shocks and rising living costs.

Social protection (SP) spending was relatively high in Bihar and several programs were in place to meet the needs of the poor and vulnerable. These included three main types of social assistance programs with inkind or cash transfers: i) Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) (a rights-based, demand-driven public works program that guarantees all rural households up to 100 days annually of unskilled public works employment on demand); ii) Indira Awaas Yojana (IAY) (cash transfers to poor rural households for building houses; and iii) social pensions (cash transfers for older persons, widows and persons with disabilities). During the FY 2010-11 the expenditures for these programs were US\$1.034 billion and accounted for 74 percent of the total SP in the state or about 3.04 percent of Gross Domestic Product (GDP).

Two principal departments were responsible for the administration of these programs. The Department of Rural Development implemented the MGNREGS, IAY, and the Below Poverty List (to identify poor households in rural areas). The Department of Social Welfare was responsible for social pensions and care services.

The government provided significant resources for the three major programs, but the performance of these programs had to be improved, including by building capacity for program management and implementation. According to the PAD (p. 2) the potential was high to increase program coverage and thereby to address deprivation and poverty in Bihar.

At the time of appraisal, the objective of the project supported the government's Five -Year Plan (2012-2017) and its goals of inclusive growth and development for long term sustainability. The project was in line with the United Nation's 2030 Agenda which aims to ensure that SP programs are supported by effective, accountable, and transparent institutions.

The objectives were in line with the Bank's Country Program Strategy (CPS) (FY13-17) at the time of appraisal, especially engagement area three which focused on increasing the effectiveness of service delivery in the social sectors. Also, the project was aligned with the Bank's most recent Country Partnership Framework (CPF) (FY18-22) third focus area "investing in human capital" ("improving the coverage and coordination of social protection systems").

Taking everything together, relevance of objectives is rated High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Strengthen institutional capacity of the Department of Social Welfare and the Rural Development Department to deliver social protection programs and services

Rationale

Theory of Change: The project's theory of change envisioned that activities for streamlining program delivery mechanisms, standardizing processes, creating an enabling environment as well as putting in place monitoring and accountability mechanisms were to result in certain outputs. These outputs were to include introducing computerized accounting, timely payment of MGNREGS workers, monitoring and closing idle/invalid accounts as well as improving HR policy and performance management through the HRMS web based electronic system. Furthermore, the project's theory of change envisioned that project activities such as promoting enabling policy environment, developing standardized development tools, strengthening staff capacity and performance incentive, and establishing monitoring and accounting tools were to result in outputs such as creating an enabling environment to formulate policies for women, elderly, and Person with Disability (PWP), develop Social Security Pension (SSP) Management Information System (MIS), and develop operations manuals and guidelines for capacity building. All these outputs were to result in the objective stated above.

Outputs:

- A social security pension delivery and management system, the Social Security Pension MIS
 (SSPMIS) was implemented. The SSPMIS provides end-to-end solution to the Department of Social
 Welfare, Government of Bihar in handling the social security pensions targeted to elderly, disabled
 and widows across the state. Linked to a state-level call center, the SSPMIS is currently handling cash
 transfers to about 9.4 million beneficiaries every month.
- At the time of the 2018 project restructuring, the project was at the advanced stage of putting in place
 a digital financial management system that was to support the Rural Development Department (RDD)
 and other state departments in obtaining timely and reliable financial expenditure information from
 Panchayats, Blocks and Districts on their programs.
- To strengthen the financial management system, BRDS recruited 128 district level accounts and audit specialists, while at the block levels 326 Block Accountants were appointed.
- The program Management Information System (MIS) was established and produced periodic reports, achieving the target of doing so.

- The project financed the hiring and training of a total of 850 SSPUSW staff. Also, the project supported the development of an e-attendance mobile app with geo-tagging to facilitate a systematic and transparent HR policy for personal management.
- HR policy and web-based Human Resource Management System (HRMS) was established at BRDS.
- An M&E system in BRDS was established to improve BRDS' capacity for data analysis and program management to inform policy and programmatic decision making.
- An operations manual and standards of care for social care services was delivered through the Buniyad Centers and Mobile Therapy Vans (MTVs).

Outcomes:

- The number of social pension beneficiaries who received benefit payments on time was 9.38 million, achieving the target of 5.7 million.
- 100 percent of blocks submitted audit reports on the Annual Financial Statement, achieving the target of 70 percent.
- 100 percent of blocks submitted annual financial statements generated through digital application, achieving the target of 80 percent of blocks.
- 85 percent of project beneficiaries were satisfied with social care services received, achieving the target of 80 percent of beneficiaries.
- 52 percent of social care services grievances and 67 percent of social security pension grievances were redressed, not achieving the target of 80 percent.

Rating Substantial

OBJECTIVE 2

Objective

Strengthen institutional capacity of the Department of Social Welfare and the Rural Development Department to expand outreach of social care services for poor and vulnerable households, persons with disabilities, older persons and widows in the state of Bihar

Rationale

Theory of Change: The project's theory envisioned that activities such as establishing one stop social care service centers with assistive devices, strengthening capacity of staff, providing mobile therapy vans and establishing finance mechanisms to increase community level outreach of SP programs as well as enhancing community participation were to results in the following outputs: one stop social care centers providing adequate counseling and essential services, therapy vans providing services and pilot interventions linking beneficiaries with training and employment services. All these outputs were to result in the objective stated above.

Outputs:

• In 2018, in each of the 38 districts, one social care service center (known as Buniyad Center) was operational, achieving the target of 38 centers being operational. These one-stop shops for the target

- population provided high quality care, support and rehabilitation services to elderly, disabled and widows. During 2017, these centers provided services to about 36,000 individual beneficiaries.
- 23 one-stop-social care centers were constructed, and 76 buildings were under different stages of construction, not achieving the target of 101 centers being constructed.
- 38 Mobile Outreach and Therapy Vans (MTV) in each of the districts had been procured and was
 delivering social care services to elderly, disabled and widows in remote rural locations, achieving the
 target of 38 MTVs. These vans were fully equipped with diagnostic, therapy equipment and audiovisual systems as well as a professional team to operate as one stop shops to deliver quality care,
 support and rehabilitation services to the beneficiary groups in local settings.
- The construction of the remaining 66 Buniyad centers was completed. However, since the project only constructed a total of 89 centers, the revised target of 99 centers was not achieved.

Outcomes:

- The number of project beneficiaries who received social care services increased from 3,305 beneficiaries in 2017 to 317,000 beneficiaries in 2020, achieving the revised target of 300,000 beneficiaries.
- In total the project benefited 9.69 million people, achieving the target of 6.0 million people. 54.1 percent of beneficiaries were female, achieving the target of 45 percent.
- 24.38 percent of total beneficiaries who received social care services were vulnerable and marginalized people. 22.45 percent of total beneficiaries who received social security pension beneficiaries were vulnerable and marginalized people.

Rating Substantial

OVERALL EFFICACY

Rationale

The project almost fully achieved its first objective to strengthen capacity to deliver social protection programs and services. Likewise, it almost fully achieved its second objective to increase institutional outreach capacity of social care services for poor and vulnerable households, persons with disabilities, older persons and widows. The aggregation of achievements under the two objectives is consistent with a Substantial efficacy rating.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic efficiency:

Both, the PAD and the ICR did not conduct traditional measures of efficiency in its economic analysis. Instead, the ICR (p. 9) summarized project benefits across multiple dimensions. But its arguments were related to the social protection sub-sector rather than to project efficiency itself.

Operational efficiency:

The efficiency of implementation was affected by significant shortcomings. Aspects of design also contributed to reduce efficiency. The project experienced significant implementation delays related to procurement, financial management as well as delays in the construction and operation of care centers, and coordination challenges between BRDS and SSUPSW. Delays were also related to the hiring of project staff at different levels. Implementation arrangements foresaw that the project implementing agencies in the Social Welfare Department (State Society for the Ultra Poor and Social Welfare) and the Rural Development Department (Bihar Rural Development Society) were to directly hire these contractual staff. However, it was later decided that an outsourced model for hiring these personnel was more suitable. This resulted in the government of Bihar having to seek various departmental clearances as well as a State Cabinet decision and having to restart the procurement of various related contracts, which were already at advanced stages of procurement, causing a significant delay in the implementation of the Project (Project Restructuring Paper, Report No, RES32429, para. 2). Delays in construction and operation of Buniyad Centers and operationalizing 28 Mobile Therapy Vans were resolved in the 6th year of the project (ICR, p. 11). After effectiveness in 2014, disbursements remained at a near zero level in 2015 and 2016, increased to US\$11.6 million in 2017, and to only US\$21 million in 2018. US\$30.6 million were cancelled, although there were exchange rate gains. The project disbursed 70% of the credit proceeds after cancellations at closing.

Given an insufficient analysis on project efficiency and significant shortcomings in the efficiency of implementation, the project's overall efficiency is rated Modest.

Efficiency Rating

Modest

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:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 □ Not Applicable
ICR Estimate		0	0 □ Not Applicable

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

6. Outcome

Relevance of objectives was rated High. Overall efficacy was rated Substantial, and efficiency was rated Modest. Therefore, the project's overall outcome rating is Moderately Satisfactory.

a. Outcome Rating
 Moderately Satisfactory

7. Risk to Development Outcome

According to the ICR (p. 17) the government continues to be committed to reducing poverty and improving access of social protection and service delivery to vulnerable and marginalized groups. The government also continues to provide financing to the systems and programs supported under the project. The government is looking at different options to implement the same model in other Indian states. However, as the implementation of this project showed, frequent changes in leadership and champions, negatively impact implementation and sustainability.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the PAD (p. 10) the project was built on lessons learned from relevant global, regional and national experience in supporting systemic reforms of social protection programs. The project design also took the Bank's experience of working in Bihar over several years under the Bihar Capacity Building Technical Assistance program into account. Lessons learned that were reflected in the project's design included the importance of strengthening implementing agencies management/administration functions, introducing clarity, transparency and consistency in program processes, and putting in place real-time M&E systems to increase accountability.

According to the PAD (p. 13) the Bank team identified relevant risks and identified the following as High or Substantial: i) high fragmentation of SP programs and services which might hamper and delay project activities; ii) relatively new implementing agencies with limited capacity to administer services, fiduciary limitations which might results in implementation delays; iii) shortcomings in project design associated with the novelty of the operation; and iv) failure to adequately test and evaluate critical investments proposed under the project. Key mitigation measures included: i) capacity building to improve the administration of service delivery; and ii) financing to monitor and evaluate the effectiveness of the project. During the subsequent project period, capacity constraints persisted and contributed to implementation shortcomings.

The design of the Results Framework was overly ambitious and complex. It tried to measure outcomes beyond the project's scope (see section 9a for more details). Careful costing of components was needed early in the design phase (ICR, p. 15).

Quality-at-Entry Rating Moderately Satisfactory

b. Quality of supervision

According to the ICR (p. 16) the Bank team conducted regular supervision missions on a bi-annual basis. The Bank team stated (October 27, 2021) the Bank team also engaged in monthly supervision missions (in person) to address implementation delays and resolve problems which was fundamental to improving project implementation.

When implementation progress was slow, the Bank team intensified project supervision. The project benefitted from the field-based Bank team to support continuous dialogue to address implementation bottlenecks. According to the Bank team (December 13, 2021) the Bank team addressed the complexity of project design and the challenge of measuring implementation progress by restructuring the project in 2018.

The project experienced implementation delays in several areas such as procurement and financial management, which negatively impacted project implementation and disbursement. The Bank addressed these issues by providing technical support. Also, the Bank restructured the project five times. As a result of implementation delays the project scope was reduced in 2019 and 2020 resulting in the cancellation of a total of US\$30.6 million.

Quality of Supervision Rating Satisfactory

Overall Bank Performance Rating Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The objectives of the project were clearly specified, but the original Results Framework of the project was not able to adequately reflect the achievements of the project. One of the main reasons was that the project Results Framework was more geared towards reporting on the activities under the Department of Rural Development where only 23 percent of the project resources were invested. Besides this, each of the

five PDO indicators had four sub-indicators that measured progress towards four SP programs, making it overly complex and difficult to adequately and timely measure implementation progress.

According to the PAD (p. 12) the existing framework within both implementing agencies was expected to be used for results monitoring.

b. M&E Implementation

The project established an M&E system in BRDS as well as an M&E unit at the state level. This resulted in stronger data analysis and program management capacity.

When the project was restructured in 2018, the Results Framework was revised to better reflect its intended outcomes.

According to the ICR (p. 15) project indicators and data were collected and reported on a regular basis. Also, both implementing agencies ensured effective implementation of the project's M&E.

The Bank team stated (October 27, 2021) that M&E data were largely reliable and of adequate quality. Also, BRDS and SSPUSW M&E functions are likely to be sustained since they are a part of government reporting activities. The sustainability of project M&E activities is ensured after project closure through government support.

c. M&E Utilization

According to the ICR (p. 15) M&E data was used to inform decision making and make implementation adjustments such as through the project restructurings. Data was derived from several sources such as progress reports, implementation support missions, field visits, and the Management Information System (MIS).

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the Bank's safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.36 (Forest Management), OP/BP 4.09 (Pest Management) and 4.11 (Physical Cultural Resources).

According to the PAD (p. 16) an environmental assessment (EA) was conducted by the government of Bihar for the proposed project in selected sites. The EA also included a review of the existing capacity of the Rural Development Department (RDD), Department of Social Welfare (DoSW) and the Bihar State Building Construction Corporation Limited (BSBCCL) for environmental management. The Environmental

Management Framework (EMF), developed as an outcome of the EA, provides guidelines for site selection, design, construction and maintenance of environment-friendly Buniyad Centers in line with relevant legal and regulatory requirements related to environment aspects.

According to the ICR (p. 15) the project complied with the Bank's safeguard policies. The Bank team (October 27, 2021) stated that the two implementing agencies established the necessary safeguard mechanisms and staffing and shared regular safeguards data to the Bank team. However, recording/reporting was slow and did not take place on a frequent basis. According to the Bank team (December 13, 2021) the safeguard rating at project closing was Moderately Satisfactory.

The project developed a three-tiered Grievance Redress Mechanism (GRM) (state, district, and block) which allowed complaints to submit grievances to different platforms. According to the ICR (p. 15) at project closing 52 percent of the complaints related to social care services and 67 percent of complaints related to social security and pensions were resolved. The Bank team stated (October 27, 2021) based on the exchange with the client and follow up by the Bank's safeguards specialist, the Bank team was informed these complaints are being resolved.

b. Fiduciary Compliance

Procurement:

According to the ICR (p. 15) the project followed Bank's procurement guidelines. During project appraisal the procurement risk was rated High due to the implementing agencies' lack of experience (PAD p. 58) in implementing Bank projects. At the beginning of implementation, the project experienced delays due to weak capacity in both implementing agencies. The Bank provided procurement training and technical assistance to address these capacity issues. Also, external procurement consultants were hired to support staff in both implementing agencies. These measures resulted in stronger capacity and better procurement performance. According to the ICR (p. 16) the project's procurement risk was reduced from High to Substantial in the 2018 Procurement Risk Assessment and Management System (P-RAMS) assessment, and by the time the project closed, 99 percent of the public works procurement had been completed.

Financial Management:

According to the ICR (p. 16), the project had adequate Financial Management (FM) systems in place. The two implementing agencies were responsible for the project's FM function. Commercial banks were responsible to facilitate payments at the state, district, and block levels and complied with the agreed FM agreements. However, at the beginning of project implementation the BRDS and SSUPSW lacked the necessary capacity to submit the Interim Financial Reports (IFRs) and audit reports in a timely manner. The Bank provided assistance to address these issues. The annual financial audit was conducted by firms of chartered accounts that were contracted on terms the Bank agreed with.

According to the Bank team (October 27, 2021), the external auditor's opinions were unqualified except for the opinion of March 31, 2017. However, these issues were resolved.

c. Unintended impacts (Positive or Negative)
NA

d. Other

11. Ratings			
Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	This ICR Review rated efficiency as Modest because of insufficient analysis of project efficiency and significant implementation shortcomings that reduced efficiency.
Bank Performance	Satisfactory	Moderately Satisfactory	This ICR Review rated Quality-at Entry as Moderately Satisfactory in view of moderate shortcomings in M&E design.
Quality of M&E	High	Substantial	There is no disagreement: the ICR's rating of the Quality of M&E (p.13) was Substantial as well.
Quality of ICR		Substantial	

12. Lessons

The ICR (p. 17 to 18) provided useful lessons learned:

- Remaining flexible and proactive is important for adjusting costing associated with exchange rate fluctuations. In this project, the Bank team reacted well to the fluctuations by restructuring the project and adjusting its costing.
- Projects that aim to strengthen institutional capacity in a low-capacity context require time to put in place necessary capacity across all tiers of government. In this project, capacity needed to be built in financial management, procurement, disbursements, safeguards, and HR resulting in implementation delays.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR included a concise and adequate overview of project preparation and implementation and provided useful lessons learned that can be applied to similar future Bank projects. Overall, quality is considered substantial, although the ICR's efficiency analysis focused on the improved sector efficiency (which should be considered an aspect of efficacy in this case) rather than assessing efficiency in use of project resources as described in guidelines.

a. Quality of ICR Rating Substantial