REPORT NO.: RES30582

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
GRENADA SAFETY NET ADVANCEMENT PROJECT
APPROVED ON JULY 5, 2011
TO
GOVERNMENT OF GRENADA

SOCIAL PROTECTION & LABOR
LATIN AMERICA AND CARIBBEAN

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Practice Manager/Manager: Pablo Gottret
Task Team Leader: Snjezana Plevko
**I. BASIC DATA**

**Product Information**

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
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<tbody>
<tr>
<td>P123128</td>
<td>Investment Project Financing</td>
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<table>
<thead>
<tr>
<th>Original EA Category</th>
<th>Current EA Category</th>
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<table>
<thead>
<tr>
<th>Approval Date</th>
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<td>05-Jul-2011</td>
<td>31-Dec-2017</td>
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**Organizations**

<table>
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<tr>
<th>Borrower</th>
<th>Responsible Agency</th>
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<tr>
<td>Government of Grenada</td>
<td>Ministry of Social Development and Housing</td>
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**Project Development Objective (PDO)**

**Original PDO**

The Development Objectives of the Project are to: (i) strengthen the basic architecture of the consolidated Conditional CashTransfer (CCT) Program and the capacity of the Ministry of Social Development to implement it; (ii) improve coverage of poor households receiving cash transfers; and (iii) improve education outcomes of poor children and health monitoring of vulnerable households.

**Current PDO**

The revised Development Objectives of the Project are to strengthen the basic architecture of the SEED Program and the capacity of the Ministry of Social Development and Housing (MOSDH) to implement it.

**Summary Status of Financing**

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<th>Ln/Cr/Tf</th>
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Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?
No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

The Restructuring Paper proposes to extend the closing date of the Project for nine months from December 31, 2017 to September 30, 2018 to allow the finalization of the Beneficiary Management Information System (BMIS) which is critical to achieve the Development Objectives (DO) of the Project, and ensure its sustainability.

Project Background

The Grenada Safety Net Advancement Project (SNAP) in the amount of SDR 3.2 million (US$ 5 million equivalent) was approved by the Board on July 5, 2011 and declared effective on December 5, 2011. Project implementation progressed at a slower pace than anticipated, leading to a Level 1 restructuring, which was completed in December 2015. It included: (i) the modification of the PDO and results framework, (ii) revision of the Disbursement Linked Indicators (DLIs), and (iii) reallocation of financing across disbursement categories and components. To date, the Project has disbursed USD3.3 million, 73.1 percent of the total Credit.

Following the restructuring, implementation picked up and several key activities were achieved. These include the consolidation of three cash transfers programs to establish a single flagship cash benefit program targeted at poor households – the SEED, creation of a budget line and an approved three-year budget plan for the Program, and completion of the SEED Operations Manual. The Project has also supported the design and development of a beneficiary registry populated with information of all the SEED beneficiary households; a new targeting instrument to identify beneficiary households; finalization of the Phasing Out Plan; and completion of the initial stages of its implementation (so far, 320 ineligible households have been removed from the Program, allowing poor non-benefiting households to become SEED beneficiaries). Additionally, MOSDH has outlined a roadmap for broader safety net reforms through the development of a Social Safety Net Framework, and its implementation relies on instruments that have been designed under the Project.

Restructuring Justification

Despite the recent progress in Project implementation, the Beneficiary Management Information System (BMIS) is not going to be completed by the current closing date. The work on the BMIS is in an advanced stage, but some of its key modules are still incomplete. The most critical of them are the targeting and reporting modules, which are the backbone of the BMIS system, and the key tool for the efficient use of the beneficiary registry and calculation of targeting scores. The failure to finalize the BMIS would make all the efforts invested into the registry and targeting tool obsolete. A detailed assessment of the outstanding BMIS issues has been prepared and it estimates that about 5 months of work will be required for its full finalization. The contract with the original BMIS developer has closed and the consultant is no longer available to support the Government. Therefore, the Government recently identified and signed a contract with a new consultant, and the work on the BMIS development has resumed. The Bank team had required that there be a signed contract for this activity before it would process an extension request.

The extension of the closing date will enable finalization of the BMIS, the testing and roll-out of its implementation, as well as achievement of the DLI related to the BMIS. Once the BMIS is fully operational, the Government will be able to apply the new targeting tool and include additional poor households in the SEED program, thus achieving the final DLI.

Risks
The key risk for the implementation of the Project could be linked to the upcoming elections (expected in February 2018) that could result in some changes in the MOSDH officials and thus potentially delay some elements of Project implementation. However, this should not impede the finalization of the BMIS, since its finalization, testing and implementation require technical level staff that should not be affected by the election results. Finally, the extension would ensure enough time post-elections to allow for the successful implementation of the Project even if minor implementation activities are temporarily affected during the election period.

Project Audits
There are no pending audits and the past audit reports did not raise any concerns regarding the implementation of the Project.

## III. DETAILED CHANGES

### LOAN CLOSING DATE(S)

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<th>Ln/Cr/Tf</th>
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