



1. Project Data:		Date Posted : 08/14/2001	
PROJ ID: P004978		Appraisal	Actual
Project Name: Social Safety I	Project Costs (US\$M)	70.5	70.4
Country: Algeria	Loan/Credit (US\$M)	50.0	49.83
Sector(s): Board: SP - Irrigation and drainage (22%), General water sanitation and flood protection sec (22%), Roads and highways (22%), Agricultural extension and research (21%), Other social services (13%)	Cofinancing (US\$M)	0	0
L/C Number: L4006			
	Board Approval (FY)		96
Partners involved :	Closing Date	12/31/2000	03/31/2001

Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The project aimed to pilot new ideas and institutional arrangements for delivery of social protection programs, which, if successful, would be broadened and generalized. The first and most important project objective was to create employment and improve infrastructure and services in disadvantaged areas, and demonstrate the Government's commitment to mitigating the impact of economic reforms on the poor. The second objective was to enhance the effectiveness of Algeria's existing social safety net system. The third objective was to prepare, on a pilot basis, a social development fund aimed at developing social infrastructure and alleviating poverty.

b. Components

The project had three components:

a) Labor-intensive public works: The main thrust of the labor-intensive public works program was to generate a large number of temporary jobs by financing public works in road maintenance, agriculture and forestry, and water and sanitation. Each sub-project had two objectives: development of public works to improve social infrastructure; and creation of a maximum number of temporary jobs.

b) Strengthening of the existing social safety net: This component aimed to: (i) improve the management, targeting and monitoring of the existing social safety net; and (ii) strengthen the Social Service Units whose general mandate was to establish contact with the marginalized and socially excluded members of the population, and take certain actions to improve the population's access to basic social services.

c) Pilot implementation of a program to improve social infrastructure, including feasibility studies on the development of a social fund: This component aimed to: (i) pilot a Community Development Program which was geared towards providing populations living in poor and marginalized areas with basic equipment and infrastructure to improve living conditions; and (ii) establish a Social Development Agency (ADS) to manage the social fund.

c. Comments on Project Cost, Financing and Dates

The total project cost was USD 70.5 million, of which USD 49.83 million came from the World Bank and the Government provided the remainder. There were no cofinanciers. The loan was not fully disbursed, although there

was a devaluation of the dinar during project implementation that allowed the ADS to finance additional activities within each program. The undisbursed balance is estimated at US\$700,000 dollars, and will be cancelled after July 31, 2001 – the date marking the end of the grace period following the project’s closing date of March 31, 2001. This closing date was revised from the original of 12/31/2000.

3. Achievement of Relevant Objectives:

a) Labor-intensive public works: The number of jobs created under the labor-intensive public works has exceeded projections. It was expected to create the equivalent of 20,000 full time jobs/year, but it was estimated that about 24,500 person-years were created. In addition, the average actual cost of a job created did not exceed US\$2,600/year, which is below the amount estimated at project appraisal (US\$2,800/year). The ICR provides relatively little information on the improvement of social infrastructure, but does mention that various small enterprises were developed under this component. Ex-post economic evaluations of selected sub-projects also indicate that they were economically viable.

b) Strengthening of the existing social safety net:

(i) The targeting, management and monitoring of the existing social safety net was improved through rationalization of the beneficiary lists that involved: dissemination seminars, site visits, activation of community validation commissions, public posting of beneficiary lists, audits in problematic *wilayas* , and the recruitment of over 680 skilled technicians to work on location. Indicators were put in place for program monitoring. (ii) the Social Service Units were strengthened as the 28 Units distributed among 7 *wilayas* benefited from the project loan and obtained computer equipment, software, office space, supplies/furniture/equipment, and financing for key personnel.

c) Pilot implementation of a program to improve social infrastructure, including feasibility studies on the development of a social fund:

(i) The pilot Community Development Program was successful in establishing 91 small projects in 40 *wilayas* (funded partly by devaluation gains) that were in line with local priorities. Of all the community projects selected, 80 percent are operational. Studies and impact assessments were carried out towards program improvement. (ii) The Social Development Agency (ADS) was set up in an environment of social urgency and has amply demonstrated its managerial capacities and effectiveness in implementing the pilot program. It also has a reliable financial management system in place.

4. Significant Outcomes/Impacts:

- The project successfully piloted new ideas and institutional arrangements for the delivery of social protection programs through the development of a social fund that could be broadened and generalized.
- The existing social safety net was strengthened through improved targeting and management, and many unintended beneficiaries were identified through annual rationalization of the beneficiary lists.
- A Social Development Agency that proved to be dynamic and professional was set up, and is in a position to provide leadership for future programs.
- Relief was effectively provided for the unemployed through the labor-intensive public works program that exceeded targets.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- The Management Information System for all three components was still embryonic at project-closing, and a clear definition of program objectives and related performance indicators was not in place.
- The sustainability of the labor-intensive public works programs is in doubt as ADS has been using funds from poverty-targeted programs to finance unemployment-targeted activities. Given increasing poverty, this diversion should not happen, and more budgetary resources should be allocated to ADS.
- Due to changes in the Ministry, the degree of management flexibility of ADS was lower than anticipated originally, and this could compromise sustainability of ADS.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	High	Substantial	Though the ADS was set up as a successful agency, there were some problems and delays with Management Information Systems for all components of the project.
Sustainability:	Likely	Likely	Though OED rates sustainability as likely,

			there are significant problems in (a) sustainability of funding; and (b) decreased administrative flexibility of ADS due to Ministry-level changes. This places the ADS's ability to manage and finance the programs in a satisfactory manner at risk. Sustainability is possibly 'uncertain' in this case.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf. :	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- Autonomy and flexibility of the implementing agency can contribute to project effectiveness.
- Learning-by-doing can enhance institutional development of implementing agency - as through studies, beneficiary assessments, and collaboration with line ministries.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR is of satisfactory quality and covers the main issues adequately. The Borrower's contribution to the ICR should have been attached.