



1. Project Data:		Date Posted : 04/21/2004	
PROJ ID : P060943		Appraisal	Actual
Project Name : My-social Sec Support	Project Costs (US\$M)	88.1	0
Country : Malaysia	Loan/Credit (US\$M)	60	0.6
Sector(s) : Board: SP - Other social services (34%), Health (30%), Central government administration (22%), Pre-primary education (7%), Adult literacy/non-formal education (7%)	Cofinancing (US\$M)	1.2	0
L/C Number : L4452			
	Board Approval (FY)		00
Partners involved : UNDP	Closing Date	12/31/2002	04/14/2000
Prepared by :	Reviewed by :	Group Manager :	Group :
Helen Abadzi	John R. Heath	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
(a) Support the National Economic Recovery Plan for ameliorating the adverse impacts of the economic crisis on the poor and vulnerable by maintaining their welfare and access to essential social services, particularly by those groups located in the poorest districts; and (b) strengthen the monitoring of poverty over time as well as the effectiveness of programs designed to reduce poverty and to mitigate the adverse impact of the crisis, particularly those programs supported by the project.			
b. Components			
(a) Rural development and poverty alleviation - poverty village development, early childhood education (US\$38 m at appraisal); (b) Health clinics (US\$28.1 m at appraisal); (c) Social assistance for disadvantaged groups (US\$20.7 m at appraisal); (d) Poverty monitoring and impact assessment (US\$1.00 m at appraisal).			
c. Comments on Project Cost, Financing and Dates			
The government of Malaysia requested cancellation of the loan on April 14, 2000. World Bank management agreed with the request and cancelled the Loan on April 19, 2000. No disbursements were made, and a front-end fee of US\$0.6 million was deducted from the loan principal. The UNDP was to finance poverty monitoring, but no agreement was signed with UNDP, and this source of financing was cancelled as well.			
3. Achievement of Relevant Objectives:			
Not rated given loan cancellation			
4. Significant Outcomes/Impacts:			
Some activities were carried out, but no applications were made for loan disbursements. Thus, there were no project-related outcomes. The project had been designed during a time of deepening economic crisis, but when the economic conditions improved, the priority of poverty alleviation and socially sensitive poverty monitoring declined.			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
The Government of Malaysia first requested cancellation of the poverty component and later of the entire loan, and decided to implement project activities with its own funds. The government rationale was that project complexity and lack of familiarity with Bank procurement rules at district level caused reluctance to disburse. The design of the Social Sector Support Project as an investment loan with procurement complexities created implementation problems for which districts were unprepared. There was insufficient time during project design to establish a broad stakeholder consultation and support. Involvement of three ministries in the project exacerbated delays. The cancellation may also have been due to the lack of fast-disbursement loans in the CAS, which the government preferred to investment projects.			

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Not Rated	Not Rated	
Institutional Dev .:	Not Rated	Not Rated	
Sustainability :	Not Rated	Non-evaluable	
Bank Performance :	Not Rated	Unsatisfactory	Quality at entry was poor. In a country which now has few project-based loans, the Bank did not sufficiently adapt procurement planning to local needs. The Bank also overestimated government capacity to carry out projects involving multiple ministries and willingness to reveal poverty details, about which Malaysia has been sensitive .
Borrower Perf .:	Not Rated	Unsatisfactory	Limited government ownership and unwillingness to comply with loan conditionalities; the government did not complete an agreement with UNDP on poverty monitoring.
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:

- Bank procurement rules may appear too cumbersome to countries that are able to set and follow their own procurement rules and that can finance their own operations .
- Successful implementation of projects prepared to respond to crises depends upon widespread support among key stakeholders inside and outside governments . This is especially important in an environment where macroeconomic events provide the main impetus for project dialogue and design .
- Strong government ownership is crucial from initial design throughout implementation for project components that probe or research areas of increased sensitivity, especially those carried out by technical assistance .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR gave a satisfactory account of the events that led to the cancellation of the project .