



1. Project Data:		Date Posted : 09/15/2003	
PROJ ID: P051386		Appraisal	Actual
Project Name: Szopad Social Fund	Project Costs (US\$M)	15.3	10.82
Country: Philippines	Loan/Credit (US\$M)	10	9.9
Sector(s): Board: SP - Roads and highways (22%), Irrigation and drainage (20%), General education sector (20%), General water sanitation and flood protection sec (20%), Other social services (18%)	Cofinancing (US\$M)	0	0
L/C Number: L4300			
	Board Approval (FY)		98
Partners involved :	Closing Date	12/31/2001	12/31/2002
Prepared by:	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The objective of the project was to increase the access of the population in the poor and most conflict affected areas of the Special Zone for Peace and Development (SZOPAD) to basic economic and social infrastructure, services and employment opportunities.

b. Components

The project had two components (actual costs and percentages for each component are in parentheses):

(1) Financing for Subprojects (US\$7.6 million - 70% of total projected costs). This component provided grant financing to community groups, People's Organizations (POs), Non-Governmental Organizations (NGOs) and Local Government Units (LGUs) for small-scale, community-based subprojects of social and economic infrastructure and services such as water and sanitation facilities, schools, health stations/clinics, small/communal irrigation systems, post-harvest facilities and rural roads. Financing was also made available for supplies, equipment and technical services related to the efficient operation and delivery of infrastructure subprojects.

(2) Institutional Support for the Social Fund (US\$3.21 million - 30% of total projected costs). This component financed the services of the Social Fund's contracted staff, equipment and operating costs, as well as technical assistance and training to help improve the Social Fund's operational, managerial and administrative capacity.

c. Comments on Project Cost, Financing and Dates

The actual cost of the project was US 10.8 million versus the appraisal estimate of US 15.3 million. This was largely due to lower subproject cost in dollar terms as a result of the devaluation of the Philippine peso. The actual amount of loan was US\$ 9.9 million and US\$ 0.1 million was cancelled. The project was extended for one year to implement the operation and maintenance (O&M) catch-up plans.

3. Achievement of Relevant Objectives:

The ICR does not provide information on the extent to which the project reached "the population in the poor and most conflict affected areas of the SZOPAD". According to the Region, the project reached the following beneficiary groups: (i) predominantly MNLF communities (43 percent); (ii) predominantly IP communities (31 percent); and (iii) other poor and/or conflict-affected communities (26 percent). The ICR provides the following information about the subprojects and infrastructure financed and employment created.

- The project financed 520 subprojects (compared to the appraisal estimate of 527) covering fifteen provinces and eleven cities. These included subprojects in the following sectors: education (33.5%), water supply and sanitation (21%), post harvest facilities (19.4%), services (12%), health (8.8%), roads (3%), others (2%), and

small scale irrigation (0.4%). The total number of beneficiaries are 344,000 persons.

- The actual/latest estimate for the number of local schools constructed/renovated is 174; the number of water supply and sanitation facilities constructed/rehabilitated is 109; the number of health clinics constructed/renovated is 46; and the number of kilometers of road rehabilitated is 50.
- About 39,188 person-months of employment opportunities were created by the construction of subprojects compared to about 26,000 person-months estimated at appraisal.

4. Significant Outcomes/Impacts:

- Improved access to health and education facilities and safe drinking water. According to the Impact Assessment Study, 79% of the respondents said that health facilities are available and accessible now compared to three years.
- Reduced post-harvest losses due to the construction of warehouses.
- Increased agricultural production with the construction of irrigation schemes.

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

- Inadequate attention during the design phase to O&M as well as compliance with some safeguard policies on land acquisition and environment.
- The project did not extensively use labor-intensive methods of construction. This substantially reduced opportunities to engage local unskilled labor.
- The role of beneficiaries in design and implementation of some small scale irrigation and water supply systems, and roads was substantially reduced because of weak capacity of the communities.
- Delays in the development of the Management Information System (MIS).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	
Sustainability:	Likely	Non-evaluable	<p>Sustainability is rated as non-evaluable at this stage as some factors support a likely rating and others support an unlikely rating and there is not enough evidence to make a conclusive judgement.</p> <ul style="list-style-type: none"> ● The sustainability of health stations and classrooms depends on the commitment of the Local Government Units and Department of Education to fund staff and recurrent costs. The ICR does not provide information on the level and extent of actual funding or future capacity to ensure adequate funding. ● The sustainability of irrigation schemes appears likely, as existing Irrigator's Associations have taken the responsibility for O&M of the irrigation schemes. ● The sustainability of some school buildings and water supply and sanitation subprojects appears unlikely because communities were not adequately trained for O&M. ● The capacity of communities to maintain roads and drainage structures is still very weak.
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:

- A social fund is an effective instrument for providing immediate basic infrastructure and short-term employment opportunities in post conflict situations.
- Community level capacity building interventions and organizational development and strengthening during the early stage of subproject implementation are critical for subsequent O&M.
- It is important to have a clear beneficiary targeting mechanism, procedures for procurement, financial management and disbursement for efficient resource utilization.

8. Assessment Recommended? ☒ Yes ☐ No

Why? To contribute to the OED post-conflict study.

9. Comments on Quality of ICR:

The quality of the ICR is satisfactory overall. It provides data on subprojects by type and broken down by province and city. Its main shortcomings are:

- The ICR did not discuss the critical issue of poverty targeting. The Region has provided some figures but the underlying methodology for these figures is unclear and it would have been useful if it had been discussed in the ICR.
- The ICR did not have sufficient information to make a judgement about sustainability.
- The ICR did not adequately discuss the compliance with safeguard policies on land acquisition and environment.
- The ICR did not adequately present the Impact Assessment Study results or discuss the quality of the assessment.