



1. Project Data:		Date Posted : 08/20/2002	
PROJ ID: P049200		Appraisal	Actual
Project Name: Social Development Fund (APL #1)	Project Costs (US\$M)	27.0	17.6
Country: Romania	Loan/Credit (US\$M)	10	9.7
Sector(s): Board: SP - Other social services (89%), Sub-national government administration (11%)	Cofinancing (US\$M)	12.1	5.2
L/C Number: L4434			
	Board Approval (FY)		98
Partners involved : CEB (Council of Europe Development Bank)	Closing Date	12/31/2001	12/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The objectives of the Romania Social Development Fund (RSDF) Program are to alleviate poverty and contribute to community-driven development (CDD) through:			
1. Improving the livelihood of project beneficiaries / recipients in poor rural communities and disadvantaged groups; and			
2. Increasing the local organizational and self-help capacity of NGOs, community based organizations (CBO) and Local Authorities (LA.)			
Phase I (APL I) was to strengthen the capacity to implement, monitor and evaluate the program, and to initiate selection, financing and implementation of subprojects to achieve program objectives .			
b. Components			
The appraisal (actual/latest) costs for the project total \$27 (\$17.6) million comprise: -			
RSDF Sub-projects \$25.4 (17.1) million; and			
RSDF Institutional Support \$1.6 (.5) million.			
c. Comments on Project Cost, Financing and Dates			
This SDF Adjustable Program Loan (APL) was for Program Initiation. The follow-on Program Development (Phase II) has been negotiated with an increased Bank loan of \$ 20 million, twice that envisaged at appraisal of Phase 1. Phase II should be completed by 2006. The difference between appraisal and actual costs is largely a result of a delay of 1.5 years in the disbursement from CEB.			
3. Achievement of Relevant Objectives:			
An evaluation mission, comprising Bank staff, Ministry of Public Finance representatives and two independent evaluators, was fielded in December 2000. Five triggers had been established at appraisal as the basis for moving to SDF II and progress was as follows: -			
1. A well functioning RSDF organization, including trained staff, adequate administrative, monitoring and evaluations (M&E) systems - Overall RSDF has become a well-functioning organization but there is insufficient evidence presented in the ICR to indicate that M&E systems were strong with respect to poverty targeting and local capacity/social capital measurement.			
2. 1,000 subproject applications registered and 300 poor rural communities assisted - the target for applications was met but there is no measure of the poverty level of the communities assisted .			
3. Grants awarded to at least 200 Bank financed sub projects of which 60 should be completed -This target was exceeded.			
4. Beneficiary assessment (BA) initiated, supported by a monitoring system -the BA was completed but the ICR states that the monitoring system requires strengthening . The beneficiary assessment reported that 90% of the project beneficiaries were satisfied.			
5. At least 60% of the APL I must be disbursed - all funds have been allocated and disbursed .			
The unit costs per beneficiary, per job created, and per direct beneficiary by income generating activities are all well			

below available benchmarks for small infrastructure sub-projects. RSDF costs are 62% of the cost of comparable non-RSDF financed projects. The corresponding relative cost for project design and site supervision are 52% and 57%. Beneficiary financial participation has exceeded minimum requirements that set contributions at 10% for small infrastructure (11.7% actual), 5% for social services and 15% for income generating projects.

4. Significant Outcomes/Impacts:

1. The program has proven the potential of local organizational and self help capacity for providing sustainable rural infrastructure, establishing a new tool for government to apply to restoring levels of social capital after the systematic destruction of civil society and private property in recent times .
2. The program became an example in the region for its direct contracting approach and has been visited by implementing agencies from Kosovo, Macedonia, Ukraine, Moldova and Malawi .
3. The project established new benchmarks of cost-effective standards and appropriate technologies for small-scale village infrastructure.
4. The operational manuals, which have been developed and refined under RSDF, will be an invaluable resource and a sound basis for both national and international dissemination .
5. The project helped RSDF develop, in a relatively short time, into an efficient, effective institution .

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

1. RSDF was not well-linked with the decentralization program and local agencies .
2. The roles and responsibilities of the RSDF executive and steering committee (SC) were not always clear, and there has sometimes been a tendency for the SC to become involved in routing management issues .
3. The poverty targeting mechanism did not address the needs of the very poor .
4. Insufficient evidence of in the form of indicators for quality of works, sustainability and social capital . The adequacy of the M&E system with respect to poverty -targeting, local capacity and social capital measurement is not demonstrated.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Highly Satisfactory	Satisfactory	Although the project aimed at poverty alleviation, convincing evidence of impact is lacking. The Phase I trigger, requiring an organization with adequate M&E systems, is not addressed explicitly in the ICR.
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	Since roads are a major output, the extent to which local authorities meet their operation and maintenance obligations will influence sustainability.
Bank Performance:	Highly Satisfactory	Highly Satisfactory	
Borrower Perf .:	Highly Satisfactory	Highly 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:

1. The best facilitators and promoters are people from graduating villages .
2. Decentralization measures are needed to shorten the period between sub -project submission and grants approval.
3. Information, education and communications activities, directed at both beneficiaries and LAs, enhance effectiveness of the RSDF procedures and raise awareness and public support for partnership building, participatory approaches and community development .
4. Beneficiaries can take responsibility for implementation, including contracting and procurement, provided sufficiently close monitoring and support is provided by SDF supervisors .

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

Satisfactory apart from one missing paragraph (5.4) on costs and financing.