



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/17/2001	
<b>PROJ ID:</b> P003210		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Social Recovery II	<b>Project Costs (US\$M)</b>	47.7	34.4
<b>Country:</b> Zambia	<b>Loan/Credit (US\$M)</b>	30	26.4
<b>Sector(s):</b> Board: SP - Micro- and SME finance (75%), Central government administration (25%)	<b>Cofinancing (US\$M)</b>	3.0	2.9
<b>L/C Number:</b> C2755			
	<b>Board Approval (FY)</b>		95
<b>Partners involved :</b> SIDA, NORAD	<b>Closing Date</b>	12/31/2000	12/31/2000
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
SRP2 (Social Recovery Project II) aimed to assist the Government of the Republic of Zambia's (GRZ) poverty reduction program through financing of community initiatives, and by building capacity for quantitative and qualitative poverty analysis monitoring.			
<ul style="list-style-type: none"> <li>Community initiatives would assist the poor and vulnerable to meet their own objectives during the adjustment period thereby allowing faster economic and social recovery .</li> <li>Community initiatives would improve the capacities of both communities and government staff to plan, appraise, manage and maintain investment projects through learning by doing on the subprojects .</li> <li>SRP2 would enhance the capacity of Zambian institutions to collect and analyze poverty related data .</li> </ul>			
SRP2 served to achieve two priority GRZ objectives of increasing access to basic services and direct poverty alleviation, as well as supporting GRZ's efforts to decentralize and devolve responsibility to the districts . The project design reflected the need to devolve safety net activities to local groups and the importance of participatory planning and implementation of interventions by and for the poor .			
<b>b. Components</b>			
Total costs of \$ 34.4 million comprised:			
<ul style="list-style-type: none"> <li><b>Community Initiatives to finance subprojects (74.4%)</b> - these would be identified, prepared and implemented by communities, and appraised by the Micro Projects Unit (MPU.)</li> <li><b>Institution Building and Support (14.9%)</b> - capacity building for both subproject implementation and decentralized government agencies .</li> <li><b>Living Conditions Monitoring Unit (7.0%)</b> - capacity building and data collection through a LCMS (Living Conditions Monitoring Survey)</li> <li><b>Poverty Analysis Study Fund (3.1%)</b></li> <li><b>Participatory Poverty Analysis (.6%)</b></li> </ul>			
<b>c. Comments on Project Cost, Financing and Dates</b>			
The weakening of the SDR against the dollar reduced fund availability . Government cash funding, as opposed to "in kind" support, was consistently short of SAR targets .			
<b>3. Achievement of Relevant Objectives:</b>			
By component:			
<b>Community Initiatives</b> - there was a 20% drop in resources going to the 20% who were least poor and a 3% increase to the lowest two quintiles, a marginal improvement in distribution over SRP 1. The SIF (Social Investment Fund) 2000 study judged SRP2 to have reached the poorest districts : the poorest 70 percent of the districts received around 74 percent of the resources . At the household level, 15 percent of social fund beneficiaries were in the poorest income decile. However, targeting based on the poverty line, was similar to a random distribution -- the share of extremely poor households benefitting from the social fund was about the same as the share of such population nationwide (71% of the social fund beneficiaries were classified as poor, and indeed, just over 70% of Zambians are poor). But targeting is improving over time. A beneficiary study was conducted in 1998 (including			

district staff) revealed that communities felt the interventions had assisted them . Some 860,000 beneficiaries (nearly 10% of the population) were reached. Communities identified both reduced distance of, and congestion at health centers as well as reduced mortality and improved health status as project benefits . Service availability and staff ratios at both schools and health facilities were better than in non -SRP-supported facilities. SRP supported schools had above average percentage trained teachers, greater demand for places, and increased attendance and enrollment. Maintenance was incorporated up-front and most of the sampled subprojects were of satisfactory quality at the time of survey. Community ownership and skill levels to maintain the assets were reinforced by capacity building measures.

**Institution Building and Support** - while empowerment of communities was rated satisfactory by the ICR, with required contributions enhancing community ownership, efforts at increasing district level staff capacity were rated unsatisfactory. Despite completion of much training, performance at the district level was unsatisfactory .

**LCMU** - located in the Central Statistical Office the performance in terms of timely completion of surveys and provision of data was highly satisfactory although once again a follow on project has had to address weaknesses in analysis and use.

**Poverty Analysis Study Fund** - a total of 5 priority and 23 small scale studies were completed covering a wide range of issues related to poverty . However despite the recruitment of Research Advisor in 1996 only the priority studies have had any direct impact on policy decisions . Due to dependence on external funding sustainability of this component was rated "unlikely."

**Participatory Poverty Analysis** - the Participatory Assessment Group has developed into an independent NGO and worked effectively with LCMU.

#### 4. Significant Outcomes/Impacts:

1. Between 1995 and 2000 the project supported construction of 220 new classrooms and the rehabilitation of 1500. Over 700 teacher houses were constructed. Supporting water supply and sanitation infrastructure for schools included 96 boreholes and 2,500 ventilated pit latrines.
2. The LCMS contributed to the evaluation of both SRPs as well as providing data for the SIF 2000 study.
3. Linkages between district level staff and communities appear to have had a positive spin -off for non-MPU related projects as well.
4. PAG will publish a book describing learning experiences with the poor in 2001. The book is being written in collaboration with the Institute for Development Studies in Brighton .

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

1. Provision of government funding was unsatisfactory - only \$0.1 million of an expected \$3.6 million was received. Transport constraints on district staff had a negative impact on technical supervision .
2. The focus on women envisaged at appraisal did not occur and was addressed by increasing the requirement for 20% female membership on the community committee to 50%.
3. The capacity of district staff and the District Development Coordination Committees to act as agents of change, providing information and assisting communities to apply for projects, remains limited .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Modest	Improvement in district capacity were modest given the extent of the training provided at the regional level. Institutional impact at central government level was negligible.
<b>Sustainability :</b>	Likely	Likely	ZAMSIF or SRP3 is now building on the slow but steady progress of SRP 1 &2, but financial sustainability remains dependent on continued availability of recurrent cost financing.
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	The performance of the MPU was "Highly Satisfactory."
<b>Quality of ICR :</b>		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:

Many of the lessons learned are consistent with those from comparative studies such as SIF 2000:

1. The impact of policy studies improves where the major stakeholders are involved in the conceptualization of the studies and the research process . The function of poverty monitoring and assessment should be gradually absorbed into the Ministry of Finance and Economic Development if it is to have the desired impact on policy .
2. While community participation has resulted in a demand led decentralization, project impact would have been far

greater if the supply side aspects of improved coordination, better resourced districts and improved human resource management had received more attention .

3. District teams should continue to be promoted as they are more effective than working with individuals from various departments. A more coordinated approach by districts would also help guard against duplication of efforts by various partners supporting development activities in the communities .
4. Clear and concise guidelines for accessing funds helps guard against political manipulation .
5. Local government structures, policies and funding must be in place to support activities of a SIF .
6. The community based approach to construction is cheaper than contractor projects and implementation is faster than a targeted approach using central procurement . Requiring community contributions also instills a sense of ownership and responsibility for subprojects and increases sustainability .
7. Maintenance issues should be addressed upfront in the community initiatives cycle .
8. Improving infrastructure (an output) does lead to better service delivery (an outcome.) Adequate consideration of the latter should be incorporated in the appraisal of a project .
9. The use of standard designs should be tempered with the capacity of those implementing .
10. Poverty and access to information are related - poor information system management, poor information flows, inability to monitor performance and to act quickly on information, reduce achievements in reducing poverty . District staff did not always have the capacity to disseminate information . Not only does information not reach the rural areas but poverty itself inhibits access to information .

**8. Assessment Recommended?**  Yes  No

**9. Comments on Quality of ICR:**

Satisfactory. The discussion of sustainability would have benefited from attention to the technical, financial and institutional requirements for efficient operation and maintenance of facilities . The Borrower's ICR complements and adds value to the main document.