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| 1. Project Data: | | Date Posted : 09/05/2003 | |
| PROJ ID: P052263 | | Appraisal | Actual |
| Project Name: Social Fund | Project Costs (US\$M) | 6.0 | 1.42 |
| Country: Togo | Loan/Credit (US\$M) | 5.0 | 1.28 |
| Sector(s): Board: SP - Primary education (64%), Other social services (20%), Health (8%), Roads and highways (8%) | Cofinancing (US\$M) | na | na |
| L/C Number: C3195; CQ111 | | | |
| | Board Approval (FY) | | 99 |
| Partners involved : none | Closing Date | 12/30/2001 | 12/31/2002 |
| Prepared by : | Reviewed by : | Group Manager : | Group: |
| Nalini B. Kumar | Soniya Carvalho | Alain A. Barbu | OEDST |
| 2. Project Objectives and Components | | | |
| a. Objectives | | | |
| The project was designed as a LIL whose development objective was to reduce poverty by establishing two regional social funds (and) to test the feasibility of a decentralized network of social funds . The project was to support the government's poverty alleviation program and its ongoing decentralization effort . | | | |
| b. Components | | | |
| There were four components: (a) small socio-economic infrastructure at the community level (40 percent of project cost); (b) capacity building for grassroots communities and civil society (20 percent of project cost); (c) support to income generating activities (18 percent of project cost); and (d) institutional arrangements (21 percent of project cost). | | | |
| c. Comments on Project Cost, Financing and Dates | | | |
| The project was to be implemented over three years but successive disruptions in implementations due to country suspensions resulted in actual implementation time of 19 months. The project closed in December 2002, after a one year extension. Total project cost at appraisal was US \$ 6 million of which the IDA share was to be US \$ 5 million. Government of Togo was to contribute US \$ 200,000 and the communities US \$ 800,000. Actual project cost was US \$ 1.42 million of which the IDA share was US \$ 1.28 million. A total of US \$ 3.7 million was cancelled from the credit. | | | |
| 3. Achievement of Relevant Objectives: | | | |
| The project was unable to achieve its development objective . Only a limited number of the original micro-projects envisioned were financed and implemented . Out of an agreed total of 600 micro-projects, 185 were approved of which only 56 were completed. 51 were left uncompleted and 81 did not start. Though the Agencies for Support to Grassroots Initiatives (AGAIBs) were established the decentralized structure did not work well and there were tensions between the national coordinating unit and the regional agencies . | | | |
| 4. Significant Outcomes/Impacts: | | | |
| Beneficiary assessments indicated that the limited number of completed projects had a positive impact on the lives of the people. | | | |
| 5. Significant Shortcomings (including non-compliance with safeguard policies): | | | |
| <ul style="list-style-type: none"> Monitoring and Evaluation (M&E) was weak and was not timely; Very small number of sub-projects were actually completed; Project operating costs were very high--51 percent of the total cost of IDA disbursement; There were allegations of corruption in AGAIB -Region Maritime. | | | |

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|-----------------------------|----------------|-------------------|--|
| 6. Ratings: | ICR | OED Review | Reason for Disagreement /Comments |
| Outcome: | Unsatisfactory | Unsatisfactory | |
| Institutional Dev .: | Modest | Modest | |

| | | | |
|---------------------------|----------------|----------------|---|
| Sustainability : | Unlikely | Unlikely | |
| Bank Performance : | Satisfactory | Unsatisfactory | For several reasons: (i) quality at entry was not completely satisfactory as an unprepared microfinance component had been included; (ii) despite recognizing the importance of M&E in the appraisal document, it was not given adequate attention--a particularly glaring weakness given that this project was a LIL; (iii) the project was approved in April 1999 well after the 1998 elections which brought about a dramatic change in the political and economic environment. The Bank team should have made a realistic re-assessment of the government's ability to make counterpart payments and adequately support project implementation in the changed scenario before taking the project for approval to the Board in April 1999. |
| Borrower Perf. : | Unsatisfactory | Unsatisfactory | |
| 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. Learning and innovation are key aspects of a LIL . Monitoring and evaluation have a critical role to play in helping to maximize learning and deserve early and continuous attention .
2. The political and economic environment in the country is critical to project success . The Bank should be ready to cancel a project even if costs have been incurred on its preparation if it is evident before the project goes to the Board that the prevailing political and economic environment in the country may not support adequate project implementation.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR is satisfactory though its presentation of an important issue is contradictory ---the position of AGAIBs in Togo. The section on Institutional Development Impact notes that the AGAIBs have become important institutions in the national strategy for poverty reduction giving the reader the impression that these institutions are there to stay in Togo. However the section on sustainability questions their continuity and notes that while they were legally autonomous they were fully dependent on the project for their activities, financing and project costs .