



1. Project Data:		Date Posted : 11/19/2001	
PROJ ID: P041896		Appraisal	Actual
Project Name: Social Sector Strategy and Capacity Building	Project Costs (US\$M)	20	2.06
Country: Indonesia	Loan/Credit (US\$M)	20	2.06
Sector(s): Board: HE - Central government administration (60%), Sub-national government administration (40%)	Cofinancing (US\$M)		
L/C Number: L4030			
	Board Approval (FY)		96
Partners involved :	Closing Date	12/31/2000	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
Timothy A. Johnston	George T. K. Pitman	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The project sought to:			
<ul style="list-style-type: none"> • develop sector strategies for social sectors, especially health and education • build capacity in BAPPENAS (the National Development Planning Agency) and the planning units of line ministries to develop strategies, plan, monitor and evaluate programs • build capacity of provincial staff, provincial line ministries, and sectoral units of local governments to develop strategies, plan, monitor and evaluate programs 			
b. Components			
The project provided technical support to BAPPENAS, line ministries, and provinces to meet the above objectives .			
c. Comments on Project Cost, Financing and Dates			
Most of the planned activities were not completed, and the loan balance of US\$ 17.9 million was canceled upon closing.			
3. Achievement of Relevant Objectives:			
The project failed to achieve its stated objectives . The project financed several studies and seminars, and two training courses were completed, but the majority of project activities were never launched . About half of project expenditure went to administration, and much of the attention of the Bank staff and PMU was spent on resolving procurement and implementation difficulties. The project was negatively affected by the East Asia Crisis of 1997, which caused government to turn attention to provision of emergency social assistance, and give low priority to the studies and capacity building activities planned under this project . The project was also affected by the uncertainties regarding roles and responsibilities under Indonesia's rapidly evolving decentralization process .			
4. Significant Outcomes/Impacts:			
Some of the studies completed under the project may have proved to useful in reviewing progress under the previous 5-year development plan, and preparing for the next 5-year plan. The two training sessions sponsored by the project -- for planners from BAPPENAS, line ministries, and provinces -- were perceived by participants to be useful and of good quality. The borrower's ICR reports that six technical experts supported by the project contributed to knowledge transfer, even if few of the studies were completed by project closing .			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
Although the government had a strong track record of implementing previous projects, the design of this technical assistance project proved too complex -- in terms of number expected outputs, activities, and stakeholders to be coordinated -- and the Bank did not adequately assess capacity to implement, or build adequate ownership . Project design relied on the creation of a strong, independent Project Management Unit, but the project was launched before the PMU was established. A full time PMU coordinator was never appointed, and PMU performance was weak throughout. Despite the stated emphasis on capacity building, most of the focus was on completing studies and strategies. A capacity building needs assessment was completed two years after project effectiveness -- delaying planned training -- but was of inadequate quality. Very little monitoring or evaluation took place -- of outputs as well			

as impact -- even though strengthening M&E was a project objective . The myriad of implementation problems and the Bank's approach to supervision contributed to tensions in client relations -- for example, while project design required that the Bank approve TORs for all studies, the borrower's contribution to the ICR complains that "the time needed to get approval for a TOR took an extraordinarily long time, as compared to the time needed by the Bank's other projects."

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	Negligible	Negligible	
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Unsatisfactory	Unsatisfactory	Staff turnover associated with decentralization to the field contributed to inadequate supervision .
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:

The project illustrates several long-standing OED lessons, including the importance of thorough project design; adapting project complexity to borrower capacity and commitment; maintaining proactive supervision and avoiding excessive staff turnover; and putting in place adequate arrangements for monitoring and evaluation . Other lessons include:

- Technical assistance/capacity building projects must be based on a thorough diagnosis of capacity constraints; take time to develop consensus with clients regarding needs and priorities; and put in place implementation arrangement prior to effectiveness .
- When seeking to strengthen strategic planning capacity, project design and supervision must strike a balance between production of outputs (e.g., studies and strategies); the expected technical quality of those outputs; and capacity building objectives . An excessive output orientation can undermine capacity building objectives .
- The project also illustrates the challenges and tensions that can emerge following the decision to close a problem project.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR is frank in describing the project's problems and shortcomings, and provides useful discussion of some of the underlying problems and lessons . The borrower's ICR is comprehensive, but presents a somewhat different perspective on the project . It argues that the project could have succeeded if the Bank had undertaken a more thorough design effort, and been more responsive in supervision (for example, citing delays in approval of TORs) . The Bank's ICR maintains, conversely, that the Bank should have been more assertive in closing the project earlier -- despite borrower objections . To the extent that delays occurred in TOR approval, the Bank argues that these were necessary to address deviations from Bank procedures .