



1. Project Data:		Date Posted : 03/20/2001	
PROJ ID: P045940		Appraisal	Actual
Project Name : Social Protection Support	Project Costs (US\$M)	3.0	3.27
Country : Ukraine	Loan/Credit (US\$M)	2.6	2.598
Sector(s) : Social Assistance	Cofinancing (US\$M)	.4	.4
L/C Number : L4097			
	Board Approval (FY)		97
Partners involved : USAID	Closing Date	06/30/1999	06/30/2000

Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives

Objectives were to: (a) improve the administrative efficiency of the local Housing and Municipal Services Allowance Program (HMSAP) administrative offices in the Ministry of Labor and Social Protection (MLSP) by reducing processing time from 30 days to less than two weeks from receipt of application to notification and reducing the number of applicants per work station from 4800-5300 individuals to less than 3000; (b) improve information availability and management of HMSAP in 5 pilot regions by monitoring program status after installation of equipment; and (c) prepare an evaluation focusing on regional differences in program participation rates, levels of housing subsidy, staffing and effectiveness of offices . These objectives were fully consistent with the FY 97 CAS.

b. Components

The project contained four components : (a) automation of data processing in HMSAP administrative offices (\$2.2 million); (b) creation of a Ministry of Social Protection management information system (\$14 million); (c) training and technical support to local Ministry of Labor and Social Protection (MLSP) offices to learn to use the new computers and software to track housing and other social allowances (\$5 million); and (d) project administration, monitoring and evaluation (\$14 million). The project was to be implemented in five pilot regions .

c. Comments on Project Cost, Financing and Dates

Project disbursements totaled 99 per cent of the loan. Total project cost was 109 per cent of appraisal estimates, thus the project was implemented essentially within the original cost estimates . The Government contributed \$.3 million more than had originally been anticipated . Components were not revised during implementation . The project closing date was extended by one year . This extension was attributed to the delay in project effectiveness due to a delay in Parliamentary approval of the project . and delays in the installation of hardware and software .

3. Achievement of Relevant Objectives:

The project substantially achieved its core objectives, with the exception of the survey of results (component d). Results were achieved with significant assistance from donor funded consultants . They were also achieved without the creation of a separate project implementation unit, which both the Bank and the Government consider a weakness of the project. Implementation without the PIU was probably achieved because (a) of the support provided by technical assistants who had already worked with the Ministry of Social Protection for sometime before the implementation of this project and (b) the project was small. The absence of the PIU was an issue because it was to have been responsible for procurement activities and for overseeing the implementation of the survey of results. There were implementation delays for both of these activities . Since there was no PIU, it is not possible to know if its presence would have improved the implementation of these two activities .

4. Significant Outcomes/Impacts:

Outcome Indicators

Processing time for housing allowance applications has been reduced from 30 to 10 days. The number of applicants processed by each workstation of the HMSAP has been reduced from 4,800-5,300 to 1800-2200.

A large number of MLSP staff were trained both to use and to maintain the computer programs permitting calculation of allowances and transmission by computer of those allowances to municipal offices .

Impact Indicators

An automated system for calculation and recalculation of allowances is in place
Computer generated allowance notices are provided to all HMSAP participants
Computer generated monthly summaries of total allowances are provided to each municipal service enterprise
Monthly reports on program status are prepared, but they are prepared by the technical assistants

These impact and outcome indicators met the targets which were set for the project and represent significant improvements in both processing times, applicants to be served by each workstation, and information available, over the state of processing at appraisal.

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

Outcomes

The Loan Agreement does not include this provision, but the ICR states that the Government had agreed to eliminate budgetary support of housing maintenance, water, sewerage, heating, hot water and gas enterprises by December 31, 2000. However, although the Government prepared legislation to eliminate this budgetary support, Parliament adopted a law in 1999 which prevents GoU from implementing the law until arrears on wages and pensions are paid. This goal was apparently included in the project monitoring indicators in a supplemental letter to the Loan Agreement. This is an odd legal document in which to include a policy goal and it is equally odd to include it in an investment operation of such small size and limited scope. No explanation for this objective is provided in the ICR.

Analysis of differences in regional participation rates was not provided. The survey data included in the PADCO evaluation report is interesting, but covers only 1 of the 5 pilot regions and does not provide information on the differences in regional participation rates, the effectiveness of the subsidies, nor on the staffing and any regional differences in the effectiveness of the local offices.

Impact Indicators

There is a question of whether MLSP staff trained under the project will remain given the low wages paid by the Government, but that point is not raised in the ICR.

Monthly progress reports are produced by technical assistants. This raises the question of the MLSP's capability in this area to carry on without consultant assistance.

Absence of a PIU

The effect of the absence of a PIU on increasing the Ministry's capacity to carry out administrative and other tasks should be weighed. given that it is unlikely that this is the last project which will be implemented by the Ministry of Labor and Social Protection. The absence of the PIU was a weakness in project implementation because the PIU was to have overseen the preparation the project evaluation survey and the purchase of project equipment, among other duties. Since it wasn't created the potential for teaching evaluation techniques to Ministry staff was not fulfilled and its absence may have been partially responsible for the delay in procuring project equipment. The ICR is weak because it does not explain why the PIU wasn't created.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	Most major project objectives related to improving operation systems capability and functioning were accomplished, with substantial support by the implementing ministry.
Institutional Dev .:	Substantial	Substantial	Development appears substantial, except for the monitoring and evaluation component which did not provide adequate information on the achievement of participation rates, the level of subsidies, and the effectiveness of local HMSAP offices, due to the improvements introduced

Sustainability :	Highly Likely	Likely	The USAID/PADCO report expresses concerns about whether a substantive monitoring and evaluation function will be established in the Ministry of Labor and Social Protection. Severe staffing and financing constraints remain at the Ministry of Labor and Social Protection. Some MLSP staff trained by the project may leave the agency due to low wages. Local HMSAP offices are funded by local governments, not by the Ministry budget. Thus the ministry has limited power to enforce effective and efficient compliance with the normative acts which govern the housing subsidy program.
Bank Performance :	Satisfactory	Satisfactory	Performance is satisfactory, with the exception of the supervision of the survey.
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) This is a project in which the Bank appears to have fruitfully built upon the relationship which a bilateral donor had already established with the line ministry and designed a project which required a great deal of specialized technical assistance which the bilateral donor continued to provide. It is a model worth emulating where feasible.
- (b) Broad policy goals should not be included as objectives in the project monitoring indicators because there is a very low probability that they will be achieved and the Bank has almost no means of exerting pressure on a government to achieve the objective.
- (c) While the project had a relatively short implementation period, it would have been useful to carry out the impact evaluation at an earlier period and perhaps at two different times during project implementation.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR quality is somewhat uneven. Overall it is satisfactory, but given the report prepared by the PADCO consultants, it could have been stronger in reporting factual evidence in several areas including, Bank and borrower performance and the impact of the program on participants, its impact on the effectiveness of the local offices of the implementing agency, and any differences in effectiveness between the five pilot regions. It is weakest in the lack of reference to the reason for including a broader policy objective in the project monitoring indicators, in the lack of the survey which was to evaluate the effectiveness of these interventions in the local MLSP offices, and its rating of the highly likely sustainability of the program.

The section prepared by government was clear and included an indication of its own shortcomings in not establishing a PIU.