

Document of
The World Bank

Report No:

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF
COMMUNITY DEVELOPMENT FUND PROJECT
GRANT
{January 16, 2006}

TO THE

TO THE GOVERNMENT OF NATIONAL UNITY- SUDAN

{June 12, 2011}

ABBREVIATIONS AND ACRONYMS

CDF Community Development Fund project

MDTF–N Multi-Donor Trust Fund Sudan–National

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**ANNEX 3:
Extension of Closing Date**

**SUDAN — COMMUNITY DEVELOPMENT FUND (CDF)
P094476 (MDTF- NS GRANT NO TF056030) AND ADDITIONAL FINANCING (MDTF-
NS GRANT NO TF098070) P122502**

Restructuring Paper

1. The closing date for Sudan, Community Development Fund (MDTF- NS Grant No. TF056030) P094476 and the Additional Financing (MDTF- NS Grant No. TF098070) P122502 will be extended from June 30 2011 until June 30 2012.

2. The Community Development Fund (CDF) project (P094476, US\$ 42.8 million¹) was signed on January 16, 2006 and became effective on April 26, 2006 with the objective to increase access to priority economic and social services and infrastructure in war-affected and underdeveloped areas of Northern Sudan. The entire US\$42.8 million grant fund has been disbursed. However, there is a balance of US\$4.13 m (which is fully committed) in the CDF's Special Account for sub-projects that are under implementation and are expected to be completed during the extension period. An additional financing grant of US\$10 million was signed on October 26, 2010 to scale up the intervention to reach an additional 180 communities and to finance additional facilities (e.g. waste disposal facilities, water supply and fences) to complement already-completed subprojects. Withdrawal applications for USD\$1.4 million has so far been submitted under the additional financing grant.

3. The progress of Community Development Fund project towards achieving its implementation and development objectives is satisfactory. To date, CDF has approved a total of 1,229² sub-projects (including education, health, water supply, community centers and solar energy sub-projects), which have been identified and prioritized by beneficiary communities. Out of the 1,229 sub-projects supported by the CDF, 737 are completed and started providing services to satisfy the basic needs of targeted communities, while 492 sub-projects are under different stages of implementation progress. The following are some of the intermediate outcomes of the project:

- a. improved accessibility to basic social services as a result of rehabilitation and construction of social infrastructures through CDF support;
 - i. In education, significant gain was realized through: (i) improvement in the structure and physical attributes of schools. Data collected from schools built/rehabilitated by CDF shows that 122,283 children (73,091 boys and 49,192 girls) have access to improved education facilities; (ii) increased enrolment rates both for girls and boys; and (iii) declines in the dropout rates. The analysis of a follow up survey done at the end of 2008 shows that, in communities with CDF education subprojects overall enrollment increased

¹ The CDF phase I is divided in to two slices i.e., slice I and slice II. Slice I (US\$ 15 million) January 16, 2006 and started its implementation in 10 localities of the four states of the Northern Sudan including South Kordofan, North Kordofan, Blue Nile and Kassala states; slice II (US\$27.8 million) was approved in January, 2008 to expand the coverage of CDF operations to cover all the localities in the four states.

² The breakdown of the total project is as follows 690 education subprojects, 154 water supply subprojects, 200 solar energy, 146 health subprojects, 30 community centers and 9 others.

by 24 percent; girls enrolment increased by 28 percent and girls dropout decreased by a third.

ii. 225,501 people (110,270 male and 115,231 female) benefits from improved health services provided by the health facilities built with the support of CDF. The CDF provided a health package whereby health facilities are equipped with medical equipment, solar refrigerators, water supply and improvements in power availability through the provision of solar energy. The solar system contributed to the availability of health services at night, refrigerated storage facilities for drugs and vaccines, and solar lanterns for midwives in order to facilitate service delivery at night. The 2008 follow up survey also shows that communities with CDF health projects noted significant improvement in health services compared to the control group: 43 percent of the households in CDF intervention areas believed that health services improved as compared to only 16 percent of the households in the control group.

iii. 371,744 people (186,535 male and 185,209 female) are benefiting from availability of clean water with easy access to the village, which in turn reduced the burden on women and girls traveling long distances to fetch water.

- b. solar system installed in public facilities such as schools, health facilities, religious establishments and village streets have improved the access and quality of basic social services; and
- c. capacity building activities implemented by the CDF have been effective in empowering communities and local government entities to take the leading role in identification and prioritization of their needs and implementation of project activities

4. In the Feb 2011 project ISR, shortage of Counterpart Fund was raised as problem that affected implementation of the project and financial management of the project. Since then, the World Bank management worked closely with Government of Sudan to address this issue and Government has provided CDF SDG6 million (Sudanese Pound) in March and April 2011. In addition, the Ministry of Finance and National Economy has also agreed to provide counterpart funding to the project on regular bases. The World Bank Task Team and management will continue following up with Government of Sudan to ensure the flow of counterpart funding will not be problem.

5. During the last implementation support mission the project task team noted that there is lack of clarity in division of labor and work flow within the PIU procurement team and need for further strengthening of the procurement unit. Based on the recommendation of the Bank team, CDF is at a final stage of recruiting an International Procurement Specialist. The International Procurement Specialist will help CDF to streamline the procurement workflow and improve the overall performance of the unit.

6. The proposed extension is necessary to complete the implementation of 492 subprojects of which 106 are village solar systems. The Recipient has submitted a specific action plan for finalization of ongoing activities as well as future planned activities, and this plan has been discussed with the Project team. As part of the action plan the implementing agency has submitted procurement plan for subprojects that will be advertised and the same has been reviewed and cleared by the Bank team.

7. The result framework has been updated and that no changes have been made except for extending the end-project –target with one additional year.

8. This will be the third extension of the Community Development Fund (MDTF- NS Grant No. TF056030) P094476 and the first extension of the Additional Financing (MDTF- NS Grant No. TF098070) P122052. The cumulative extension of closing date for Community Development Fund (MDTF- NS Grant No. TF056030) P094476 and the Additional Financing (MDTF- NS Grant No. TF098070) P122052 are three years & five months and one year respectively. The implementation performance of the CDF is satisfactory. With one year extension of the project closing date, the activities planned by the project will be completed and the Development Objectives will be archived.