



<b>1. Project Data :</b>	
<b>OEDID:</b>	C1993
<b>Project ID:</b>	P002861
<b>Project Name:</b>	Grassroots Development Initiatives
<b>Country:</b>	Togo
<b>Sector:</b>	Other Non-sector Specific
<b>L/C Number:</b>	C1993
<b>Partners involved :</b>	Government of Togo, NGOs
<b>Prepared by :</b>	Jayati Datta-Mitra, OEDCR
<b>Reviewed by :</b>	Susan Stout
<b>Group Manager :</b>	Ruben Lamdany
<b>Date Posted :</b>	06/15/1998

**2. Project Objectives, Financing, Costs and Components :**

Objectives: To improve living standards/working conditions of poorest Togolese communities . To foster grassroots participation in project formulation . To strengthen capacity of local NGOs to prepare, implement, manage, evaluate and provide feedback on community-level projects. To help sustain an institutional mechanism for government -NGO collaboration. To mobilize additional resources for Togo's development strategies .

Project Costs: Original: \$6.7m; Actual \$7.56m. Original Financing Est.: IDA loan \$5.00m, Actual US\$5.41m. Govt. original and actual financing: \$0.25; \$0.3m. resp.; and NGO original and actual financing: \$1.45m, \$1.85m.

Components: (a) Grant financing of NGO sponsored projects; (b) technical support to Steering Committee (SC) of stakeholders; (c) strengthening of Participative and Local Development Program (PDLP)/NGO Division of Min. of Planning and Mining; (d) institutional strengthening of NGOs.

**3. Achievement of Relevant Objectives :**

Though no criteria were specified for evaluating achievements, the beneficiary assessment was not statistically rigorous, and evidence on income increases and improvements in infrastructure was not systematically presented, success in meeting project objectives was as follows (according to auditors, supervision missions): (i) The project reached a large number of beneficiaries . Living/working standards in 195 village communities (500,000 inhabitants, or 10% of Togolese population) improved through improvements in the income-earning potential of 368 associations (of at least 7 people each) and improvements in social and physical infrastructure . The income generating activities (especially improvements in livestock, storage, microfinance ) were responsible for about 2/3rds of the grassroots impact (rough supervision estimate), notwithstanding a failure rate of about 10 percent. The remaining 1/3rd of grassroots impact came from social and physical infrastructure activities (despite a 30 % failure rate of such projects). The subprojects generated employment for 3,000 people; 5 percent of subprojects benefited women . (ii) The subprojects involved grassroots beneficiary participation . (iii) Though the project involved about 51 NGOs and imparted training to NGO members of FONGTO, the project apparently put less emphasis (relative to project objectives) on strengthening the capacity of local NGOs or beneficiary groups . (iv) The project was substantially successful in fostering Govt.-NGO cooperation -- an important result given its objective of demonstrating to the Togo government that NGOs could provide alternative ways of delivering public services . (v) The project also succeeded in mobilizing modest additional resources for development .

**4. Significant Achievements :**

Though the beneficiary assessment was not statistically rigorous, the project appeared to be the only one (at the time) dealing with the very poor in Togo . It succeeded in achieving regional outreach, and in improving incomes/working conditions of poor beneficiaries comprising about 10% of Togolese population . Fostering cooperation between Govt. and NGOs was a remarkable achievement in view of the initial mutual suspicions held by NGOs and Govt and clearly demonstrated to Govt . that NGOs could serve as an alternative service delivery mechanism. From the Bank's viewpoint, the project served to maintain Bank presence in Togo during a period of political turmoil. It served as a prototype but also provided lessons (e.g., re manuals) for projects by other donors

and for the subsequent design of social funds .

#### 5. Significant Shortcomings :

Several design flaws: Had eligibility and appraisal criteria (manuals) for subprojects been spelt out at appraisal, the Bank need not have exercised its prior approval role and learning by the Steering Committee would have been greater. The rationale and criteria for grant financing of income generating activities were not clear . The 30 percent contribution by beneficiaries was too onerous . Greater attention to sustainability issues was warranted . The Special Account ceiling was too low (it is not clear why the Bank was not more responsive to the request for a higher ceiling ) . At least two credit covenants (relating to Steering Committee membership, work program submission to IDA ) were not fully enforced . Because monitoring and evaluation at the project level were not well developed, profitability and other project benefits could not be estimated : ex post learning about project design was therefore limited .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	However, note that the beneficiary assessment lacks sufficient rigor to yield firm conclusions on project outcomes .
<b>Institutional Dev .:</b>	Partial	Modest	Continuing NGO/Govt.links will provide proof of resilience of NGO role as reliable service delivery institution .
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	The ICR rates Bank performance as deficient in preparation assistance and appraisal and satisfactory for identification and supervision. OED rates Bank performance as satisfactory in view of the innovative character of the project relative to practices in 1989; the implicit project objective of building in flexibility to assist NGOs to demonstrate to the Togo government that NGOs could serve as alternative delivery mechanism for public services; the flexibility shown during implementation; project's positive outcomes confirmed by beneficiary assessment referred to by both the borrower's and Bank's ICRs; and replication of project concept by donors . Resident mission participation in Steering Committee, though apparently against spirit of covenant, was intended to and allowed Bank to play role of mediator and facilitator between Govt. and NGO community. Govt. commitment was high throughout the project.
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	Satisfactory
<b>Quality of ICR :</b>		Satisfactory	

#### 7. Lessons of Broad Applicability :

To encourage fiscal discipline and sustainability of project benefits, income -generating activities should be financed by loans and not grants . When private sector intermediaries (NGOs) are key actors in a project involving numerous microprojects, preselection criteria for such intermediaries and eligibility criteria for subprojects need to be spelt out to ensure the technical competence of intermediaries and objective selection of subprojects without the intervention of the Bank. Beneficiary contributions to the financing of subprojects is likely to encourage ownership as well as provide a test of such ownership .

8. Audit Recommended? ☐ Yes ☒ No

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

Strengths of ICR: The ICR provides an aide memoire and appends the borrower's evaluation . While it does not

discuss future plans for sustaining the project's benefits, the ICR does discuss govt . intentions for following up on the project's focus on the poor (a follow-up Bank project and similar projects by other donors are proposed ). ICR quality might have been enhanced if project achievements had been more systematically a ) documented and (b) discussed in relation to project objectives or project components (the borrower's evaluation is more systematic).