



Report Number : ICRR0020571

1. Project Data

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|--|---|---|--------------------------------|
| Project ID P115183 | Project Name AR Basic Protection Project | | |
| Country Argentina | Practice Area(Lead) Social Protection & Labor | Additional Financing P120622 | |
| L/C/TF Number(s) IBRD-77030,IBRD-80170 | Closing Date (Original) 30-Sep-2011 | Total Project Cost (USD) 1,270,000,000.00 | |
| Bank Approval Date 09-Jun-2009 | Closing Date (Actual) 30-Jun-2016 | | |
| | IBRD/IDA (USD) | Grants (USD) | |
| Original Commitment | 450,000,000.00 | 0.00 | |
| Revised Commitment | 929,989,613.00 | 0.00 | |
| Actual | 929,989,613.00 | 0.00 | |
| Prepared by Katharina Ferl | Reviewed by Judyth L. Twigg | ICR Review Coordinator Joy Behrens | Group IEGHC (Unit 2) |

2. Project Objectives and Components

a. Objectives

According to the financing agreement of June 10, 2009 and the Project Appraisal Document (PAD, p. 10), the objective of the project was to “increase the effectiveness of Argentina’s income transfer programs for the unemployed and families with children by improving selected design features and the transparency and accountability of the Family Allowances and *Seguro* Program, and by transferring beneficiaries from other, less effective schemes and programs, to the Family Allowance Program and the *Seguro* Program.”

Key outcome targets were revised upward at an Additional Financing (AF) in March 2011. Since both original and revised targets were achieved in all instances, a split rating is not performed.



b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

23-Mar-2011

c. Will a split evaluation be undertaken?

No

d. Components

The project included three components (costs by component specify Bank financing only):

Component 1: Employment and Training Insurance (Seguro de Capacitacion y Empleo – SCE) (appraisal estimate US\$80 million, additional financing US\$75 million, actual US\$172.4 million): This component was to finance the scaling up of the SCE, which aimed to provide unemployed workers with a monthly income transfer, training, and job placement during 2009. Specifically, this component was to finance grants to eligible participants of the SCE program, including: (i) basic income transfer (AR\$225 per month); (ii) per diems paid to eligible participants participating in SCE activities (AR\$50 per month); and (iii) incentives linked to participation in the program's activities, if and when approved by the Bank.

Under the 2011 additional financing, financial resources for the scaling up of the SCE program for the years 2010 (under retroactive financing), 2011 and 2012 were provided.

Component 2: Family Allowances (appraisal estimate US\$365 million, additional financing US\$375.1 million, actual US\$739 million): This component was to finance grants to eligible beneficiaries of the Child Benefit of the Family Allowances (FA) program under a direct payment scheme, which provides family allowances on a monthly basis to formal salaried workers with family dependents. The grants were to finance only child benefits, paid by the direct payment system Unified Family Allowance Payment System (SUAF), through transfers to beneficiaries' bank accounts.

The additional financing under this component was to support a new Universal Child Allowance program – *Programa de Asignacion Universal por Hijo* (AUH) -- for the years 2010 (under retroactive financing), 2011 and 2012, paid to children under the age of 18 years. This component was to continue financing grants to eligible participants of the Contributory Family Allowances program, and was to include eligible participants of the new AUH (Non-Contributory Family Allowances) program.

Component 3: Technical assistance for Social Protection System (appraisal estimate US\$5 million, additional financing US\$28.7 million, actual US\$16.3 million): This component was to finance capacity building within the Ministry of Labor, Employment and Social Security (MTESS), particularly in the area of



monitoring and evaluation of social protection policies. Also, the component was to finance four main activities: (i) design and application of the National Social Protection Survey; (ii) improvement of the monitoring system for SCE; (iii) preparation of studies to assess and improve coordination between MTESS and provincial and municipal governments in the implementation of SCE; and (iv) dissemination of information on the objective and results of the project.

The additional financing under this component was to finance the design, implementation, and analysis of a Second National Social Security and Social Protection Survey, the establishment of an alternative data center to ensure efficient and safe management of SCE beneficiary information, and the design and implementation of a registration process aimed at identifying and enrolling potential beneficiaries.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The project was estimated to cost US\$1,270 million. Actual costs were US\$ 6,264.4 million.

Financing: The project was originally to be financed by a US\$450 million Specific Investment Loan by the International Bank for Reconstruction and Development (IBRD) and a US\$820 million Government contribution. The March 2011 Additional Financing added a US\$480 million IBRD loan. Both loans fully disbursed, for a total of US\$930 million. Components 1 and 2 of the project had specific disbursement conditions. The Bank was to disburse up to 20 percent of the loan amount (US\$90 million) to finance eligible retroactive expenditures. Disbursements for Grants after the loan disbursed US\$90 million from the loan account for Components 1 and 2 were only to be authorized when the disbursement indicators reached a first target level that was specified in the PAD. Disbursements for Grants after the loan disbursed US\$270 million from the loan account for Component 1 and 2 were to be authorized when the disbursement indicators reached a second target level. Component 3 did not have specific disbursement conditions.

Borrower Contribution: The Borrower's planned contribution at appraisal was US\$ 820 million (PAD, p. vii). The actual contribution was US\$5,324.4 million.

Dates: The project was restructured four times:

- On March 23, 2011 the project received Additional Financing in the amount of US\$480 million, with an AF closing date of September 30, 2014, to allow for the implementation of the following activities: (i) scaling up of the SCE program during 2010 (under retroactive financing), 2011 and 2012; (ii) support for the AUH during 2010 (under retroactive financing), 2011 and 2012, paid to children under the age of 18 years; and (iii) support for technical assistance activities implemented under component 3.
- On September 30, 2011 the project was restructured to extend the closing date of the original loan from September 30, 2011 to June 30, 2011 to allow for the completion of all consultant services that were under way under component 3, which had experienced implementation delays due to issues during the preparation of technical specifications and launching of procurement processes.
- On September 28, 2012 the project was restructured to extend the closing date of the original loan



from June 30, 2013 to September 30, 2014 to allow for the completion of a newly added technical assistance activity, a study on rural workers and families and their access to social protection programs, under component 3.

- On September 11, 2014 the additional financing loan agreement was amended as follows: (i) a new expenditure category “Fees,” to cover costs of training services offered to SCE beneficiaries, was added; (ii) proceeds of US\$6 million were reallocated to category 4; (iii) an additional technical assistance activity under sub-component 3d was added; and (iv) the closing date was extended from September 30, 2014 to June 30, 2016.
- On October 1, 2015 the project was restructured to reallocate unused funds from cancelled technical assistance activities under sub-component 3d to SCE and FA grants, to ensure full disbursement of the loan proceeds.

3. Relevance of Objectives & Design

a. Relevance of Objectives

High: The objectives of the project remain highly relevant. At appraisal, despite Argentina’s economy having grown steadily at an 8-9% percent rate for five consecutive years since 2003, poverty remained high at around 20% and was significantly higher in poorer regions of the country. Furthermore, income inequality, although declining steadily since 2003, was still higher than in the early 1990s. The government of Argentina wanted to move from emergency income support programs towards more comprehensive and sustainable programs. The objectives of the project supported these efforts.

The objectives of the project were also in line with the Bank’s Country Partnership Strategy (CPS, 2010-2012) that was being discussed at the time of project appraisal. That CPS had a goal of further promoting social inclusion as one of its three core themes. The objectives of the project are also in line with the Bank’s current CPS (FY15-18) that aims to expand social inclusion in an efficient and sustainable manner, while supporting Argentina in mitigating the risks to vulnerable groups of economic downturns and external shocks.

Rating
High

Revised Rating
Not Rated/Not Applicable

b. Relevance of Design

High: The planned activities were logically and plausibly linked with achievement of the project’s objectives. *Seguro* (SCE) is a non-contributory unemployment benefit program that combines cash benefits with training and job replacement services. The Family Allowance (FA, and then AUH) program provides benefits to formal workers and their families. Consolidating a number of previously existing programs into these two was seen as a way to improve the effectiveness and transparency of overall social support.



Activities to increase the effectiveness of Argentina's income transfer programs for the unemployed included the scaling up of the SCE program. Activities to increase the effectiveness of Argentina's income transfer programs for families with children included the financing of grants to eligible beneficiaries of the child benefit of the Family Allowances program under the direct payment scheme. Effectiveness was to be enhanced by incentives provided by disbursement conditions, with two target levels under the original operation and four under the AF, and by monitoring activities such as two National Social Security and Protection surveys and several surveys on employment conditions. The underlying assumptions about how program actions would lead to intended outcomes were logical and properly laid out.

Rating
High

Revised Rating
Not Rated/Not Applicable

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Increase the effectiveness of Argentina's income transfer programs for the unemployed

Rationale

Outputs:

- The number of SCE beneficiaries increased from 78,500 in 2008 to 106,462 in 2015, not achieving the original target of 200,000 or the revised target of 165,000. The number of SCE beneficiaries was significantly lower than expected because many expected beneficiaries were instead included in other programs that were more appropriate for their situation (such as the AUH program). The SCE covered 70,000 former "jefes" beneficiaries during 2008, which led to the closing of that emergency "workfare" program by 2012. Other target groups were also incorporated, including refugees, recovering addicts, victims of violence, HIV/AIDS patients, and prisoners.
- The number of employment offices providing SCE services increased from 181 in 2008 to 408 in 2015, surpassing the original target of 350 and the revised target of 370.
- The number of firms registered in the Unified Allowance Payment System increased from 411,894 in 2008 to 1,193,911 in 2015, surpassing the original target of 627,389 and the revised target of 792,197.
- The number of SCE training, education, and employment support services provided annually increased from approximately 39,300 in 2008 to 106,956 in 2015. These services included: education, skills development, and training; employment integration support; and labor intermediation services such as employment orientation workshops, management training for self-employed entrepreneurs, etc.
- Under the additional financing, improvements to the MTESS' technological infrastructure were made to ensure the adequate implementation of the SCE program. Improvements also included the revamping of



the MTESS website and the expansion of MTESS storage capacity.

Outputs that contributed to achievement of both objectives:

- Two National Social Security and Protection surveys (ENAPROSS) were conducted, achieving the target. ENAPROSS 1 was conducted in 2011 in the six most populated provincial jurisdictions. Results were published, and the database is available on the MTESS website.
- A qualitative and quantitative study of social protection in localities of 2,000 to 4,999 inhabitants of the Northwest, Northeast, Cuyo, and Patagonia regions was conducted to identify the main barriers and challenges to ensure access to social protection in small urban settlements. The results of this study were published digitally and in print.
- ENAPROSS 2 was conducted in 2015 in the Autonomous City of Buenos Aires, the Buenos Aires Metropolitan region, and urban centers with 5,000 or more inhabitants in the provinces of Catamarca, Corrientes, Chaco, Jujuy, and Rio Negro. The database is available on the MTESS website.
- Three specific surveys were conducted: 1) employment, social protection, and working conditions of rural workers; 2) employment and working conditions in the social economy; and 3) formal businesses and employment practices and determinants.

Outcomes:

- The percentage of beneficiaries of SCE who participated in training, education, or employment support activities increased from 23.5% in 2008 to 38% by December 2015, surpassing the original target of 30% and the revised target of 35%.
- The number of SCE beneficiaries who exited into formal employment increased from 8,400 by December 2008 to 15,208 by the end of June 2016, surpassing the original target of 9,000 and the revised target of 11,000.

Rating

Substantial

Objective 2

Objective

Increase the effectiveness of Argentina's income transfer programs for families with children

Rationale

In addition to outputs and intermediate outcomes reported above:



Outputs:

- Eight regular statistical reports on AUH were prepared and published through the ANSES website, not achieving the target of four reports per year (a total of 12 reports).
- The percentage of registries with complete information (with parental links) increased from 90.2% in December 2014 to 94.4% in December 2015.

Outcomes:

- The percentage of spending on family allowances that was paid through the direct payment system increased from 57% in May 2008 to 100% by December 2015, surpassing the original target of 90% and the revised target of 98%.
- The number of children under 18 who were registered in the ANSES individual registry database and who were either receiving family allowance benefits from ANSES or were not receiving them due to reasons established in the legislation (those with complete information) increased from 9.7 million in December 2010 to 12.32 million by December 2015, surpassing the target of 10.4 million.
- The number of family allowance beneficiaries receiving their transfers directly into their bank accounts increased from 805,348 beneficiaries in 2009 to 1,141,395 beneficiaries in 2015, not achieving the original target of 1,513,463 beneficiaries or the revised target of 1,821,247 beneficiaries. Although nearly all beneficiaries were receiving payments through direct deposits, the targets were not achieved because income thresholds for family allowances eligibility were not adjusted over time in relation to inflation and salary increases, and the actual number of beneficiaries was therefore smaller.
- The number of children who were paid allowance benefits by ANSES through SUAF increased from 2.57 million in 2009 to 2.71 million by December 2015, not meeting the original target of 3.26 million children or the revised target of 3.70 million children. While the target was met by the Additional Financing original closing date of September 30, 2014, the number of children later decreased as the income eligibility thresholds were not adjusted in relation to inflation and salary increases.
- The amounts claimed from ANSES by employers as reimbursements through a compensatory scheme was reduced from Arg\$2.4 million in 2008 to zero in 2011, as this old system was eliminated by an administrative resolution, surpassing the original target of Arg\$0.60 million and the revised target of Arg\$0.09 million.
- In 2011, the AUH program provided financial assistance to 36% of children in the lowest income group and to only 2% in the highest quintile, indicating a focus on the poor.

Achievement of this objective is rated Modest because of the failure to adjust allowances for inflation, resulting in key coverage targets not being met.

Rating



Modest

5. Efficiency

Modest: The PAD did not conduct a traditional economic analysis but refers to analyses that had been previously undertaken. These studies found that Seguro (SCE) and Family Allowances have a significant economic impact in terms of human capital formation, family welfare, and productivity of workers participating in the program. An analysis using a series of data from 2004 to 2006 found that family allowances positively contributed to the accumulation of human capital through positive impact on school attendance, health coverage, and poverty incidence. A counterfactual analysis demonstrated that eliminating Family Allowances could increase poverty rates by two percentage points. Furthermore, simulation analyses showed that family allowance benefits targeted to children in the bottom two income quintiles would have the highest benefit for poor households. The PAD's analysis stimulated four benefit scenarios, all showing that if unemployment transfers and family allowances were expanded beyond the current beneficiaries, they could have an important impact on the poor.

The ICR uses data from the National Social Security and Protection Survey conducted in 2011. Results show that the AUH program, at a cost of roughly 1.2 percent of gross domestic product, is expected to reduce extreme poverty by more than half, total poverty from 18.7% to 15%, and the Gini coefficient from 0.51 to 0.44, in the short term. Furthermore, the AUH program is expected to reduce school dropout rates in the long term. Based on the future flow of labor income that participants can expect, an Internal Rate of Return of 8.2 percent is estimated. The assumptions underlying this analysis are reasonable.

The ICR does not estimate the Internal Rate of Return for the SCE program but mentions a study by the International Labor Organization showing that MTESS professional training activities increase the probability of a beneficiary finding formal employment by 30 percent compared with someone who did not receive such training. However, this study covers beneficiaries of all kinds of training, not just SCE beneficiaries.

Even though the first objective expanded services, the SCE covered only half of the planned number of beneficiaries while still spending the planned level of funds. Also, the project experienced some implementation delays related to technical assistance activities, and ANSES' reluctance to publish information on beneficiaries led to a two-year disbursement delay under the additional financing. Taking everything together, Efficiency is rated Modest.

Efficiency Rating

Modest



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

| | Rate Available? | Point value (%) | *Coverage/Scope (%) |
|--------------|-----------------|-----------------|--|
| Appraisal | | 0 | 0 <input type="checkbox"/> Not Applicable |
| ICR Estimate | ✓ | 8.20 | 79.50 <input type="checkbox"/> Not Applicable |

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The objectives remain Highly relevant to country conditions, Bank strategy, and government policy. Relevance of design is rated High, as the project's planned activities were plausibly and logically connected to intended outcomes. Achievement of the objective to increase the effectiveness of Argentina's income transfer programs for the unemployed is rated Substantial, as both original and revised targets were met for training and exit into formal employment. Achievement of the objective to Increase the effectiveness of Argentina's income transfer programs for families with children is rated Modest, as income thresholds for family allowance eligibility were not adjusted over time in relation to inflation and salary increases, and the actual number of beneficiaries was therefore significantly smaller than planned. Efficiency is rated Modest, as the SCE covered only half of the planned number of beneficiaries while still spending the planned level of funds. These ratings are indicative of moderate shortcomings in the project's preparation and implementation under both the original and revised targets, and therefore an Outcome rating of Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

Negligible: The original project and the additional financing covered only 16.6% of total program expenditures, with the majority of funding provided by the government. The programs supported under the project are therefore likely financially sustainable, with the incoming government aiming to expand the programs even further. The project supported significant policy and institutional reforms, building capacity through the expansion of the Employment Office network, the implementation of the SUAF, and the expansion and improvement of the ANSES Individual Registry database.

The Bank continues to support Argentina through the Children and Youth Protection project, approved by the Board in June 2016 with an estimated financing of US\$600 million. This follow-on project aims to expand coverage of the family allowances program, improve the transparency of social protection programs



implemented by ANSES, and support the expansion of employment services to the unemployed.

a. Risk to Development Outcome Rating

Negligible

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank team consisted of members who had operational and policy experience in Argentina's social sector. The project design was based on previous analytical work and lessons learned from projects that had been implemented in the country. The project was prepared during a time when the Bank-government relationship was relatively weak; however, the project focused on an area where the strategies of both entities were completely aligned.

The Bank identified relevant risks, including possible impacts of the financial crisis on government response, procurement and financial management challenges, and lack of reliable data for monitoring program impact. Mitigation efforts included hiring a procurement consultant experienced in Bank procurement policies and procedures, developing an operational manual including implementation and procurement procedures, building internal controls into the system, conducting a concurrent audit to assess the controls and procedures used for making payments, and launching a new social protection survey to build a strong monitoring system. The complexity of conducting the country's first national social security and protection survey was underestimated, resulting in an eventual reduction of the scope of the survey to cover only the six most populated jurisdictions instead of the entire country. The Results Framework had shortcomings (see Section 10a), which could be considered minor.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The Bank team provided continuous support to project implementation. The team provided consistent guidance in financial management and procurement, and ensured that the indigenous peoples safeguard policy was implemented in accordance with Bank procedures. The team restructured the project successfully and ensured additional financing. Also, members of the team engaged in research studies to verify the efficacy of the AUH program.

Quality of Supervision Rating

Satisfactory



Overall Bank Performance Rating

Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The government was fully committed to the implementation, enhancement, and sustainability of the project. The original loan accounted for only 16.9% of the total 2009 expenditure of the two programs, with the remaining financing provided by the government. Also, the government took critical decisions to move from emergency support toward a more integrated and sustainable social protection strategy. Furthermore, the government complied with all legal covenants.

The government did not accept a recommendation by the Bank to conduct an in-depth impact evaluation to assess the effectiveness of the two programs, which is seen as a missed opportunity. Furthermore, the leadership of the Ministry of Economy and Finance did not provide sufficient support to timely compliance of the ANSES in publishing AUH data (as required by the Loan Agreement).

Government Performance Rating

Moderately Satisfactory

b. Implementing Agency Performance

The National Directorate of Projects with International Credit Organizations (DNPOIC) within the Ministry of Economy and Public Finance was responsible for project coordination. The Ministry of Labor, Employment and Social Security (MTESS) was responsible for implementation of Component 1, the National Social Security Administration (ANSES) was responsible for implementation of Component 2, and the Undersecretary of Labor Studies was responsible for implementation of Component 3.

The ICR (p. 19) reports that the DNPOIC's performance was inconsistent, with some shortcomings in coordinating activities with the two other implementing agencies and the Bank task team. Also, the DNPOIC found it challenging to submit the Interim Financial Reports in a timely manner and ensure good quality. Therefore, its performance is rated Moderately Satisfactory.

The performance of the MTESS is rated Satisfactory. The Secretary of Employment effectively expanded the Employment Offices network and training and education services throughout the country. Also, the Undersecretary of Labor Studies effectively implemented the first two social protection surveys as well as several studies focusing on labor issues.

The performance of the ANSES is rated Moderately Satisfactory. While the ANSES implementation of the FA and AUH programs was very strong, its reluctance to publish information on beneficiaries led to a two-year disbursement delay under the additional financing.



Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

MTESS was responsible for the monitoring of the SCE, and ANSES for the monitoring of the family allowances program. The objectives were clearly specified. The Results Framework included three PDO-level indicators and eight intermediate outcome indicators. The indicators were measurable in terms of number, timing, and location. The first PDO-level indicator, “number of SCE beneficiaries exiting into formal employment,” was not completely effective in measuring the impact of the SCE program, as it was also influenced by the country’s economy. Furthermore, the intermediate outcome indicators on “number of child allowance benefits paid by ANSES through SUAF” and “number of SUAF beneficiaries receiving their transfers directly in their bank accounts” were measured in absolute numbers rather than proportion of beneficiaries.

b. M&E Implementation

All the indicators were measured and reported on during the life of the project, allowing for tracking the progress of project activities. Indicators linked disbursement to progress toward selected program improvements. The data was of good quality, based on administrative data closely monitored and audited by the appropriate agencies. When the project received additional financing, the Results Framework was modified and the targets for all indicators adjusted accordingly.

However, two indicators monitored by ANSES were reported with some delays during the additional financing, resulting in substantial disbursement delays. The SCE program indicators were reported as planned. Although impact evaluations of the SCE and the AUH programs were initially planned, the government ultimately did not give the green light for these studies, resulting in a missed opportunity to assess the effectiveness of the programs. The government's reluctance to conduct the evaluations stemmed from its assessment that the two consolidated programs were already considered effective and efficient.

c. M&E Utilization

Data collected during project preparation allowed for continuous tracking of progress toward the achievement of the project’s objectives. Both the SCE and family allowance programs currently have efficient, transparent, and accountable systems for the transferring of resources to beneficiaries. However, limited data was publicly available about AUH coverage for much of the project period, as the ANSES



published only eight reports; by project closure, however, the databases of both ANSES and MTESS are available on the MTESS website.

M&E Quality Rating

Substantial

11. Other Issues

a. Safeguards

The project was rated as environmental assessment Category C and triggered OP 4.10 – Indigenous Peoples to ensure that the rights and interests of indigenous people were adequately protected. An indigenous peoples planning framework was prepared for the original loan and disclosed on the program's webpage. The plan was updated under the additional financing to ensure that indigenous communities would benefit from the AUH program. The ICR (p. 9) reports that this framework was fully implemented as anticipated.

b. Fiduciary Compliance

The Bank's procurement guidelines were followed throughout project implementation. Procurement post-review missions and procurement audits did not identify any significant issues. However, the project experienced substantial delays in some contracting processes due to the complexity of technical assistance activities being implemented by entities at the sub-national level.

Throughout project implementation, Financial Management (FM) was rated Satisfactory or Moderately Satisfactory. The external auditor's opinions were never qualified. The last audit report issued by the National General Audit (Auditoría General de la Nación) on financial statements as of December 31, 2015 issued unqualified opinions on the project's basic financial statements and the Designated Account. The National Directorate of Projects with International Credit Organizations had adequate financial arrangements in place. Also, ANSES and MTESS operated under an enhanced control framework that included audits of payment procedures and eligibility of beneficiaries. No critical accountability issues or ineligible beneficiaries were identified. Interim Financial Reports were submitted on a regular basis but with some delays, as the project staff found it challenging to use the interim financial report disbursement method.

c. Unintended impacts (Positive or Negative)

None reported.



d. Other

12. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|-----------------------------|-------------------------|-------------------------|----------------------------------|
| Outcome | Moderately Satisfactory | Moderately Satisfactory | --- |
| Risk to Development Outcome | Negligible | Negligible | --- |
| Bank Performance | Satisfactory | Satisfactory | --- |
| Borrower Performance | Moderately Satisfactory | Moderately Satisfactory | --- |
| Quality of ICR | | High | --- |

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

The ICR (pp. 20-21) provides several useful lessons, including the following:

Complementing a results-based financing mechanism with traditional technical assistance can provide support to critical project areas. However, during project preparation it is important to take into account that an operation's duration is likely to be determined by technical assistance activities, as was the case in this project.

In order to be able to attribute observed outcomes to the activities and outputs of the project, a project's Results Framework ideally includes indicators that measure outcomes that are dependent on the implementation of project activities. In this case, one of the PDO-level indicators ("number of SCE beneficiaries exiting into formal employment") was influenced by factors outside the project's control, primarily the country's economic conditions.

14. Assessment Recommended?

No



15. Comments on Quality of ICR

The ICR provides a clear, concise overview of project preparation and implementation. The project's results chain is systematically analyzed, with effective connection of outputs to intermediate outcomes, and finally to achievement of the development objectives. The ICR's economic analysis of the AUH program is strong. However, a similar economic analysis for the SCE program is not provided (the ICR notes that such analysis was not undertaken by the PAD or at the additional financing).

a. Quality of ICR Rating

High