



1. Project Data

Project ID

P133620

Project Name

MW-Strengtheni Safety Nets System-MASAF4

Country

Malawi

Practice Area(Lead)

Social Protection & Jobs

L/C/TF Number(s)

IDA-53430,IDA-56100,IDA-59220,IDA-D0450,IDA-D1480

Closing Date (Original)

30-Jun-2018

Total Project Cost (USD)

173,908,518.80

Bank Approval Date

18-Dec-2013

Closing Date (Actual)

30-Jun-2021

IBRD/IDA (USD)
Grants (USD)

Original Commitment

32,800,000.00

0.00

Revised Commitment

177,786,000.00

0.00

Actual

173,908,518.80

0.00

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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p. 4) and the Financing Agreement of August 13, 2014 (p.4), the objective of the project was “to strengthen Malawi’s social safety net delivery systems and coordination across programs”.



When the project received Additional Financing (AF) in November 2016, the PDO was revised to: “improve resilience among poor households and to strengthen Malawi’s social safety net delivery systems and coordination across programs”.

This ICR Review will conduct a split rating due to the reduction in a key outcome target.

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

08-Nov-2016

c. Will a split evaluation be undertaken?

Yes

d. Components

The project included three components:

Component 1: Productive Safety Nets (appraisal estimate US\$28.8 million; actual US\$153.7 million; AF1 US\$65.0 million; AF2 US\$62.3 million): This component was to finance:

- i. Productive Community Driven Public Works: This sub-component was to finance public works and multiple community driven assets through investments in productive community driven public works and temporary employment. Community driven productive public works were to create assets and provide temporary employment in the same communities for multiple years designed to increase impact on household level incomes and food security and reduce households’ exposure to risks associated with climate change and other disasters.
- ii. Livelihoods and skills development: This sub-component was to finance livelihoods and skills development by providing grants for increasing household level incomes and assets through savings and investments in livelihood opportunities through Community Savings and Investment Promotion (COMSIP) groups. The grants were to promote investments which were to increase incomes and assets of households and reduce risks of food insecurity and promote better nutrition and health. The sub-component was also to finance training in nutrition, health and income generating enterprises.
- iii. Social Cash Transfer: This sub-component was to support capacity building, technical assistance and cash transfers targeted to the poorest, and most vulnerable labor constrained households. The sub-component was to strengthen the ongoing process for establishing a unified registry system and finance cash transfers to two more districts and cover 21,000 ultra-poor labor constrained households in the two districts of Dedza and Nkhata Bay.

Component 2: Systems and Capacity Building (appraisal estimate US\$4.0 million; actual US\$7.7 million; AF1 US\$1.0 million; AF2 US\$1.7 million): This component was to finance investments for strengthening unified registry, targeting and Management and Information (MIS) systems, capacity



building, technical assistance, training, staff and equipment including for the Safety Net Platform under the Local Development Fund (LDF) Mechanism as well as for Social Cash Transfer (SCT).

Component 3: Project Management (appraisal estimate US\$8.0 million; actual US\$14.46 million; AF1US\$1.0 million; AF2 US\$6.0 million): This component was to finance the supervision and coordination of Bank financed MASAF IV and project management at all levels including community and local levels. Also, the component was to finance capacity building for local authorities.

When the project received AF in November 2016, the scope of the project was expanded to include all districts participating in the project in the systems building activities (ICR, p. 13), irrespective of the sources of financing of core programs (as other donors were financing cash transfers in various districts).

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

Project Cost: The project was estimated to cost US\$177.7 million. The actual cost was US\$173.9 million.

Financing: The project was financed by:

- i. IDA credit (IDA-53430) in the amount of US\$32.8 million (of which US\$30.40 million was disbursed);
- ii. IDA grant (IDA-D0450) in the amount of US\$68.22 million (of which US\$67.00 million was disbursed);
- iii. IDA credit (IDA-56100) in the amount of US\$6.76 million (of which US\$6.73 million was disbursed);
- iv. IDA credit (IDA-59220) in the amount of US\$22.32 million (of which US\$22.34 million was disbursed); and
- v. IDA grant in the amount of US\$47.68 million (of which US\$47.41 million was disbursed).

Borrower Contribution: The Borrower was not to make any direct financial contributions.

Dates:

- On March 26, 2015, the project received AF in the amount of US\$ 75.0 million. The purpose of the AF was to fill the financing gap already identified at the time of appraisal and negotiations of the MASAF IV original project as a prerequisite for the achievement of the project development objectives. Given that the full amount of IDA financing required for MASAF IV was not available at the time of MASAF IV negotiations, the government requested, and the Bank agreed that an AF would be secured soon after MASAF IV effectiveness in order to ensure that the project activities could be achieved, and development objectives met. Also, the project was restructured to: i) modify the Results Framework to reflect the increase in scope; ii) modify components and cost; and iii) adjust implementation schedule.
- On November 8, 2016, the project received AF in the amount of US\$70.0 million to expand the project scope (including original two and nine new districts under the social cash transfers program), irrespective of the sources of financing of core programs. Furthermore, the project was restructured to: i) modify the PDO to better capture the extensive work being done under the Productive Safety Nets component and to provide a reference point to the efforts of the emergency financing to support the vulnerable and improve their coping mechanisms in times of crisis; ii) revise the Results Framework to add a sub-indicator on the number of beneficiaries for the emergency Public Works Program (PWP) to the first outcome indicator “number of beneficiaries”, add “number of direct



- beneficiaries of Social Cash Transfers” and “number of direct beneficiaries of Social Cash Transfers”; and iii) change the closing date from June 30, 2018 to December 31, 2019.
- On June 21, 2018, the project was restructured to: i) reduce the target of the indicator “number of direct beneficiaries PWP Emergency Response” from 902,000 to 450,000 due to a reassessment based on information indicating that the emergency status had been mitigated; and ii) change the credit closing date for the second AF from June 30, 2018, to December 31, 2018 (the closing date of the whole project remained December 31, 2019).
 - On April 10, 2019, the project was restructured to change the loan closing date for the second AF date from December 31, 2019 to September 30, 2020 to allow for the utilization of undisbursed resources towards the Social Cash Transfer Program (SCTP) under component 1. This balance was the result of a nine-month delay in the start-up processes of the SCTP during the rolling out of the Unified Beneficiary Registry (UBR), for which the exact implementation timing could not have been foreseen at the second AF design stage.
 - On July 14, 2020, the project was restructured to extend the closing date of the first AF from June 30, 2018, to December 31, 2018.
 - On March 14, 2021, the project was restructured to extend the project closing date from March 31, 2021 to June 30, 2021 to allow the completion of project activities, some of which experienced delays due to the Covid-19 pandemic.

3. Relevance of Objectives

Rationale

Malawi was a landlocked country with a narrow export base of agricultural products, mainly tobacco, and was heavily dependent on imports and unpredictable aid flows. According to the PAD (p. 1) at the time of appraisal, Malawi continued to experience extreme poverty and vulnerability, especially its rural population. Over half of Malawi’s population lived in poverty. Approximately 22 percent of Malawi’s population was considered ‘ultra poor’ and 52 percent lived under the poverty line.

Of the 3.4 million ultra-poor, 96 percent were dependent on agriculture, mainly tobacco and maize, for their livelihood. Over half the total population of Malawi lives in poverty, with one of the lowest per capita incomes in the world of approximately US\$330.

While Malawi experienced strong economic performance during 2005-2010, poverty remained widespread and concentrated in rural areas. Incomes also remained unevenly distributed showing inequalities in the access to assets, services and opportunities across the population.

According to the PAD (p. 1), for almost two decades the government of Malawi tried to reduce poverty by focusing on its flagship safety nets program of cash transfers through the Malawi Social Action Fund Local Development Fund (MASAF-LDF) public works to 1.6 million of the poor. Social Cash Transfers program supported by several Cooperating Partners (CPs) targeted the most vulnerable and labor



constrained households. At the time of appraisal, Social Protection expenditure was only 2.6 percent of total government spending or 1 percent of the country's Gross Domestic Product (GDP), which was low even by regional standards, which average at 2.8 percent of GDP. Food and cash for work programs comprised the bulk of social protection programs and benefited approximately 10 percent of the population. Social Protection investments include public works and direct cash transfers, although the latter were comparatively small.

However, these key programs worked in isolation of each other, and the delivery of safety nets remained fragmented and inadequate. Also, Social Protection benefits to the poorest citizens varied in their scope and effectiveness and most of the benefits remained insufficient, inefficient, underfinanced, limited, fragmented and donor financed.

According to the PAD (p. 2) the government approved its Social Protection framework through the National Social Support Program (NSSP) in 2013. The NSSP outlined the need for better coordination, targeting and a rebalancing of expenditures to make way for a more effective SP system aiming to reduce poverty and enable poor households to move out of poverty and vulnerability.

Malawi Social Action Fund (MASAF) III, the largest public works program in Malawi, which was implemented by the LDF mechanism, had reached approximately 1.6 million people through a total of 9,023 public works subprojects to address various sector gaps including reforestation, roads, and irrigation. Furthermore, Community Savings and Investment Promotion (COMSIP) was the largest savings groups program in the country. Social Cash Transfers (SCT), The Malawi Mtukula Pakhomo, begun piloting cash e-transfers in eight districts.

MASAF IV was designed as a second generation safety net system and built on 17 years experience of the Local Development Fund Mechanism (LDF). The aim was to build a Safety Net platform to harmonize, coordinate and deliver safety nets.

The project's objective was aligned with Malawi's national strategic document (2018-2023), which envisions an inclusive and dynamic safety net system to better promote resilience.

At project closing, the project was fully consistent with the Bank's Country Partnership Framework (CPF) for the Republic of Malawi FY21-FY25. In particular, the project was in line with the CPF's Objective 3.3 to "increase access to shock-responsive safety nets" under Focus Area 3: "Strengthening Human Capital Development". Under this objective, the CPF supports the transition towards an inclusive, shock responsive safety net system that safeguards assets and human capital while also adopting a livelihood strategy to help those in extreme poverty to graduate from social support (CPF, p. 31).

Rating

High

4. Achievement of Objectives (Efficacy)



OBJECTIVE 1

Objective

To strengthen Malawi's social safety net delivery systems and coordination across programs

Rationale

Theory of Change: The project's theory of change envisioned that project activities such as investing in strengthening a unified registry, targeting and Management Information Systems (MIS) as well as building capacity, providing technical assistance and training in addition to staff and equipment were to result in the following outputs: councils implementing targeting instruments to select beneficiaries, information on the project and project supported investments reaching beneficiaries, and targeting mechanism being adopted and MIS and M&E being operational. These outputs were to result in the intermediate outcomes of investments reflecting community needs and improving environment, access to social services being improved as well as an integrated and functional national safety net delivery system being established. These intermediate outcomes would plausibly contribute to the achievement of the PDO stated above.

Outputs and intermediate results:

- 19 integrated and functional national safety net delivery systems were established, not achieving the target of 35 systems. The integrated system had several components: i) operational harmonized targeting mechanism; ii) operational MIS; iii) operational M&E system; and iv) harmonized targeting. 35 local authorities had an operational MIS, achieving the target of 35 authorities. Furthermore, 35 local authorities had an operational M&E system, achieving the target of 35 authorities. However, 19 local authorities implemented harmonized targeting instruments to select beneficiaries, not achieving the target of 35 local authorities.
- 35 local authorities with community safety net plans were developed in a participatory approach, achieving the target of 35 groups.
- 19 local authorities had an operational harmonized target mechanism, not achieving the target of 35.
- 1,192 extension workers were trained in different areas such as harmonized targeting, catchment management approach and environmental and social safeguards, and supported with equipment, surpassing the original target of 840 workers.
- 98.1 PWP beneficiaries, 71.8 percent of livelihood and skills development (LiSD) beneficiaries, and 87.3 of SCT beneficiaries were aware of project information and project supported investments, not achieving the target of 100 percent.

Outcomes:

- 25.1 percent of PWP, 21.1 percent of LiSD, and 48.4 percent of SCT registered grievances related to delivery were addressed, not achieving the target of 100 percent.
- 47.97 percent of people reported improvement in the natural resource and environment and its benefit to communities as a result of public work activities, not achieving the target of 60 percent of people.

The ICR also reported:

- The percentage of households that reported improved access to and use of small-scale irrigation increased from 5 percent in 2014 to 60 percent in 2021. This indicator lacked a target.



- 4,510 projects including 4,605 hectares of re-forested, 5,989 roads constructed/maintained, and 773 small scale irrigation schemes were completed achieving the target of 4,510 projects.
- 530 groups/cooperatives accessed grants for investments, surpassing the target of 400 groups.

The achievement of the original objective was Modest since the project was not able to establish 35 integrated and functional safety net delivery systems. According to the ICR (p. 44), the establishment of an integrated and functional national safety net delivery systems was attained in only 11 districts where the SCT program was funded by MASAF IV, and in eight districts where the program was funded by other donors.

Rating
Modest

OBJECTIVE 2

Objective

Improve resilience among poor households (new objective)

Rationale

Theory of Change: The project's theory of change envisioned that project activities such as delivering cash transfers through Social Cash Transfer (SCT), implementing Public Works Program (PWP) interventions, and providing beneficiaries with a livelihoods support package were to result in the following outputs: providing cash transfers and emergency cash transfers through SCT and PWP, implementing selected sub-projects and building assets as well as providing livelihoods trainings, and grants. These outputs were to result in the intermediate outcomes of households having at least three meals per day, being able to cope with external shocks, and vulnerable households being fully covered by timely support during emergencies. These intermediate outcomes were to result in the PDO stated above.

According to the ICR (p. 10) the project made the following assumptions: i) the political, governance, and macroeconomic situation is adequately managed; ii) communities, public sector agencies, civil society organizations, and the private sector have sufficient institutional capacity; iii) social assistance programs are independent from political influences; and iv) multiple stakeholders cooperate in a productive manner.

Outputs:

- 195,991 people were trained in livelihood development activities, surpassing the original target of 5,000 people.
- 28,720 people were trained in skill development activities, surpassing the original target of 5,000 people.
- The number of Community Savings and Investment Promotion (COMSIP) and other livelihood groups increased from 4,457 groups in 2014 to 18,452 COMSIP and other livelihood groups in 2021, surpassing the target of 6,697 groups.
- 97.5 percent of PWP beneficiaries and 100 percent of SCT beneficiaries received full entitlement, achieving the target of 100 percent.
- 50.15 percent of households stayed in the program for a minimum of three years (PWP and SCT beneficiaries), not achieving the target of 80 percent.



- The percentage of beneficiaries who felt that project investments/PWP reflected their needs increased from 74.1 percent in 2014 to 83.2 percent in 2021, surpassing the target of 80 percent.
- 55.7 percent of households reported improved access to social services. This indicator lacked a target.
- 85.9 percent of people engaged in diversified income-generating activities (off-farm and on-farm), surpassing the target of 80 percent.
- The percentage of households owning productive assets increased from zero in 2014 to 57.2 percent in 2021, surpassing the target of 25 percent.

Intermediate results:

- The percentage of households having at least three meals per day was 35.3 percent for PWP, 41.3 percent for LiSD, and 45.3 percent for SCTP, not achieving the target of 70 percent. According to the Bank team (March 21, 2022) data were obtained from the October 2020 SCTP Technical Audit report. The report did not use a baseline endline comparison but interviewed beneficiary households on their current situation. The survey also found the following intermediate outcomes: About 84.3 percent of the sampled households indicated that they have acquired pigs after enrolling in the SCTP and receiving the transfers. The sampled households also indicated acquiring other livestock types such as chickens (82.6 percent), guinea fowls (82.8 percent), goats (79.5 percent), sheep (62.5 percent) and cattle (35.3 percent).
- 6.7 percent of PWP beneficiary households, 8.4 percent of SCTP beneficiary households, and 7.9 percent of LiSD beneficiary households reported that asset depletion was prevented as a result of transfers, not achieving the target of 40 percent of beneficiary households.
- The Increase in household savings was 43.8 percent, not achieving the target of 100 percent for old saving groups and 70 percent for new saving groups. According to the Bank team (March 21, 2022) the project was supposed to track the savings separately for old and new saving groups. However, the savings for both old and new groups were combined when reported.
- The percentage of participants being paid within the agreed time frame (two weeks for PWP and within a month for SCT) decreased from 50 percent for STCP participants and 54 percent for PWP participants to 24.4 percent of PWP participants and 45 percent of SCTP, not achieving the target of 100 percent.

Outcomes:

- The first cycle of MASAF IV PWP used the MASAF III targeting approach and reached 535,635 beneficiaries. Each of the successive cycle of the normal Public Works targeted 450,000 repeater beneficiaries. The number of beneficiaries, which was 307,876 beneficiaries in 2014, increased to 985,635 beneficiaries (53 percent female) in 2021, surpassing the original target of 730,960 beneficiaries (among 50 percent female). The total amount of actual transfers to regular PWP beneficiaries was US\$57.4 million.
- 450,000 beneficiaries received emergency response, not achieving the original target of 902,000 beneficiaries.
- 125,680 beneficiaries received Social Cash Transfers (SCTs), surpassing the original target of 21,000 beneficiaries.



- The percentage of households with asset value above critical threshold increased from 33 percent of livelihood and LiSD, 25 percent for PWP, and 4.9 percent for SCT in 2014 to 71.3 percent for LiSD, 62.8 percent for PWP, and 67.9 percent for SCT. This indicator lacked a target.

Achievement of the new objective was Modest since it was only partly achieved.

Rating

Modest

OBJECTIVE 2 REVISION 1

Revised Objective

Improve resilience among poor households (revised outcome targets)

Revised Rationale

Outputs:

- 195,991 people were trained in livelihood development activities, surpassing the revised target of 22,000 people.
- 28,720 people were trained in skill development activities, surpassing the revised target of 2,201 people

Outcomes:

- The number of beneficiaries, which was 307,876 beneficiaries in 2014, increased to 985,635 beneficiaries (53 percent female) in 2021, achieving the revised target of 985,635 beneficiaries (of which 50 percent female).
- 450,000 beneficiaries received emergency response, achieving the revised target of 450,000 beneficiaries.
- 125,680 beneficiaries received Social Cash Transfers (SCT), surpassing the revised target of 123,711 beneficiaries.

The achievement of the second objective with revised targets was Substantial.

Revised Rating

Substantial

OVERALL EFFICACY

Rationale



Achievement of the first objective to strengthen Malawi's social safety net delivery systems and coordination across programs (encompassing the whole project period), was rated Modest. Achievement of the second objective to improve resilience among poor households was also rated Modest under the original outcome targets. The aggregate achievement under the original outcome targets is consistent with a Modest rating for overall efficacy.

Overall Efficacy Rating

Modest

Primary Reason

Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale

Rationale: **Under the revised outcome targets**, the achievement of Objective 1 (to strengthen Malawi's social safety net delivery systems and coordination across programs) was rated Modest; and the achievement of Objective 2 (to improve resilience among poor households) was rated Substantial under the revised outcome targets. The aggregate achievement under the revised outcome targets is consistent with a Substantial rating for overall revised efficacy.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Economic efficiency:

Both, the PAD and the ICR did not include a traditional economic analysis. The PAD (p. 18) only noted the potential impact of the three key activities (Productive Public Works Program, Social Cash Transfer Programs, and Community Savings and Investment Promotion) on poverty.

The ICR (p. 22) discussed different analyses that found that Malawi was able to improve the performance of its social safety nets, providing a strong rationale for future investments. For example, the ICR stated that while in 2013, 21.5 percent of beneficiaries of social safety net programs were from the poorest quintile, it increased to 27 percent by 2016/17. Also, structural reforms have shown the effectiveness of safety nets in Malawi in relation to other interventions: close to 35 percent of humanitarian expenditures in 2015–2016 was allocated to administrative costs, compared to an average (weighted) administrative cost of 14 percent for safety net programs.

Implementation efficiency:

According to the PAD (p. 24) the project's administrative costs were estimated at 7.8 percent of total project cost, which materialized, and which was comparatively low given that its predecessor's (MASAF III)



administrative costs were about 10 percent. The ICR (p. 23) stated that the most recent technical audit of the SCTP focused on the program's operational costs across the 11 districts. The audit found that when combining the operational and administrative costs, the 11 districts' cost ranged between 9.5 percent and 18.8 percent (with only two districts being above 15 percent), indicating very good efficiency by international standards.

However, the project's implementation period was extended by a total of 36 months from June 30, 2018 to June 30, 2021. The extension allowed the project to address several issues such as: i) the longer process of targeting the STCP; ii) the need to design and complete the Enhanced Public Works Program (EPWP) pilot; iii) extension of project scope and iv) Covid-19 pandemic. The project also experienced several issues related to FM and procurement such as procedural delays and timeliness of preparing and processing procurement actions, frequent staff turnover and political instability impacted the efficiency of project implementation. The ICR (p. 39) reported that institutional capacity remained limited in some areas of policy development and implementation.

Given the lack of a traditional Economic analysis and implementation issues, including significant delays that reduced efficiency, the project's overall 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		0	0 <input type="checkbox"/> Not Applicable

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

6. Outcome

Under the original PDO/original outcome targets: Relevance of objectives was rated High. Both Efficacy and efficiency were rated Modest, resulting in an outcome rating of Moderately Unsatisfactory.

Under the revised PDO/revised outcome targets: Relevance of objectives was rated High. Efficacy was rated Substantial, and Efficiency was rated Modest, resulting in an outcome rating of Moderately Satisfactory.

According to IEG/OPCS guidelines, when a project's objectives are revised, the final outcome rating is an average of outcomes before and after the revision of objectives weighted by Bank disbursements under each set of objectives.



Under this project 31.3 percent of disbursements occurred under the original objectives (US\$54.4 million/US\$173.9 million) and 68.7 percent (US\$119.5 million) under the revised objectives/revised outcome targets.

- Based on the original objectives/outcome targets with an outcome of Moderately Unsatisfactory (score of 3) and a disbursement weight of 0.31, the weighted outcome score is 0.93 (3 x 0.31).
- Based on the revised objectives/outcome targets with an outcome of Moderately Satisfactory (score of 4) and a disbursement weight of 0.69, the weighted outcome score is 2.76 (4 x 0.69).
- The combined weighted average outcome score is 3.69 (rounded to 4) which corresponds to a Moderately Satisfactory rating for overall outcome.

	Original objectives/outcome targets	Objectives/outcome targets after 2018 revision
Rating Dimension		
Relevance of Objectives	High	
Objective 1: To strengthen Malawi's social safety net delivery systems and coordination across programs	Modest	Modest
Objective 2: Improve resilience among poor households	Modest	Substantial
Overall Efficacy	Modest	Substantial
Efficiency	Modest	
Outcome Rating	MU (3)	MS (4)
Disbursement (in USD million)	US\$54.4 million	US\$119.5 million
Disbursement %	31.3 percent	68.7 percent
Weight Value	3 x 0.31 = 0.93	4 x 0.69 = 2.76
Overall Outcome Rating	Moderately Satisfactory (0.93 + 2.76 = 3.69)	

- a. **Outcome Rating**
Moderately Satisfactory

7. Risk to Development Outcome

The risks to development outcome can be classified into the following categories:

Government commitment: According to the ICR (p. 39), the government remains committed to the objectives of the project and continues to collaborate with the World Bank through the new Social Support for Resilient Livelihood Project (P169198, US\$142 million). The new project aims to improve resilience among



the poor and vulnerable population and to strengthen the national platform for safety nets in the Republic of Malawi.

External shocks: Macroeconomic shocks as well as climate change related disasters might put project outcomes at risk. According to the ICR (p. 39) recent natural disasters and the Covid-19 pandemic tested Malawi's social safety nets. They showed that while the system was able to provide basic response, it lacked more scalable capacity. Continuing to build capacity to be able to cope with future events will be critical for ensuring the sustainability of project outcomes.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was designed as a second-generation safety net program and was in line with the Bank's Country Partnership Strategy at the time of appraisal. Project preparation was fast with only six months from project conception to appraisal. Also, according to the ICR (p. 28) the project's design was based on a long implementation history, analytical work and technical analysis.

According to the PAD (p. 16), the Bank identified key risks including fraud and corruption, vulnerability to exogenous shocks (weather, fiscal and foreign exchange risk), and limited capacity at the local councils. The Bank team mitigated these risks by creating a strong linkage through the participation of communities, public sector agencies, civil society organizations, and the private sector to augment capacity. Furthermore, the Bank built capacity at the local level with other development partners and developed an intensive Information, Education and Communication (IEC) process to ensure transparency and accountability and allow for citizens to have full knowledge of MASAF activities. Also, the project aimed for regular and continuous monitoring of public works, independent verification and continuous audit for cash transfers.

However, the Bank's mitigation measures were not sufficient, and the project experienced challenges related to Financial Management and procurement. For example, irregularities were found in regard to capital expenses (materials and tools), and procurement actions were not prepared and processed in a timely manner (see section 10b) for more details.

Also, the project had M&E design shortcomings discussed in section 9.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision



According to the ICR (p. 38) the Bank conducted regular and timely supervision missions. The Bank team filed 15 Implementation Status Reports (ISRs) which reviewed the project candidly, identified implementation issues and provided actions to address them.

The Bank team applied for AF to address a financing gap, which had already been identified during appraisal and a second AF to address an emergency situation arising from a drought.

The ICR (p. 38) stated that the Bank conducted two technical assessments to continue the PWP and the country office's procurement specialist provided training for procurement officers, which resulted in a network of government procurement specialists.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The project's theory of change and how key activities and outputs were to lead to the intended outcomes was sound and reflected in the Results Framework.

The original and revised objectives were clearly specified. The original objective was revised to better reflect the full extent of project interventions and expected outcomes. The extensive number of indicators (five PDO indicators and 29 intermediate outcome indicators) encompassed all intended outcomes. However, some indicators lacked a target such as PDO indicator 4 "percentage of households with asset value above critical threshold". Also, PDO indicator 5 "establishment of an integrated and functional national safety net delivery system" included several elements of the system (i) operational harmonized targeting mechanism; ii) operational MIS; iii) operational M&E system; and iv) harmonized targeting instruments to select beneficiaries) making an assessment of achievement challenging. Furthermore, other indicators lacked a baseline, making it difficult to assess whether this achievement was an improvement (intermediate outcome indicator 1 "percentage of households having at least three meals"). Furthermore, some indicators would have benefitted from a clearer definition such as the difference between old and new saving groups under intermediate outcome indicator 16 "percentage increase in household level savings".

According to the ICR (p. 33), the local authorities were responsible for the regular monitoring and systematic reporting on the status of the implementation of public works activities. The National Local Governance Finance Committee (NLGFC) sector ministries were responsible for supporting the local council in developing appropriate M&E instruments and providing training and technical assistance. Also, the NLGFC was responsible for regularly consolidating the monitoring report from each district and conducting impact evaluations when required.



The project was to introduce annual technical public works reviews on sample public works sub-projects to evaluate the technical standards and planning process.

b. M&E Implementation

According to the ICR (p. 34) the project conducted a baseline study in 2014, a mid-line survey in 2016, and an end-line evaluation in 2019. Other studies included a Beneficiary Assessment Study and annual technical audits for the SCTP.

The ICR (p. 33) stated that the project conducted quarterly systematic results monitoring and updates towards the achievement of objectives. The project's development of the UBR improved the monitoring of the beneficiary identification process for the SCTP and the EPWP as well as the evaluation of eligible households.

However, according to the ICR (p. 33), the project's M&E encountered limited capacity at the district level due to few and low skilled M&E staff.

According to the Bank team (March 21, 2022), the project did not encounter any systemic M&E issues. The project's M&E is likely to be maintained after project closure since it is being used by the new Social Support for Resilient Livelihood Project follow-on project.

c. M&E Utilization

According to the ICR (p. 34), the government and Bank team used the project's M&E data to assess progress towards achieving project objectives and inform decision making. Also, the project's M&E was used to inform the design of the two AFS, financing needs, extensions, and helped to define the actions to address natural disasters and Covid-19 pandemic. However, the ICR (p. 34) also stated that the implementing agency was slow in using M&E to identify issues related to the implementation of the PWP at the local level.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as category B and triggered the Bank's safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.36 (Forests), OP/BP 4.09 (Pest Management), OP/BP 4.11 (Physical Cultural Resources), and OP/BP 4.12 (Involuntary Resettlement).

According to the ICR (p. 35), the project developed an Environmental and Social Management Framework (ESMF), Pest Management Plan (PMP), and Involuntary Resettlement Policy Framework (RPF). The ICR further stated that the ESMF for the project and the two AFS included adequate guidelines and procedures



for assessing the environmental impacts. Furthermore, the ESMF provided guidance on how to reduce, mitigate, and offset adverse impacts and enhancing positive ones. The local authorities and communities were responsible for preparing environmental and social management plans (ESMPs), developing a Resettlement Action Plan (RAP), as well as responsible for the overall screening and monitoring. The Bank provided support to staff at the district level to build capacity in safeguard monitoring since there were capacity issues to include safeguards as part of regular planning and implementation process.

Furthermore, the Bank provided training to the National Local Government Financing Committee (NLGFC) to increase awareness of safeguards and environmental sensitivity. Also, the Ministry of Environmental Affairs and Climate Change conducted quarterly monitoring missions to assess the quality and effectiveness of the ESMPs.

In regard to livelihood activities, Community Savings and Investment Promotion (COMSIP) was responsible for the oversight of environmental issues. The staff of COMSIP also received training to improve its environmental and social oversight activities.

The project's overall safeguards rating was Satisfactory at project closing.

According to the ICR (p. 36) the project had a functioning grievance redress mechanism (GRM) in place. Beneficiary communities and individuals who felt that they had been unfairly excluded from the project had the opportunity to complain and channel their grievance for redress. When the project closed, the GRM had received 94 grievances of which 93 had been successfully resolved. However, this finding is not consistent with the results reported by the ICR under Objective 1.

b. Fiduciary Compliance

Financial Management:

According to the ICR (p. 30), the project experienced Financial Management (FM) related issues, especially at the local district council's level. As a result, the reporting system was changed from Interim Financial Reports (IFRs) to Statement of Expenditure (SoE), which limited disbursements to actual expenditures on a monthly basis instead of report-based disbursement with six months forecasting. Furthermore, the ceiling for the project's designated account was set at US\$ 5 million, which was too low and negatively impacted the timely release of the PWP sources which required over US\$11 million for a single PWP cycle. In addition, district councils reported slowly on the use of resources and did not comply with the PWP procedures. Also, questionable expenses were identified, and the MOF had to refund on behalf of the councils. As a result, several modifications were made. For example, most irregularities were found in regard to capital expenses (materials and tools). As a result, the capital ratio was changed from 60:40 to 80:20, which reduced the options for PWP sub-project types and might have compromised quality. Also, the project submitted several times audited financial statements after the due date.

During project appraisal the FM's risk rating was assessed as High due to cases of corruption and fraud in the country. To mitigate this risk, the project implemented fraud and anti-corruption measures such as a whistleblower arrangement. The project also cooperated with the Anti-Corruption Bureau (ACB) to ensure



that reported cases were investigated. As a result, government officers in local councils who had been suspected of mismanagement of public resources were prosecuted.

According to the Bank team (March 21, 2022), external audits were undertaken every year during the project period. All external audit reports were unmodified except for one in 2017, which was related to some lack of documentation for expenses and some ineligible expenses at the district level. These were subsequently remedied, including through refunds from districts to the project account.

The project's FM rating at project closure was Moderately Satisfactory.

Procurement

The Procurement and Disposal Unit of the LDF-TST (later the NLGFC) was responsible for the project's procurement. An Internal Procurement and Disposal Committee was responsible for overseeing the procurement function.

According to the ICR (p. 37), the project faced several procurement related issues throughout implementation. These issues included the failure to enter documentation in Systematic Tracking of Exchanges in Procurement or updating the procurement plan. Also, procurement actions were not prepared and processed in a timely manner. Furthermore, the procurement unit experienced a high turnover of staff and insufficient capacity to manage the procurement activities appropriately. The project was not able to hire a procurement consultant to enhance the capacity of the NLGFC throughout its entire implementation. Also, at the local council level the project was not able to hire staff to fill procurement positions. According to the Bank team (March 21, 2022), the Bank team addressed this by putting continuous pressure on the implementing agency to address this issue. As a result, in early 2016 the implementing agency hired 35 locally-based project officers – one project officer in each district. In addition to that, an internship program run by the implementing agency provided more hand-on capacity in the districts. While the POs and the interns were not procurement specialists per se, especially the POs (seasoned professionals) reporting to the implementing agency, were of great help in alleviating coordination and management issues at district level.

The project's procurement performance at project closure was rated Moderately Satisfactory.

c. Unintended impacts (Positive or Negative)

NA

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
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Outcome	Moderately Satisfactory	Moderately Satisfactory
Bank Performance	Moderately Satisfactory	Moderately Satisfactory
Quality of M&E	Substantial	Substantial
Quality of ICR	---	Substantial

12. Lessons

The ICR provided useful lessons learned (p. 39-41), which were adapted by IEG:

- **Linking different core programs that support livelihoods with each other is critical for helping the ultra-poor and vulnerable communities.** In this project, beneficiaries of safety net programs (for example the SCT and PWP) were connected to other programs that aimed to enhance their skills, incomes, and livelihoods (for example LiSD/COMSIP) allowing for a wider approach to support the ultra-poor getting out of the poverty trap.
- **Consolidating accounting and reporting requirements/procedures between different developing partners (DPs) would improve efficiency.** The multiplicity of accounting procedures and requirements of different DP put a burden on project implementors at the district and national level. If a program wide e-payment system does not exist, the Integrated Financial Management Information System (IFMIS) should be used for financial recording, transactions, and reporting by local and national authorities.
- **Communicating results and providing information about the GRM is critical for the sustainability of a program.** In the case of the SCTP many beneficiaries are still not fully aware of important processes such as beneficiary targeting and selection procedures resulting in doubts of the fairness of the beneficiary list. Also, providing information about the GRM would allow communities to raise concerns.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided an adequate overview of project preparation and implementation and useful lessons learned that can be applied to similar future projects. However, the ICR lacked internal consistency, such as stating different components for the integrated and functional safety net delivery system (para. 40 vs. para. 42) and in GRM results. Also, the ICR lacked conciseness with the main section reaching 41 pages. Furthermore, the ICR did not include a traditional Economic analysis and reported on impacts and efficiency gains accruing to the sector. The ICR is rated Substantial, but only marginally.



a. Quality of ICR Rating
Substantial