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The Comoros Social Fund: Staying Engaged in Difficult Times

The Comoros Social Fund's Project objective is to support demand driven initiatives developed by communities and in so doing create employment and improve access to basic services. The project became effective on August 5, 1998.

Barely ten days later, the deteriorating country situation led to a suspension of disbursements. The Government basically disengaged from any development related activities and the constant reshuffling of Ministers in Comoros permitted very little dialogue on education, health or social protection issues.

The project was designed to have Comorian rural communities as its key interlocutor. Communities in Comoros are strong, dynamic, and their cohesiveness results in a short and medium-term vision as to what type of development activities are priorities for their respective communities (school rehabilitation, water, feeder road rehabilitation, etc.) and a willingness to invest time and money (mainly from remittances from family members abroad) to achieve their development goals.

The project was supervised in 3 phases: (i) suspension of disbursements (August 1998-March 2000); (ii) project start-up after the suspension was lifted (March 2000-March 2001); and (iii) "normalization" (April 2001-present).

A quality of supervision of risk projects was conducted by the Bank's Quality Assurance Group (QAG) in October 2001. The overall assessment was that this was an exemplary supervision effort, adapting to difficult and changing conditions and remaining engaged during a lengthy suspension of Bank disbursements.

The suspension phase (August 1998–January 2000)

The task team had foreseen a suspension of disbursements and managed to open the special account within the 10 day time frame between effectiveness and suspension. This enabled project staff to have sufficient funds to cover basic operating expenses (staff salaries, rent, electricity, fuel, etc.) and therefore project preparation. Implementation continued, though at a slow pace, throughout the suspension period.

FADC activities

A work plan was prepared for activities to be undertaken during the suspension phase which basically included activities that were relatively low in cost to implement. These included:

- Weekly visits to communities to support them on community mobilization activities, including the identification, preparation and appraisal of sub-projects;
- Quarterly update of the procurement plan based on appraised project proposals;
- Preparation of a draft procurement plan on the basis of appraised projects;
- Updating the manual of procedures, to include a section on environmental screening of certain types of sub-projects;
- Training of staff on procurement, disbursement, financial management, etc.
- Recruitment of key staff;
- Contacts with financial intermediaries to assess their willingness to participate in the micro-finance component and establishment of draft agreements and working modalities; and
- Putting in place a very basic M&E system.

Bank activities

- Monthly visits to Comoros to ensure that the agreed-upon work plan was implemented — this included discussions regarding the types of sub-projects that were being identified and appraised by communities;
- Technical discussions on the modalities for implementation of the micro-finance component, mainly supporting the design of a schemes whereby village community groups “comités de pilotage” would make small loans of approximately \$100 to community groups for selected non-agricultural activities;
- Review and no-objection to bidding documents for sub-projects that were already prepared and appraised;
- Further discussions on indicators to see what types of indicators could be collected in a difficult country context (where line ministries would only play a very limited role in this exercise);
- Preliminary discussions about the need to start-up the regional office in the island of Anjouan (which was the country’s most populated and poorest island) in a heated socio-political context.

Impact of engagement — Start-up (January 2000) and normalization (April 2001–present) phases

When the suspension of disbursements was lifted in January 2000, the Bank and the project team had an already agreed-upon work program for the first 18 months of project implementation. Ninety seven sub-projects were programmed during this first phase (excluding Anjouan where another 50 were in the initial stages of identification).

FADC activities

- Four months after the suspension was lifted, 22 out of the 97 sub-projects were being implemented in Grande Comore and Moheli and an additional 30–40 sub-projects were about to start up;
- Re-opening of the regional office in Anjouan and the identification, selection, appraisal of 50 plus sub-projects;
- Preparation of TORs for a M&E system with indicators that could be relatively easily collected, keeping in mind that there would be limited if any assistance from concerned line ministries;
- Start-up of the micro-finance component;
- Recruitment of a consulting firm to provide much-needed training to NGOs, local contractors and consulting firms on procurement, mainly in the preparation of proper bid submissions.

Bank activities

- Continued monthly visits to Comoros; (24 to 48 hour turnaround for necessary no-objections);
- Technical discussions on the potential involvement of financial intermediaries who would be willing to work with FADC and the establishment of formal agreements.

Normalization phase

The task team began focusing on issues such as the project’s development impact, poverty targeting, more training activities for FADC’s partners as well as for its staff, and more in-depth discussions on monitoring and evaluation. At this time, (after two years of project implementation in a difficult country context), 133 sub-projects have been approved and about 75 have already been completed. This represents a 100 percent increase over the first phase.

FADC activities

- Start-up of activities in the island of Anjouan — about 10 sub-projects under way;
- Preparation of the mid-term review;
- Systematic training of potential FADC partners such as NGOs, local consulting firms and contractors in order to be able to increase the number of on-going sub-projects;
- Support to micro-credit (about 51 small loans have been made) to village communities with support from a UNDP project;
- Preparation of TORs for a beneficiary assessment.

Bank activities

- Support in the preparation of the mid-term review;
- Discussions on TORs for the beneficiary assessment with the long-term objective of ensuring that villages are putting some initial thought into the preparation of even basic village development plans;
- Providing best practice information on maintenance of sub-projects from other countries; and
- Review of TORs for environmental impact of selected sub-projects such as water and feeder roads.

Key lesson learned

The Bank should encourage project teams to continue working on low-cost activities and project preparation, so that when suspension is lifted project activities can begin on the ground within a 1-3 month period. This would provide support to the intended beneficiaries, who usually suffer more in this kind of situation. Given that governments have to make a considerable effort to repay IDA arrears, they and the donor are eager to see quick impact and results on the ground — something that becomes difficult if donors disengage completely in crisis situations.

This article was written by Eileen Murray. For more information on **Social Funds and Social Protection**, please access <http://worldbank.org.sp>