

# Findings

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Good Practice  
Infobrief



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## Madagascar: the Third Social Fund Project

The project ( \$ 15 million plus another \$18 million - 1999-2003 ) had four objectives : (i) improved access of poor rural populations to social and economic infrastructure; (ii) on a pilot basis, empowerment of poor rural communities and/or communes to identify, organize, manage funds and implement sub-projects responsive to community needs; (iii) employment creation; and (iv) increased capacity of the private sector, local small contractors, artisans, skilled labor, and NGOs.

Madagascar was struck by a series of cyclones that damaged basic infrastructure over the first three months of 2000. As part of the multi-pronged approach to assist the country in its rehabilitation efforts, in July 2000, the World Bank's Board approved a Supplemental Credit of \$18 million – there was no change, however, in the project's original objectives.

### Impact on the Ground

- The FID ( Fonds d'intervention pour le developpment ) constructed 337 classrooms, slightly under its target of 358 ; the 34 classrooms rehabilitated exceeded the target of 32. It constructed 266 health centers, falling short of the target of 292, but exceeded its target of wells by constructing 175 – 10 more than the original target. The market projects surpassed the target by 12 with 97 buildings.
- FID analysis of pre- and post-project outcomes for 6 types of infrastructure projects in all 6 provinces yielded the following information. The total number of students enrolled in beneficiary schools increased from 10,499 to 21,623; the average rate of exam success in participant primary schools was higher – 59.21% - than before – 35.81%, as was that for participant secondary schools – 49.75% compared to 31.16%; The total number of annual consultations at beneficiary health posts was higher – 79,848 – compared to 47, 482, as was the total number of children vaccinated – 20,059 compared to 8,588; more persons used wells - 49,590. compared to 36,970. For irrigation projects, the production of rice was higher – 4,489 tons per year versus 3,846; more beneficiaries used the irrigation systems – 4,202 – compared to 3,846 and there were two annual yields as opposed to one; finally, the total number of vendors in markets installed rose from 2,338 to 3,880.
- The project financed 565 capacity building sub-projects for rural communities, local associations, communes, local contractors, artisans and NGOs. Training was provided to 550 rural communities and communes, 92 micro-enterprises, 115 engineering consulting firm consultants and 257 NGOs.
- The impact on capacities, both in the private sector, and at the local level, was substantial. In the former, the FID contributed to the emergence of a large number of contractors who specialized in delivering services in rural areas and in the context of local development initiatives. About 100 local engineering consulting firms

undertook feasibility studies on approved sub-project requests and drew up execution plans and studies, and 349 local enterprises implemented the works on-site. Today, this pool of expertise is available to and tapped by the FID and other donors.

- At the local level, the emergence of local water associations is particularly remarkable. For schools, parent's associations were effectively incorporated and played a major role by participating in sub-project activities from the formulation of requests to the completion of the infrastructure. Based on the success of its pilot, FID now involves communes and community associations in the procurement and supervision of investments on a larger scale under the Community Development project. The pilot also introduced municipal planning exercises, which is today a standard practice for all donor investments at the commune level.
- The Beneficiary Assessment financed by the project helped strengthen the capacity of members of the sub-project cells, communes and other partners; the technical audit carried out helped improve the quality of the infrastructure and rectify certain technical defects in the completed civil works; the financial audits ( 3 ) helped to improve and strengthen internal control systems such as procurement procedures, management procedures and accounting.

### **Lessons learned**

- *Targeting.* More attention needs to be paid to improve targeting even when poverty is pervasive. An important factor here is the application of transparent and objective selection and allocation criteria. When no poverty map is available, a standard allocation formula for districts and communes, based on simple criteria such as population size, can be introduced as this would increase predictability for local governments and communities.
- *Monitoring and evaluation.* The lack of counterfactual and baseline data present challenges for analyzing impact. Good data collection needs to be combined with good methodology and a clear evaluation strategy. The sustainability issue cannot be addressed without empirical evidence.
- *Sustainability.* Creating maintenance committees is not sufficient to ensure sustainability of community sub-projects. Social funds should develop more binding agreements and cooperative arrangements with line agencies in this regard.
- *Co-ordination with other Bank operations.* While the framework for coordination of the FID with rural projects was agreed upon and put in place, there was no follow-up. There should be a permanent coordination mechanism to maximize synergies between projects.
- *Donor coordination.* Fragmented CDD ( Community Driven Development ) donor programs have the tendency to drive local government agendas rather than support them. More government involvement and clearer policy guidance would help considerably to resolve this issue.

*This Infobrief was excerpted from Implementation Completion Report no. 25649. For more information, e-mail Nadine Poupart: [npoupart@worldbank.org](mailto:npoupart@worldbank.org)*