Report Number: ICRR0023086

1. Project Data

Project ID	**Project Name**	
P162646	Strengthening Social Protection Project	
Country	**Practice Area(Lead)**	
Rwanda	Social Protection & Jobs	
L/C/TF Number(s)	**Closing Date (Original)**	**Total Project Cost (USD)**
IDA-61690,TF-A7192,TF-A7408	30-Jun-2021	102,340,787.33
Bank Approval Date	**Closing Date (Actual)**	
18-Dec-2017	31-Dec-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	80,000,000.00	23,000,000.00
Revised Commitment	103,000,000.00	23,000,000.00
Actual	102,343,986.62	23,000,000.00

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2. Project Objectives and Components

a. Objectives

As stated in page 5 of the Financing Agreement (signed on December 21, 2017), under Schedule 1, Project Description: *“The objective of the Project is to improve the effectiveness of Rwanda's social protection system, notably the flagship Vision 2020 Umurenge Program (VUP), for targeted vulnerable groups.”* This original objective statement remained unchanged throughout the project, including after Additional Financing and restructuring. The wording is identical across the Financing Agreement, PAD, and ICR. Amendment 1 to the Financing Agreement (signed on April 18, 2018) changed the wording slightly by replacing “Rwanda” with

"Recipient". Amendment 2 to the Financing Agreement (signed on March 29, 2021) did not introduce changes to the objective statement.

Explanatory note on the PDO statement: The PAD (p. 5) and ICR (p. 7) explained the term "effectiveness" as follows:

"Effectiveness will be improved by (a) increasing the overall number of beneficiary households (coverage), thereby increasing the number of households receiving income protection; (b) increasing the guaranteed minimum number of days work for PW, thereby effectively increasing the size of transfers households receive; (c) expanding eligibility criteria for Direct Support (DS) to include more labor-constrained households under DS; (d) introducing Expanded Public Works (ePW) to provide more accessible jobs to those ineligible for DS but still with labor constraints, which will allow more households with limited labor capacity to access benefits; and (e) increasing the frequency and timeliness of payments, which will increase the reliability of income support. Efforts will also be made to ensure increased access to complementary services to improve the human capital contribution of the VUP. Targeted vulnerable groups include those defined as such by the GoR's Ubudehe community-based household classification system, with attention to reaching and serving women and children better."

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

No

c. Will a split evaluation be undertaken?

No

d. Components

Through Additional Financing (P166720), a subcomponent was added to the original component 1 of the project, and funds were added to the original component 3. Otherwise, original components remained the same.

ORIGINAL COMPONENTS

Component 1: Improving coverage, adequacy and effectiveness of the Vision 2020 Umurenge Program (VUP) cash transfers (Appraisal: US$68.5 million; Additional Financing: US$16.8 million; Actual: US$84.7 million) This component sought to cover, through IDA funds, 40 percent of the costs of the VUP safety nets transfers; Public Works' (PW) wage and non-wage costs including capital costs of Classic Public Works (cPW); and associated administrative costs. This would contribute to the following:

(i) Continuation of DS grants to all eligible populations nationwide and expansion of eligibility criteria to include households with persons with a disability. Continuation of support to approximately 95,846 Ubudehe 1 households without labor capacity and expansion to approximately 11,000 Ubudehe 1 single-worker households caring for a person with a disability.

(ii) Continuation of cPW from 128,000 households (in 240 sectors) currently to approximately 141,361 (in 270 sectors) by the end of the operation, with progressive improvements in (i) the percentage of eligible households that are covered; (ii) timeliness of payments; and (iii) the average number of days of work offered, to increase the adequacy of total annual transfers.

(iii) Major extension of gender and child-sensitive ePW model to reach 75,000 households (in 300 sectors) by the end of the operation (up from 2,757 in 30 sectors in FY2016/17, Q4). ePW offers year-round, multiyear, flexible, part-time work opportunities to moderately labor-constrained households, often single-headed households with caring responsibilities. ePW subprojects are primarily flexible road maintenance, an established model with developed norms and regulations. However, the project would launch community- and home-based childcare as a new type of ePW scheme in FY2018/19: ePW participants would be employed as childcare givers and trained and supervised by appropriate Cell- and sector-level staff, with resultant synergies to nutrition and early childhood development (ECD) objectives. Other new ePW subproject types may also be explored. The coverage of ePW would be deepened in each sector to support at least 250 households; geographical coverage would be expanded from the current 30 sectors to 300 sectors (covering all 270 cPW sectors) by the end of the project period. These 300 sectors had been selected based on a poverty map, which included the concentration of extremely poor households within the district using the Integrated Household Living Conditions Survey (EICV) data, coupled with data on the number of vulnerable Ubudehe 1 households across sectors. In addition to wages of eligible households employed on ePW, the project would cover direct non-wage costs of ePW, which would not exceed 30 percent of total direct costs and would consist mainly of goods, including tools for road maintenance, food, and equipment. Minor refurbishments essential to the provision of quality community- and home-based childcare (such as latrine construction and minor infrastructure improvement required according MIGEPROF's guidelines) would also be funded but not counted as part of the 30 percent cap.

Component 2: Enhancing access to human capital and economic inclusion services (Appraisal: US$6.5 million; Actual: US$6.4 million). This component sought to improve the contribution of the social protection sector to boost human capital creation and economic inclusion services, with a focus on combating chronic malnutrition and improving child development goals, as well as improving livelihoods by promoting skills development, resilience, and access to services. This component would adopt a 'learning by doing' approach to evaluate early-stage interventions, then scale up successful innovative interventions to improve resilience in poor households. It would do this through a three-step process of designing the intervention, including detailed implementation guidance, carrying out a process evaluation of the intervention (supported under Component 3 or through other Development Partners) and scaling-up based on decisions informed by the evaluations. The delivery of these components would make use of innovative public-private partnerships, including the contracting out of service delivery and linkages with and referral to other programs, leveraging Ministry of Local Government (MINALOC) and Local Administrative Entities Development Agency (LODA)'s cross-sectoral mandate. This would both test new models and provide support through quality enhancements and accompanying measures to the cash transfers under Component 1. Activities to be supported by this component would include the following:

(i) Nationwide sensitization and community mobilization. This subcomponent had three main objectives: (a) build awareness and understanding of issues which affect potential for human capital development and resilience to extreme poverty (for example, health and hygiene; nutrition; basic animal husbandry; water, sanitation, and hygiene); (b) ensure households understand their rights and responsibilities and empower communities to hold duty bearers to account for the delivery of high-quality services and the appropriate use of social protection resources; and (c) build public understanding and awareness of VUP objectives, modalities, and impacts. Sensitization and community mobilization was a longstanding element of the VUP, but its implementation had been hitherto limited by capacity gaps at the local level. This component would revitalize the community mobilization elements of LODA and the VUP and would scale up selected behavior change communication through channels such as radio, notably in coordination with the nutrition project and the sensitization campaigns developed by the Rwanda Biomedical Center.

(ii) Improving parenting and childcare services for vulnerable families in targeted communities. The project would provide the following: *(a) Community-level support to households on parenting, including cognitive stimulation of young children, appropriate feeding, and incentivizing the use of maternal and child health and nutrition services.* This support would be provided as a package in conjunction with the new ePW childcare model and potential nutrition support grants. Cooking demonstration sessions would also be rolled out in coordination with community kitchen gardens. *(b) Quality enhancement and supervision to community- and home-based ePW childcare subprojects.* Substantial capacity building would be needed for this activity. Because home-based childcare was a new area for the VUP and capacities within the GoR district and sector offices were limited, specific training and supervision needs would not be easily absorbed within existing budgets. Therefore, in coordination with the Ministry of Gender and Family Promotion (MIGEPROF), the project would finance contracting of service providers at the national or district level to develop a parenting and community/home-based care training curriculum and carry out training of trainers; contracting and training of part-time trainers in parenting and community/homebased care in participating sectors to train and oversee Cell-level supervisors and build capacity of subnational GoR staff; and contracting and training of Cell-level supervisors to provide DS and supervision of caregivers in community and home-based care settings and to deliver community-based parenting capacity-building sessions.

(iii) Enhancing livelihoods. The support to sustainable livelihoods and eventual graduation from extreme poverty was a major policy priority of the GoR. Interventions included a combination of asset transfer grants with caseworker support as well as other services for beneficiaries. The design of the asset transfer and caseworkers' management system was under way by appraisal, and the operation would support the strengthening and rollout of these interventions that would support sustainable livelihoods and access to economic opportunities. Caseworkers' guidelines would be developed detailing how caseworkers would operate, including how referrals should be made to a range of productive and social services appropriate to their needs as households. During FY2017/18, before the start of the operation, the GoR would finalize and the World Bank would review the design documents of these interventions, including a comprehensive package of asset transfers, caseworkers' management system, and training. As part of the caseworkers' management system, tools were to be strengthened, including training materials for caseworkers and supervisors and for establishing decentralized cadres of caseworker trainers. A process evaluation would also be carried out in FY2017/18, and the results of the evaluation would inform the improvement and scaling up of this initiative, notably the asset transfer and caseworker mechanisms.

Component 3: Delivery Systems, Policy and Program Management (Appraisal: US$5 million; Additional Financing: US$6.2 million; Actual: US$11.2 million). This component sought to build local and national government's capacity to implement Components 1 and 2, as well as to improve the larger social protection system in Rwanda. MINALOC and LODA would lead their respective subcomponents, which included the following areas: (a) evidence-based policy and program development, (b) delivery systems, and (c) institutional strengthening for improved service delivery.

(i) Ministry of Local Government (MINALOC)

(a) Evidence-based policy and program development to support new and innovative policy and program design changes for the sector. The new National Social Protection Strategy (NSPS) would begin implementation in July 2018. The proposed project sought to support assessments to monitor and evaluate progress of these new strategies and programs and propose design changes. The project would also support training and capacity building of policy makers and civil servants on M&E methodologies for the social protection sector.

(b) Delivery systems. Substantial efforts have gone into designing and putting into place Rwanda's social protection systems. Notably, the Government developed a comprehensive integrated social protection management information system (iSP-MIS), which serves as a registry for populations eligible for social protection services and a link to the Ubudehe database (social registry) and other program specific registries as well as the national identification database. Further support is required to operationalize and upgrade these systems for use across the social protection system and build in further functionality, including to ensure the coordination with nutrition and early childhood development work.

(c) Institutional strengthening. The project would finance additional posts in the MINALOC Single Project Implementation Unit (SPIU) and technical assistance to the National Early Childhood Development Coordination Program (NECDCP) , to strengthen technical, financial, and procurement capacities for implementation of this project. Social protection training would be provided to mid- and senior-level staff, and technical support would be provided to improve program coordination through training and expertise to develop guidance and systems. Project management costs, including MINALOC incremental operating costs and additional Project Implementation Unit (PIU) staff, would also be supported through this component.

(ii) Local Administrative Entities Development Agency (LODA)

(a) Evidence-based policy and program development, including a focus on the VUP design changes, notably adding complementary child development and nutrition support services and a focus on promoting livelihoods. These new programs would require significant design and implementation support, as well as high-quality M&E. Analytical work would be supported and expert technical advice and training would be provided to improve the VUP M&E mechanisms, impact evaluation design, and implementation.

(b) Delivery systems. LODA had various new, promising social protection service delivery systems that needed strengthening. LODA had developed an updated Monitoring and Evaluation Information System (MEIS) and had newly introduced a grievance and redress system (the citizen monitoring system [CMS]). Full operationalization of these systems had not yet occurred, for instance, payments issues had not been fully resolved. Thus, further support was required to operationalize and upgrade these systems for use across the social protection system and to build in further functionality, such as citizen monitoring and payments. Finally, support was required around cross-program coordination and harmonization, which would be provided through this component.

(c) Institutional strengthening for improved service delivery. Support would be provided to build human resource capacity at all levels—central, district, sector, and cell. At the central level, the proposed project would finance additional posts in the LODA SPIU to strengthen technical, financial, and procurement capacities for an effective implementation of the project. Social protection training would be provided to mid- and senior-level staff, and technical support would be provided to improve program coordination through training and expertise to develop guidance and systems. Staff in districts and sectors with key responsibilities for the VUP implementation would be trained on the revised VUPs policy, procedures, and systems and social protection in general. To sustainably build capacity for frontline delivery at the cell level, frontline staff would be trained by LODA, either directly or through the contracting of service providers.

Project management costs, including LODA incremental operating costs and additional PIU staff, would also be supported through this component.

REVISED COMPONENTS

(i) Nutrition-Sensitive Direct Support (NSDS) – New subcomponent to component 1 through Additional Financing P166720. The NSDS subcomponent was added to the project after Grant funding from the Multi-Donor Trust Fund for Achieving Nutrition Impact at Scale "The Power of Nutrition" (MDTF-PoN) (US$15 million), and the Global Financing Facility (GFF) (US$8 million), was jointly approved through Additional Financing (P166720), on April 12, 2018. The NSDS subcomponent had a dual objective: to provide income support to vulnerable families with pregnant women and young children, allowing for adequate consumption; and to increase investments in families' human capital, notably through incentivizing demand for key health and nutrition services as provided in the parent project and in the Stunting Prevention and Reduction Project (SPRP - P164845). NSDS sought to finance the introduction of a new nutrition support grant targeting the poor (Ubudehe 1) over three years. It was a co-responsibility cash transfer (CCT) scheme under the VUP, targeted to the poorest households with pregnant women and/or children under 2 years, aimed at incentivizing intake of essential health and nutrition services during the early years of life. Its requirements included attendance by beneficiary groups (pregnant women, mothers and newborn children ages 0–6 weeks, and children 7 weeks–24 months) to parenting sessions and the use of maternal and child health services (including ante and post-natal care, as well as following established protocols for monitoring growth of young children). The grant would be coupled with behavioral support for parenting, as provided in Component 2 of the project, and twinned with supply-side interventions provided by the SPRP, as a complement to the overall Government of Rwanda (GoR) program for combating chronic malnutrition.

(ii) Additional resources from grant funding to component 3 – through Additional Financing P166720. These additional funds aimed at supporting implementation and M&E of the NSDS. The specific activities included hiring of three additional contractual staff in LODA (a project manager, financial management specialist, and an M&E specialist) dedicated to operationalization of the NSDS; a Civil Registration and Vital Statistics (CRVS) specialist in MINALOC for capacity building of staff at district, sector, and cell levels (including health center staff and Community Health Workers – CHWs) on the NSDS operational procedures; financing of reasonable transaction fees for NSDS payments; upgrades to the Social Protection Monitoring and Evaluation Information System and establishment of links with the Health Management Information System (MIS), and the Rapid SMS system; strengthening fiduciary controls; and contributions to the envisioned process and Impact Evaluations (IEs).

In addition, support would be provided to the design of an action plan derived from the CRVS strategic plan and roll out of selected activities relevant to the project's development objectives. This support was considered important by the GoR given the need to register and store data and information on life events and its contribution to the M&E of the overall project objectives and the medium-term vision to develop a CRVS system and link it with the backbone MIS. The main activities to be implemented under this component included:

- Consistent with the CRVS National Strategic Plan (2017/18–2021/22), elaborating and adopting an action plan for operationalizing priority activities related to birth registration, birth certification, and the assignment of a unique national identifier at birth which will support implementation of NSDS and other programs.

- Strengthening functionality of the CRVS information system which allows timely sharing of birth registration and certification information with the VUP/NSDS program and promoting its interoperability with other relevant databases.
- Designing and rolling out social and Behavior Change Communications campaigns to improve the registration of vital life events (for example, births, deaths, and so on) and on the importance of vital statistics for informed policy planning and effective service delivery.
- Training and sensitization of the government officials at different levels (including the CHWs) on their roles and responsibilities and the importance of the CRVS, including links to the NSDS and other programs.

Through Additional Financing (P166720), a new PDO indicator was introduced together with 4 Intermediate outcome indicators. Otherwise, original PDO indicators remained the same.

Original PDO indicators:

PDO 1: % of all eligible households covered by the VUP (ePW, cPW and DS) in targeted sectors.

PDO 2: % of eligible households covered by the VUP PW in targeted sectors.

PDO 3: % of eligible Ubudehe 1 households covered by the VUP DS.

PDO 4: % of cPW households reaching the minimum number of workdays of cPW employment (in the reporting period).

PDO 5: % of eligible ePW households that receive their full ePW entitlement (in the reporting

period).

PDO 6: % of eligible DS households that receive their full DS entitlement (in the reporting period).

PDO 7: % of VUP cPW beneficiary payments delivered on time.

Revised PDO indicators:

PDO 8: % of beneficiaries who received their NSDS benefit payments on time.

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

- **Costs and Financing:** The PAD estimated the total project cost at US$ 86 million, US$80 million to be financed by IDA and US$6 million to be financed by the GoR. In addition, the PAD anticipated (but did not account for) Grant financing from the Multi Donor Trust Fund (MDTF) for Improving Nutrition Impact at Scale of approximately US$10 million, for the introduction of a new nutrition support grant over three years. The PAD stated that specific targeting criteria between the nutrition support grants and the project’s support to Expanded Public Works were still being determined at the time, proposing that MDTF financing came as additional financing to the operation, to be processed once administrative and financial arrangements with the MDTF had been concluded. Accordingly, Grant financing was provided through the Nutrition-Sensitive Direct Support revised subcomponent, based on funding from the Multi-Donor Trust Fund for Achieving Nutrition Impact at Scale “The Power of Nutrition” (MDTF-PoN) (US$15 million), and the Global Financing Facility (GFF) (US$8 million), jointly approved through Additional Financing (P166720), on April 12, 2018. Total original project costs of the project were US$109 million (US$80 million IDA, US$15 million MDTF-PoN, US$8 million GFF, and US$6 million GoR). This original project cost is the same to the one reported in the ICR. The revised project cost reported in the ICR was US$103 million after removing the US$6 million contribution from the GoR, which did not materialize. Actual project cost was US$102.344 million.

- **Dates:** The project was approved on December 18, 2017 and became effective on March 21, 2018. The Mid-Term Review date was June 26, 2020. Grant funding was approved on April 12, 2018 through Additional Financing P166720. The project was restructured on March 29, 2021 to extend the project closing date by 6 months. Accordingly, the original project closing date was extended from June 30, 2021 to December 31, 2021, when the project closed.
- **Restructurings and Rationale for Extensions**: Through one formal restructuring (dated March 29, 2021, as per Amendment 2 to the Financing Agreement) there was one 6-month extension to the original project closing date, from June 30, 2021, to December 31, 2021. The request for extension resulted from some key and strategic interventions for social protection supported by the project progressing slower than originally planned, with the Bank wanting to ensure that greater impact was achieved by the end of the project. These interventions included Home-Based Early Childhood Development (HB-ECD) (its expansion was affected by COVID-19 containment measures); Sustainable Livelihoods Enhancement (SLE) scheme and corresponding Caseworkers/Para-social workers scheme (requiring accelerated efforts and more time for implementation); Digitization of VUP payments (which experienced delays due to suspension of field activities as a response to COVID-19); and full interoperability of information system to allow seamless enrolment of NSDS beneficiaries and verification of their compliance with co-responsibilities. Without the extension, the project would not have been able to meet coverage targets related with these activities. The extension aimed at allowing the implementing agencies to utilize the projected undisbursed balance of around US$10 million as of June 30, 2021, for completion of these critical and strategic activities, fully achieve the project development objective, and cement the innovations and delivery systems for potential follow-up on projects not only by the Bank but also by other development partners. (Restructuring Paper -- Report No. RES45196, pp. 5-6)
- **Reallocations:** The same project restructuring sought to:
  - Reallocate funds between specific disbursement categories and component costs to ensure critical activities such as the HB-ECD and SLE scheme could be adequately rolled out. The Ministry of Financing and Economic Planning (MINECOFIN) requested reallocating a total of US$1,189,884 between different disbursement categories. Without changing anything on components architecture, the reallocation would allow more funding for actual transfers under the conditional cash transfer component, the NSDS. The reallocation would as well allow for improvement, specifically on evidence-based policy, led by MINALOC.
  - Adjust the counterpart financing account set-up to comply with national law and subsequently adjust financing percentages per source. MINECOFIN requested waiving off the requirement for transferring counterpart funding through a project separate account and its replacement with the modality used to fulfil this obligation, by transferring required funds for activities under Component 3 directly to implementing entities, MINALOC and LODA. As per MINECOFIN, transferring the counterpart fund to a project separate account would be contrary to the standard operating procedures and public financial management regulations. In compliance to the latter, the government made available, through direct transfers to

Implementing Agencies, adequate funds required for executing activities under Component 3 of the project. (Restructuring Paper -- Report No. RES45196, p.6)

3. Relevance of Objectives

Rationale

Alignment with Strategy. The project development objective was well aligned with the current Country Partnership Framework (CPF FY21-FY26) between the World Bank Group and Rwanda. The CPF FY21-FY26 had five objectives, the first of which was to improve human capital, aiming at deepening Rwanda's human capital base while supporting poor and vulnerable groups. (CPF FY21-FY26: Report No.148876-RW, p. 32) This objective was in turn based on Rwanda's 2019 Systematic Country Diagnostic (SCD: Report No. 138100-RW) which identified human capital as a priority area/pathway through which the higher-level objective of increasing the growth-elasticity of poverty (improving human capital, private entrepreneurship, and addressing vulnerability through social protection) was sought to be achieved. The CPF FY21-FY26 identified at least three development challenges behind its focus on human capital and vulnerable groups that were well aligned with the project's development objective:

1. That the coverage of Rwanda's flagship social safety net, the VUP, remained low with only 4.4 percent of the population benefitting from the program, requiring consolidation of gains attained so far and introducing human capital-centered innovations. The CPF FY21-FY26 explicitly mentioned the present ICRR's Strengthening Social Protection Project (SSPP, P162646) and its Additional Financing (P166720) as the World Bank's approved project-level approach to continue strengthening the VUP (CPF FY21-FY26: Report No.148876-RW, p. 36). In addition, according to the CPF FY21-FY26, urgent reforms to the VUP were needed to improve the targeting mechanism by operationalizing a social registry that would serve social sectors beyond safety nets; expanding coverage of human capital focused social safety nets; and improving delivery systems, particularly digitized government-to-person (G2P) payments. (CPF FY21-FY26: Report No.148876-RW, p. 19)
2. That "stunting remains a major challenge, especially among the poor" with a 38 percent stunting rate (presumably referring to the stunting rate offered by the Joint Malnutrition Estimates for the year 2015), which together with low quality of education, "places the country in the lowest performing quintile in the Human Capital Index" (CPF FY21-FY26: Report No.148876-RW, p. 18). With an HCI of 0.37 in 2020, children born today in Rwanda would be just 37 percent as productive as adults compared with what they could have achieved with complete education and full health, as defined in the HCI. According to the CPF FY21-FY26, stunting was particularly high among the poorest households and those living in rural areas (50 percent), and less than 4 percent of Rwandan children had access to critical dimensions of child welfare: adequate care, environmental health, and access to a minimally accepted diet. The CPF FY21-FY26 also stated that "as the burden of stunting falls disproportionately on poor households, targeting these groups will also be critical to reducing inequality of outcomes and contributing to shared prosperity" (CPF FY21-FY26: Report No.148876-RW, p. 34).
3. That gender equality needs to be further promoted despite Rwanda's strong policy, legal, and institutional framework in this area. Particularly in terms of strengthening women's participation in tertiary and technical-vocational education; promoting women's economic participation through entrepreneurship, especially access to finance; building up women's participation in subnational

democratic bodies; and expanding response and prevention services to address Gender-based Violence (GBV) in all districts and sectors and support for awareness and behavior change. (CPF FY21-FY26: Report No.148876-RW, pp. 19-20).

These three development challenges were addressed to at least some extent in the project's development objective: challenge 1 through direct support to the VUP, and challenges 2 and 3 through focus on vulnerable groups. The project addressed these three development problems by expanding coverage of VUP's DS, cPW, a major expansion of gender and child-sensitive ePW, and by addressing demand-side elements for improving access to social protection by introducing the NSDS subcomponent, which sought, inter alia, incentivizing demand for key health and nutrition services. This complemented component 2's behavior change interventions, and the SPRP's supply-side support to reducing stunting, reflecting adequate coordination of Bank interventions in social protection when addressing development challenges articulated in the country strategies. Theme 2 of the previous country strategy also addressed social protection as a guiding theme for World Bank Group engagement. It sought "*Improving the productivity and incomes of the poor through rural development and social protection*", including investments in national safety nets (Country Partnership Strategy FY14-FY18 (CPS FY14-FY18: Report No. 87025-RW), p. 20). In addition, the project objective's emphasis on vulnerable groups was aligned with World Bank Group's core institutional areas of focus including Gender and Development, and Disability. In terms of the project objective's scope, by project appraisal the VUP had national coverage in terms of DS, benefitting vulnerable households primarily in Ubudehe Category 1 in the country's 416 geographical sectors, thus seeking to cover vulnerable groups at the national level. This reflected substantive advancement in the development of the social protection system in Rwanda which was in turn supported extensively by the Bank (see country context and previous sector experience, below), suggesting a level of ambition of the project's objective commensurate with the extent of World Bank engagement in the sector, more so with the project being the first IPF in support of the VUP and social protection.

Country context and previous sector experience. The GoR had shown firm commitment to social protection by providing continuous support to strengthening social protection systems with strong collaboration from Development Partners, including the World Bank through over a decade of engagement in the sector through Development Policy Financing (DPF) and a body of analytical and technical work (PAD, p. 19). By project appraisal, this collaboration was reflected in a safety net with well-established foundations in terms of policy, institutions, and operations, including key service delivery instruments like targeting mechanisms, a Management Information System for social protection, an update of the Ubudehe registry linked to national identification, and a grievance and redress system accessible by phone, web, and SMS. This benefitted from the World Bank's previous and/or ongoing support to social protection, largely based on DPF, including three important DPF series: Support to Social Protection System (SSPS – P126877-FY12, P131666-FY13, and P146452-FY14); Social Protection System Support (SPS – P151279-FY15, P155024-FY16, and P158698-FY17); and Human Capital for Inclusive Growth (HCIG – P171554-FY21, P173680-FY22, and P178113-FY23).

The project adequately internalized lessons from the Bank's previous support. The SSPS and SPS series provided, inter alia, assessments of program design and staff capacity, arguably the main constraint to achieving the project's development objective. According to the PAD, such assessments showed that LODA and MINALOC had played central roles in the establishment and implementation of the social protection sector but needed continued investments in reviewing design elements, and in staffing and capacity building including at the local level given growing decentralization in Rwanda (PAD, p. 13). The project adequately internalized this constraint by directly addressing it in component 3, which sought to build local and national government's capacity to implement components 1 and 2, as well as to improve the larger social protection system in Rwanda. This suggests that the project development objective was fine-tuned to constraints in the sector and operational contexts. In addition, support to reducing capacity constraints was complemented by the ongoing HCIG DPF series, which inter alia, supports strengthening decentralized capacity and accountability in Rwanda for accelerated human capital development.

The project objective was well aligned with Rwanda's National Social Protection Strategy (NSPS 2013-2018), specifically with one of its five key priorities: addressing child poverty and vulnerability in the poorest households; with the Economic Development and Poverty Reduction Strategy (EDPRS-2) 2013-2018; and with two of three pillars from the GoR's seven-year National Strategy for Transformation (NST1 2017-2024), namely Economic Transformation and Social Transformation, in addition to its cross-cutting areas of capacity development and gender, and its COVID-19 response plan (CPF FY21-FY26: Report No.148876-RW, p. 26). The pandemic response implied increasing combined budgetary financing needs to address public health and mitigate social impact, by an estimated 4 percent of GDP according to the CPF FY21-FY26, translating into substantive projected increases in fiscal deficit and public and publicly guaranteed debt as shares of GDP in 2020 and 2021, which was nevertheless expected to be sustainable given Rwanda's strong debt-carrying capacity and reliance on concessional borrowing (CPF FY21-FY26: Report No.148876-RW, p. 10). Therefore, while the reallocation and restructuring of project funds were approved to, inter alia, support the project to catch up with time loss due to COVID-19 restrictions (see section 2e above), Rwanda's response to the pandemic was not expected to create a fiscal constraint to advancing the project's objective.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Improve the effectiveness of the social protection system for targeted vulnerable groups.

Rationale

The project's logical framework is reasonably clear and so is the Bank's contribution to improving the effectiveness of the VUP, especially in terms of coverage. However, it is difficult to separate the overall individual effect of the project from the contributions of past and parallel World Bank engagement, as well as from contributions from other DPs, among which, nonetheless, the Bank plays a prominent role. The Results Framework (RF) in the PAD and ICR showed a logical flow of activities leading to achieving the objective, and the ICR provided a retrofitted theory of change that illustrated this flow (as per OPCS guidelines, including the ToC became mandatory for PADs as of May 2018, yet the project's financing was approved by the World Bank's Board of Directors on November 27, 2017, so no ToC was included in the PAD.) The ToC showed logical reasoning as summarized in the following points related to the project's definition of effectiveness:

i. It was reasonable to expect that by financing 40 percent of the costs of the VUP safety nets, timely delivery of DS, continuation of cPW, expansion of ePW, and introduction of nutrition-sensitive DS, would lead to increased DS, cPW and ePW coverage, which would in turn contribute to effective coverage of the poor and vulnerable, and thus to a more effective VUP targeted to vulnerable groups. However, this benefitted from a strong safety net system including a pre-existing MEIS that already identified eligible households and to which past Bank support had contributed to. This suggests that the project's contribution was incremental, building on past Bank support to the VUP. The MEIS, alongside an advanced stage of decentralization and a strong enough payment system (which nevertheless needed improvements through digitalization) not only allowed increasing VUP coverage but also using the project to effectively respond to COVID-19.
ii. Increasing the guaranteed number of days for PW would also increase the size of transfers households receive, because continuing cPW with an improved design and delivery system would be expected to increase the number of workdays offered and enhance adequacy of annual transfers.
iii. The activity of expanding eligibility criteria to include Ubudehe-1 single-worker households caring for a person with a disability would reasonably lead to expanded coverage of the poor and vulnerable.
iv. Since ePW were new and built from scratch by the project, the Bank's contribution to expanding coverage through ePW was plausible. Moreover, the retrofitted ToC in the ICR showed the activity of expanding coverage of gender and child-sensitive ePW would lead to expanded coverage of vulnerable groups, which was logical. On the other hand, there was also parallel support from other DPs in this area which is not reflected in the ToC. UNICEF supports work to improve the gender and child sensitivity of the labor-intensive PW programs and strengthen social protection support to ECD (ICR, p. 27)
v. It was reasonable to expect that strengthening capacity at the national and local levels would improve delivery systems including the frequency and timeliness of payments (i.e., supporting the development and integration of a new payment module into the MEIS, upgrading the system to report on payment timelines for cPW and ePW, training local staff on the CMS, and piloting the e-payments and workflow system, would plausibly contribute to addressing grievances and increasing the frequency and timeliness of DS, cPW and ePW payments.) However, other DPs also played a role in strengthening capacity such as the United Kingdom's Foreign Commonwealth and Development Office (FCDO, formerly DFID) strong support to LODA and MINALOC (ICR, p. 27) yet this is not explicit in the ToC.
vi. Through the NSDS, support to the CRVS, SLE, and HB-ECD under the ePW, all of which were new interventions within the social protection system in Rwanda linking benefits to human capital development, it was plausible that the project contributed to improving human capital through the VUP.

The long-standing engagement of the Bank in improving the VUP alongside strong complementarity between Bank operations (e.g., the project's NSDS complementarity with the SPRP), suggest that while the project contributed to increase VUP coverage, it is difficult to separate its overall individual effect on VUP effectiveness from all other Bank projects, making more sense to talk about Bank contribution as opposed to a single project's contribution. Similarly, it may also be difficult to separate this overall effect from other DP support like the FCDO and UNICEF, given their complementarity in supporting MINALOC and LODA, and ECD, respectively, and FCDO being the lead donor agency for Social Protection (ICR, p.27). It may make more sense to recognize that, while the project and the Bank's contribution to VUP coverage is clear (i.e., in the absence of the project the VUP's coverage would be less than it currently is), achievements in improving the social protection system and the overall effectiveness of the VUP are probably the result of a long-standing successful concerted effort between the GoR, the Bank, and other DPs, in which the Bank was a key contributing actor.

Outcomes

Outcome 1: Increasing the overall number of beneficiary households (coverage), thereby increasing the number of households receiving income protection.

All of Rwanda's 416 sectors were covered by DS at project completion as were all 270 sectors targeted for cPW and 300 sectors targeted for ePW. Together, the VUP's three components (DS, ePW and cPW) reached a cumulative number of 1,937,555 beneficiaries, exceeding the end target of 1,452,500. Of these, 1,008,994 were female beneficiaries, exceeding a target of 726,250 and a baseline of 506,250. Similarly, beneficiaries of unconditional cash transfers reached 328,527 surpassing a target of 211,000 and a baseline of 189,000; and combined beneficiaries of cash-for-work, food-for-work and public works reached 1,609,028 above a target of 925,000 and a baseline of 540,000. This led to an overall increase in the number of beneficiary households covered by the VUP. Of all eligible households, VUP coverage increased to 92 percent in targeted sectors (including ePW, cPW and DS), exceeding the target of 70 percent and a baseline of 67 percent. Similarly, of all eligible households, VUP Public Works coverage increased to 90 percent, exceeding the target of 70 percent; and VUP Direct Support coverage continued to cover 100 percent of eligible Ubudehe 1 households.

The project was a vehicle designed to increase VUP safety net coverage, suggesting that the project's contribution to this effect was plausible. By financing a significant portion of VUP safety nets directly related to the expected outputs, intermediate outcomes and outcomes -- 40 percent of the costs of the VUP safety nets, including cash transfers, PW wage and non-wage costs (including capital costs of cPW), and associated administrative costs, the project can reasonably be expected to have contributed to increasing coverage in the three components of the VUP (DS, cPW and ePW).

Outcome 2: Increasing the guaranteed minimum number of days work for PW, thereby effectively increasing the size of transfers households receive.

The project achieved the minimum number of workdays of cPW employment for 68 percent of cPW households, exceeding its target of 50 percent and well above a baseline of 32 percent. However, the average annual number of days of work for cPW beneficiaries (63 days) declined marginally from a baseline of 64 percent due to the pandemic and related containment measures, which led to work requirements being waived off for more than 50,000 beneficiaries as well as to some Districts increasing their number, which in turn led to a decrease in the number of workdays per household. It was expected, nonetheless, that with COVID-related constraints lifted, the average number of workdays would increase.

Outcome 3: Expanding eligibility criteria for Direct Support (DS) to include more labor-constrained households under DS.

The percent of eligible DS households that received their full DS entitlement increased from 0 at baseline to 100 percent at completion. This was achieved thanks to an increase in frequency and timeliness of payments such that beneficiaries were paid on time during the reporting period. The project also increased coverage of the poor and vulnerable by expanding eligibility to about 11,000 Ubudehe 1 single-worker households caring for a person with a disability. After the expansion, VUP Direct Support coverage continued to cover 100 percent of eligible Ubudehe 1 households.

Outcome 4: Introducing ePW to provide more accessible jobs to those ineligible for DS but still with labor constraints, which would allow more households with limited labor capacity to access benefits.

The project designed and introduced HB-ECD as a new modality under ePW to contribute to nutrition and early stimulation outcomes by providing poorer households with knowledge and income support for investments in the early years of life. It enabled families with child-caring responsibilities to get paid while learning, and delivered nutrition, early stimulation and better parenting knowledge and practices in specific childcare centers. However, HB-ECD implementation was halted by COVID-19 in March 2020 which interrupted trainings, phased implementation, and rollout of the program. HB-ECD centers reopened alongside schools in February 2021 after which the coverage target of 300 sectors was achieved. By project completion, there were 4,993 HB-ECD centers established and operating (3,620 had been refurbished or renovated, and 4,395 had been equipped with basic start up kit), providing services to 73,181 children. A total of 3,854 community/home-based childcare ePW supervisors were trained compared to a target of 2,500 and a baseline of 0; similarly, 3,174 community meetings were held where behavior change parenting sessions were delivered compared with a target of 1,300; and the coverage of ePW exceeded that of cPW, reaching 99,144 households compared to 81,169 households, respectively. And the share of ePW households that received their full ePW entitlement in the reporting period was 75 percent, exceeding a target of 60 percent.

The project, however, did not track behavior change results related to the HB-ECD innovation added to the ePW. HB-ECD supported poorer households with parenting knowledge and income support for investments in early years of life including nutrition and early stimulation. Its activities promoted behavior change in parenting practices (and were exceeded), but actual behavior change was not tracked in the RF. It thus remained uncertain in the ICR as to whether ePW worked to improve human capital creation, as proposed in the retrofitted ToC. This was reflected in the associated PDO outcome which focused on reception of full ePW entitlement but did not cover behavior change results (PDO 5).

Outcome 5: Increasing the frequency and timeliness of payments, which will increase the reliability of income support.

The project successfully contributed to improvements in timeliness of payments through the development and integration of a new payment module into the MEIS, as well as by upgrading the system to report on payment timelines for both PWs. The project completed automation of the VUP MEIS' e-payment module, covering the payroll generations of DS, cPW, ePW and NSDS. The e-payments and workflow system was subsequently piloted in six districts and since then has been rolled out across all districts but two. Through this digitization of safety net payments, clear data sharing protocols, and new modules and improved operational procedures for interoperability, the project strengthened the underlying institutional mechanisms of social protection service delivery. Outputs leading to this result include a strengthened functionality of CRVS system to allow timely sharing of vital information with other relevant databases; diverse media CRVS campaigns carried out to improve registration of vital life events (births/deaths) and importance of vital statistics for policy planning and service delivery; and addressing all registered grievances. By completion, the project successfully contributed to improving the timeliness of payments: the share of VUP cPW beneficiary payments delivered on time was 97 percent, surpassing a target of 50 percent from a baseline of 0. In addition, the shares of eligible DS and ePW households receiving full entitlements exceeded their own targets of 60 percent, achieving 100 percent and 75 percent, respectively.

The project, however, fell short of the target share of beneficiaries who received their NSDS benefit payments on time (60 percent), achieving only 54 percent, and in the number of local government staff trained on the grievance and redress system (i.e., Citizen's Monitoring System) (892 staff), training only 567. The ICR explained that the underachievement of beneficiary payments under the NSDS was the result of the latter being a new program introduced by the project, and that the enrollment of beneficiaries and processing of payments required multiple time-consuming steps to interlink government systems (Health MIS, ID System, and LODA MEIS) that took longer than expected (in addition to difficulties with beneficiaries' inactive mobile numbers who could not receive payments), but that the NSDS was expected to solidify and thus payment timeliness was expected to continue improving soon after project closure. Given the Bank's experience and deep knowledge of the sector, the NSDS being new doesn't seem sufficient to explain why the Bank didn't anticipate difficulties in making information systems interoperable for ensuring timeliness in beneficiary payments. That said, the Bank's longstanding and continued support to social protection after the ICR did suggest that the expectation that the NSDS would solidify soon after project closure was reasonable (e.g., a follow-up IPF supporting social protection, the "Social Protection Transformation Project" – FY23 (P177492) was in the pipeline at the time the ICR was finished, aiming at strengthening the social protection programs and delivery systems and to improve access of poor and vulnerable households to human capital and economic inclusion services). On the other hand, the ICR offered no explanation for the underachievement of the CMS target.

<u>Outcome 6: Improving the Human Capital Contribution of the VUP.</u>

Through the NSDS, support to the CRVS, SLE, and HB-ECD under the ePW, all of which were new interventions within the social protection system in Rwanda linking benefits to human capital development, the project contributed to improving the human capital contribution of the VUP. In contrast to the ePW HB-EDC, NSDS behavior change was in fact tracked: the project incentivized the uptake of health and nutrition services including maternal and childcare services, achieving behavior change in some areas as evidenced by the exceeded targets in the percent of 0-6 week old children attending 2 PNC visits and the percent of enrolled children 7 weeks to 24 months attending 6 height for age measurement; and progress made in the percent of pregnant women attending 4 antenatal care visits (despite the target of this intervention being underachieved). There was, however, no indicator in the RF related to improvements in parenting practices on cognitive stimulation of young children and appropriate feeding, which were part of component 2 activities complementing NSDS. Nonetheless, given the national scope of the VUP, the project's weight in expanding the VUP, and the Bank's long-term engagement in social protection in Rwanda, this behavior change makes it plausible that NSDS interventions contributed to at least part of the reduction in stunting between 2014/15 and 2019/20 (38 to 33 percent). Moreover, the project also strengthened NSDS delivery systems and enabled NSDS' rapid growth by facilitating the interoperability of LODA MEIS with an upgraded Health MIS and incorporating modules for the NSDS. According to the ICR, by December 2021 the NSDS' coverage reached 202,738 beneficiaries (56,641 from Ubudehe category 1 and 146,097 from Ubudehe category 2), exceeding the planned 60,000 households; and at project completion 90.5 percent of eligible households in Ubudehe 1 and 2 with children under the age of 2 years were receiving child sensitive cash transfers, greatly exceeding the target of 60 percent. The problem of attribution to the project persists, however, because of the complementarity between Bank engagements which confounds their individual effects, for example that supply-side interventions provided by the SPRP complemented demand side interventions by the project's NSDS. Attribution is more plausible to overall Bank support as opposed to single projects. In terms of the CRVS, the ICR clearly stated that its function of improving birth registration by issuing unique identifiers at birth and birth registration was critical for timely enrollment into the NSDS and HB-ECD, thus making project support to the CRVS key in advancing the human capital contribution of the VUP. Through the project, a CRVS Action Plan was completed and operationalized for priority activities related to birth registration, certification and the assignment of unique identifiers at birth, achieving 94 percent of birth registrations; support to CRVS also facilitated issuance of birth certificates at a health facility or at the Cell level rather than just the Sector level. Finally, the project conducted preparatory work for the rollout of the SLE and para-social workers approved by the government to provide regular hand-holding, mentoring, and coaching of the poorest households as well as to link them to livelihoods enhancement opportunities. By project completion, 14,752 para-social workers (including 9,997 in 20 districts supported by the project) were recruited nationwide, trained and are operational. This intervention complemented support through the NSDS and CRVS to improve the human capital contribution of the VUP, yet it had no follow-up in terms of outcomes in the RF.

Rating
Substantial

OVERALL EFFICACY

Rationale

The project, together with other well-coordinated World Bank and DP interventions, contributed to increasing the effectiveness of the social protection system in Rwanda, notably the VUP, for targeted vulnerable groups. The project's contribution to this effect was notable given its sheer magnitude especially in relation to VUP coverage, and given that it exceeded by far most of its expected results and targets. With that said, the project did not fully achieve all intended development outcomes. All aspects of effectiveness of the VUP as defined at entry were addressed by the project, and most outcomes were fully achieved except for the target share of beneficiaries who received their NSDS benefit payments. The retrofitted ToC offered by the ICR had good logic and was overall consistent with the RF. In addition, the contribution of the project to achieving the PDOs was plausible considering the substantive weight of the project in directly financing the VUP and in responding to COVID-19 in the social protection sphere; the strong government coordination of DP work in social protection through the SWG; and the Bank's long-term and continued engagement in the sector; all of which created a strong case that in the absence of the project the increase in effectiveness of the VUP would have been at least not as high as with the project, especially in terms of coverage. On the other hand, the long-standing engagement of the Bank in improving the VUP alongside strong complementarity between Bank operations (e.g., the project's NSDS complementarity with the SPRP), suggest that while different projects likely contributed to achieving their own objectives, it is difficult to separate their individual effects, making more sense to talk about Bank contribution as opposed to a single project's contribution.

Overall Efficacy Rating

Substantial

5. Efficiency

The PAD assessed the project's economic impact through different approaches depending on the project component. Assessment of component 1 was done through simulations of fully implementing coverage expansion of DS, cPW, and ePW and its impact on poverty reduction and cost-effectiveness. Survey data from the EICV4 (from 2012/2013) was used to conduct the microsimulations that estimated the project's poverty impact. Simulations involved all three of the expected improvements (coverage, timeliness of payments, and adequacy of PW transfers) and resulted in an estimated reduction in the extreme poverty rate by 4 percentage points, from 16 percent to 12 percent, and overall poverty by 5 percentage points from 38.5 percent to 31.3 percent. Among beneficiaries, extreme poverty was expected to decline to 1.3 percent and total poverty to 6.6 percent. In turn, simplified benefit-cost ratios for the VUP and each of its components, where the benefit was the reduction in the poverty gap due to the transfer and the cost was the total amount spent on the program, showed that the VUP was cost-effective: in Rwanda, for every Rwandan franc spent in the VUP, the poverty gap was expected to drop by RWF 0.7, which was well above regional averages of 0.2 (PAD, p. 18). This constitutes evidence in favor of high value-for money in the project's investments in the VUP. Assessment of component 2 was based on secondary evidence on the economic returns from investing in young children's health, nutrition, and cognitive development. The PAD stated that "international evidence clearly suggests that social protection programs can be designed and implemented to make significant contributions to accessing services and addressing core child development areas." (PAD, p. 18) It highlighted consistent evidence on the positive impact of behavior change communication interventions on improving nutrition outcomes by changing nutrition practices through education, counseling, and social media; and was upfront on the somewhat positive but overall mixed evidence of the impact of livelihood interventions on measures of economic returns, like increased household consumption.

The ICR applied the same methodology as the PAD, with updated microdata, although did not explicitly present results by project component. It assessed the project's impact on poverty reduction and its levels of cost-effectiveness based on microsimulations conducted for the forthcoming Rwanda Social Protection Public Expenditure Review (PER). Since the GoR could not conduct EICV6 in 2020 due to COVID-19, World Bank-updated microdata from EICV5 (collected in 2016-2017) that adequately reflected the situation for Rwanda's households in 2020/2021, was the basis for the analysis. The Bank's EICV5 update was conducted in the Rwanda Economic Update 2021 (https://openknowledge.worldbank.org/handle/10986/35111). Overall, the ICR's analysis showed that the project's significant expansion of social protection benefits had a positive impact on poverty reduction in Rwanda, thereby ensuring inclusive growth and boosting human capital. The interventions led to a simulated reduction in poverty of 2 percentage points (lower than the 5 percentage points estimated at appraisal), led by DS with a poverty reduction impact of 0.8 percentage points and followed by NSDS (0.5 percentage points), ePW (0.4 percentage points), and cPW (0.4 percentage points) (extreme poverty impact was also assessed, with a similar ranking order). In terms of cost-effectiveness, there was variation across VUP components: DS showed low levels of cost-effectiveness due to its broad targeting criteria, while PWs showed high cost-effectiveness due to their high targeting accuracy (cost-effectiveness was 66% for cPW, 51% for NSDS, 47% for ePW, and 34% for DS). Thus, the ICR concluded that DS' higher impact on poverty reduction was due to high coverage and high benefit adequacy rather than it being narrowly targeted to poor households, while PW's lower poverty reduction impact was the result of their comparatively small program size, even with higher targeting effectiveness. Simulations also showed, however, that overall targeting by the project was adequate with PW's beneficiaries covering 40% of the lowest quintile and DS and NSDS covering about a quarter. Regarding the project's contribution to human capital, like the PAD, the ICR argued through secondary evidence that through the project's innovative approaches that sought contributing to reducing chronic malnutrition (NSDS, HB-ECD and CRVS), the project was expected to reduce stunting rates and contribute to the broader agenda of building human capital. It backed this expectation with the "extensive evidence from numerous impact evaluations on the human capital-related impact of cash transfers to poor households in both low and middle-income countries", which included evidence found in Latin America and Africa. (ICR, pp. 54-55).

Implementation and administrative efficiency was high, considering that there were only moderate implementation shortcomings affecting NSDS benefit payment delays. The project had one 6-month extension to the original project closing date, from June 30, 2021, to December 31, 2021, which was used effectively to meet coverage targets related with HB-ECD and SLE, and NSDS, towards which progress had been slow until restructuring (see section 2e. above), and to implement COVID-19 response elements of the VUP. Thus, despite big challenges including COVID-19 and the project being the first IPF supporting the VUP, all project objectives related to coverage were achieved or exceeded within the project's expected timeframe, involving only a short extension. However, the delayed NSDS benefit payments reflected the need to improve within Bank coordination between sectors which would have accelerated achievement of interoperability between the HMIS, ID System and LODA MEIS, which took longer than expected. The value added from the HMIS to the NSDS was identified during implementation but the Bank was slow to capitalize on it given little coordination in this respect at appraisal between the Social Protection and Health Global Practices (Task Team Comments, February 2, 2023).

Finally, high administrative efficiency was reflected in low administrative and operating costs, equivalent to about 5.2 percent of the total project costs (the project management costs of the SPIUs in LODA and MINALOC totaled US$5.3 million over the project's four years), comparatively lower than all social safety net programs in Rwanda as a share of total social safety net expenditures, which the forthcoming PER reports as 9 percent of total social safety net expenditures (and 17 percent of total spending for social safety net programs in Sub-Saharan Africa) (ICR, pp. 21-22).

Overall efficiency is rated Substantial given high value-for-money as measured by the significant return (in terms of poverty reduction) to the project's contribution to expanding social protection benefits, and only moderate shortcomings in implementation and administrative efficiency related to slow coordination between Bank sectors.

Efficiency Rating

Substantial

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 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

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

6. Outcome

The overall Outcome rating is Satisfactory. The project objective was highly relevant vis a vis the Bank Group's CPF FY21-26 and SCD-FY19's human capital priorities, Rwanda's country context of low growth elasticity of poverty (requiring inter alia, high investments in human capital), and was commensurate with the Bank's long history of engagement in support of the VUP. Moreover, the relevance of objectives was further enhanced by the instrumentality of the project to respond to COVID-19. The project objective was supported by a shock-flexible and logical RF reflecting the Government's policy priorities and local capacity constraints, also generally consistent with a retrofitted ToC offered by the ICR. However, it is difficult to separate the project's individual impact on increasing the effectiveness of the VUP given the World Bank's history of strong engagement in the sector, its parallel complementary interventions, and complementary efforts from DPs. In addition, the project did not achieve all of its intended development outcomes. Efficiency was Substantial in view of its high value-for-money as measured by the significant return (in terms of poverty reduction) to the project's contribution to expanding social protection benefits, but moderate shortcomings in implementation and administrative efficiency related to insufficient coordination between Bank sectors at appraisal.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

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8. Assessment of Bank Performance

a. Quality-at-Entry

Based on the information provided, the Bank adequately identified, facilitated preparation, and appraised the project so that it was most likely to improve the effectiveness of the VUP for targeted vulnerable groups. However, the Bank could have ensured better coordination at appraisal between Social Protection and Health sectors to avoid implementation delays related to the NSDS. (Task Team comments, February 2, 2023).

First, the project's choice of IPF instrument was adequate because its timing effectively internalized long-standing DPF support to the VUP by the Bank. Through three DPF series (of which the oldest one started in 2009), the Bank supported policy actions to improve the effectiveness and efficiency of the VUP, helping it reach a level of maturity that justified the use of IPF as a new instrument for building capacity at the delivery level, which was the appropriate next step for strengthening the VUP and had not been done until then. To this end and based on lessons from the SPS series, the project carried out an institutional capacity assessment during preparation that identified specific needs-based capacity-building activities to be integrated in project implementation plans. Capacity challenges identified and addressed included, inter alia, financial management and procurement capacity required at the central and local levels for effective IPF implementation, for which the project also created new positions within the MINALOC and LODA SPIUs.

Second, the project incorporated findings from key analytical work in its design, thereby improving it. Some important findings came from a 2014 impact evaluation of the VUP which found that stronger VUP DS and cPW impacts on household wellbeing could be improved if, inter alia, the timeliness of and predictability of DS and PW payments were improved, PW were extended to more eligible households and better adapted to the needs of labor-constrained households, and DS targeting criteria was expanded to include more vulnerable households. These aspects were all incorporated in project design.

Third, the project ensured complementarity and consistency with other related Bank operations, especially regarding the Bank's overall assistance package to help reducing undernutrition. The NSDS and the SPRP were designed as a joint program for supporting demand and supply side elements of combating chronic malnutrition, respectively, with the NSDS being deliberately focused on the 13 priority districts of the SPRP to ensure delivery of a comprehensive package to the same targeted populations. The NSDS was part of the project's additional financing which also added behavior change communication and strengthening CRVS information system interventions, both of which would help the NSDS achieve its objectives. On the other hand, underachievement of timely NSDS payments reflected insufficient coordination between the Bank's Social Protection and Health Global Practices at appraisal. More coordination would have likely accelerated achievement of interoperability between the HMIS, ID System and LODA MEIS, which took longer than expected in practice and affected timely payments. The importance of the HMIS to the NSDS was identified during implementation but the Bank was unable to quickly take advantage of it (Task Team comments, February 2, 2023).

Fourth, the project launched important innovations through its ePW and NSDS interventions that helped make social protection more focused on human capital by focusing on nutrition, early childhood development, and gender.

Finally, the project's interventions were fine-tuned to meet the needs of the COVID-19 pandemic, reflecting high adaptability of project design to changing demands from unforeseen shocks. This high adaptation capacity was reflected in adjustments across project interventions including the expansion of NSDS eligibility criteria, coverage of DS and ePWs, waiving off work requirements for PW beneficiaries, and the digitization of VUP payments, all of which became even more relevant for responding to the pandemic. (Aide Memoire, Last Implementation Mission, October 4-12, 2021, p. 6) High adaptability was also the result of a strong pre-existing MEIS that already categorized eligible households, an advanced stage of decentralization in the country and a strong enough payment system. (Task Team comments, February 2, 2023)

Such capacity-building support, analytical inputs to the design, well-crafted complementarity across operations, and high project adaptation capacity to shocks, reflected strong Bank performance in ensuring quality at entry. However, more sector coordination at appraisal within Bank sectors could have avoided implementation delays.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

According to the ICR (p. 32) "the World Bank continued to provide strong, timely, results-focused supervision that was aligned with the Government's priorities and that of its donor partners." Throughout implementation the Bank effectively coordinated supervision missions with DPs through engagement sessions to ensure alignment between their support to social protection and the project's, especially alignment with FCDO's support through its recent £64 million Social Protection program. The Bank's supervision was also proactive in building the required capacity in MINALOC and LODA to successfully implement the first IPF in support of the VUP and social protection. According to the ICR, the implementation support team faced the challenge of providing hands on support and assistance to these two entities for fiduciary and safeguard issues and for helping address routine issues, including monitoring, required to keep implementation on track, none of which had taken center stage in earlier DPF support. Finally, the Bank was successful in working with the GoR to adapt the project quickly and appropriately to the GoR's COVID-19 response by expanding VUP coverage to the most vulnerable households and by effectively restructuring the project to meet new demands brough about by the pandemic, while ensuring continued progress toward achieving the project's development objectives. The Bank adequately identified and addressed fiduciary risks at entry related to FM and procurement (due to low capacity) and applied appropriate mitigating measures during implementation.

Quality of Supervision Rating

Highly Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

By appraisal, the project's M&E design was grounded on an already developed social protection-specific M&E framework that existed outside of it. According to the PAD (p. 15), the project's RF was based on selected results indicators that were closely monitored within the GoR and that were drawn from the national Social Protection Sector-wide M&E Framework, in turn monitored by the government-led SWG (the SWG oversaw sector-wide M&E through bi-annual joint social protection sector reviews to assess performance on policy, outputs, outcomes and to make recommendations for the future). The PAD also clearly defined the agencies in charge of the project's M&E, stipulating that the LODA M&E Unit and the NECDCP were to monitor and report on the project's results indicators.

The project's M&E design also accounted for the client's inexperience with the IPF as well as for existing capacity constraints related to social protection delivery systems and local government. According to the ICR (p. 28), the PDO outcome and intermediate results' indicator targets were defined cautiously to account for possible fiduciary and other project management-type delays that could occur while the implementing agencies acquired experience with the IPF. Additionally, component 3 of the project would support MINALOC and LODA with staffing, training, and technical advice to improve VUP monitoring mechanisms, and impact evaluation design and implementation. The design would also support further operationalization of the integrated Social Protection Management Information System (iSP-MEIS), including LODA-MEIS and its interoperability with an upgraded Health MIS to incorporate modules for the NSDS.

The RF was designed or planned to track PDO and intermediate-level results indicators, but no outputs. However, the ICR included outputs in a separate section called "Key Outputs by Component" and in a retrofitted ToC. While there was clear logic between activities, intermediate results and PDO outcomes in the RF, the outputs seemed to add little value to the monitoring function to the extent they were often intermediate or PDO results simply restated as outputs, and otherwise not actually tracked by the project. The outputs were thus superfluous.

b. M&E Implementation

Project monitoring was implemented regularly and timely, but there were notable challenges in linking different information systems with each other that could have probably been anticipated, with the implication of implementation delays for the NSDS. According to the ICR (pp. 28-29), M&E implementation was adequate to the extent the different reporting mechanisms operated well throughout the project, including the bi-annual SWG mission reviews and narrative reports; field visits by MINALOC, LODA, MoH/Rwanda Biomedical Center-RBC; monitoring tools through field officers and volunteers; and operational reviews/studies for ePWs and NSDS. The project also supported the establishment of systems for real time data collection and feedback from beneficiaries; and designed, developed, finalized and rolled-out the iSP-MEIS, also strengthening the LODA-MEIS. Through Additional Financing for component 3, it also supported M&E for NSDS and issuance of unique IDs at birth at the health facility or Cell level (through support for the CRVS), which enabled NSDS beneficiary administration. On the other hand, the project did not anticipate difficulties in fully achieving information systems' interoperability within the project's timeframe, resulting in challenges to systematically collect information from health facilities for monitoring and reporting NSDS co-responsibility results.

c. M&E Utilization

According to the ICR, project monitoring accomplished real-time feedback on implementation, providing key input for the bi-annual SWG meetings and allowing for government-led retrospective evaluations on progress, and prospective M&E planning. More generally, the M&E systems strengthening was an important achievement of the project that facilitated the interoperability of the various systems related directly to the VUP's beneficiaries (despite delays related to NSDS). This in turn enabled operational reviews to be carried out, one of them by LODA on home/community-based childcare scheme and NSDS with a substantial citizen feedback component, which provided evidence for course correction during project implementation and design of the follow-on IPF (P177492). In addition, according to the follow-on IPF's PAD (P177492 PAD, p.29), the project's ICR provided a valuable M&E lesson, specifically that information systems showed to be dynamic instruments that are continuously adapted to new activities, programs, and processes in real time, and respective financing should be secured. The new IPF's support to the Social Registry (SR) reflected this consideration, seeking to make the SR system more dynamic to enable real-time policy and program responses to various shocks.

M&E Quality Rating

High

10. Other Issues

a. Safeguards

Applicable safeguard policies

Social

The only social safeguard policy triggered by the project was ***Involuntary Resettlement (policy OP/BP 4.12).*** The PAD (pp.22-23) anticipated the following social risks in relation to proposed project activities: loss of land, loss of assets, loss of crops and trees, loss of economic business or means of livelihood, child labor, gender-based violence, sexual abuse, and escalation of STD/HIV, especially during ePW.

Environment

According to the PAD (p.24), the project was assigned Environmental Assessment Category B since it was to finance subprojects involving the execution of various PW activities in numerous sites that would potentially affect the environment. The types of subprojects to be implemented under the VUP PW were characterized by their labor intensity and included access road construction and rehabilitation, urban drainage, marshland reclamation, terraces' construction, schools' and organized settlements' construction, and rehabilitation and construction of water and sanitation networks. In addition, while physical cultural resources were not fully known at appraisal, some PW could be carried out in the influence area of some sites, such as graves that could be in the right-of-way. The project thus triggered ***Environmental Assessment (policy OP/BP 4.01)***, ***Natural Habitats (policy OP/BP 4.04)***, and ***Physical Cultural Resources (policy OP/BP 4.11)***.

Assessment instrument and mitigation plan

To ensure proper assessment and mitigation of the potential adverse environmental and social impacts of activities under the project, and because the exact subproject implementation areas were not known in advance at appraisal, an Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) were prepared for guiding the implementing agency on how to address any environmental and social impacts of project investments. Each PW subproject would be screened, and if Resettlement Action Plans (RAPs) were found to be necessary, they would be prepared, cleared, disclosed, and implemented before the commencement of civil works, in accordance with World Bank OP 4.12.The ESMF included a review and approval process that would screen the subprojects for site-specific environmental impacts and propose the appropriate mitigation actions and policy instruments. (PAD, p. 23; ICR, p. 30) The subprojects safeguards instrument (RAPs, Environmental and Social Management Plan [ESMP]) would be prepared and implemented by the implementing agency, LODA.

Compliance

According to the ICR, the project began with a shortage of capacity to prepare safeguard instruments and ensure social and environmental safeguards compliance, which was adequately addressed by providing hands-on capacity building to LODA for improving quality and timeliness in the preparation and clearance of resettlement instruments and environmental screening of subprojects. Through this support, the project contributed to improving the capacity of social protection implementing agencies on social and environmental aspects, which was recognized and highly appreciated by implementing agencies after the project closed (Task Team comments, February 2, 2023)—there were notable improvements in the quality and timeliness of safeguard instruments, reflected in an increase of a previously persistent safeguards rating of Moderately Satisfactory to Satisfactory by project completion. Accordingly, planned mitigation activities were successfully carried out throughout the project's lifespan. According to the ICR (p. 30), over the implementation period 579 subprojects submitted were classified as environmental category C, for which simplified ESMPs were prepared, and 25 radial terraces subproject were classified as category B and ESMPs and resettlement plans were prepared since they were expected to cause temporary restriction on land during the establishment of activities.

In addition, a Grievance Redress Mechanism (GRM) was put in place in all districts. The project established, trained, and operationalized Grievance Redress Committees in all sectors before beginning the implementation of cPW and ePW subprojects, with all 1,153 grievances that were registered being resolved. Grievances received were mainly related to beneficiaries that were missing on the payroll list and those whose crops were still growing on land where radical terracing was to be established.

Finally, according to the AF's Project Paper (p. 21), The AF did not change the project's original social safeguards arrangements. The AF, which primarily supported the NSDS cash transfers, resulted in increased expected generation of medical waste, but no additional environmental safeguards policies were triggered. The parent project's ESMF was revised to incorporate measures for the adequate arrangement of anticipated incremental medical waste. The ICR, however, does not mention this.

b. Fiduciary Compliance

Financial management

According to the PAD (p. 21), a financial management assessment of LODA, MINALOC, and participating districts was conducted at appraisal. It identified, inter alia, risk areas related to delayed funds flow to the beneficiaries, and a staffing gap to absorb workload generated by the project. Mitigating measures included the recruitment of additional FM staff, the preparation of detailed FM and disbursement guidelines, and capacity building on FM and internal audit. These measures worked as reflected in the project's satisfactory financial management performance throughout the project's lifespan. According to the (ICR, p. 31) such performance was audited three times by the Office of the Auditor General, and the audit reports were submitted in a timely fashion with no material abnormalities identified. The ICR recognized a Substantial fiduciary risk for the project "given the complexity of delivering low-value, high-volume transactions at decentralized levels with variable and mixed public FM capacities, together with the lack of adequate human resource capacity effectively to absorb workload generated by the Project and meet FM standards and avoid delayed funds flows. The lack of experience with World Bank requirements for IPF operations increased the risk." (ICR, p. 31)

Procurement

According to the PAD (p. 26), a procurement capacity and risk assessment carried out for MINALOC and LODA at appraisal identified the lack of experience in Bank procurement regulations as the main risk behind potential noncompliance, lack of adequate procurement staff in LODA, weak contract management capacity, and limited supply markets. Accordingly, the PAD proposed mitigation measures including recruitment of one additional Procurement Specialist under the LODA SPIU, project procurement guidelines, a series of trainings conducted jointly by LODA and the World Bank, and engagement with market providers. Despite such measures, the project's procurement rating was downgraded from Satisfactory to Moderately Satisfactory according to ISR sequence 5 of November 20, 2019, and never recovered. The ISR (p. 2) stated that the procurement performance rating was downgraded due to delays in processing of critical procurement of services as well as lack of timely status updates in the STEP including uploading of relevant documents. In the ICR the procurement rating was kept at MS only to ensure sustainability of improvement since during project implementation LODA was able to catch up and improve as reflected in achieved or exceeded result indicators (Task Team comments, February 2, 2023). Overall, the project's procurement capacity and performance had improved over time, and both LODA and MINALOC gained adequate experience with procurement under World Bank-financed projects, including in oversight of the procurement function. (ICR, p. 31)

c. Unintended impacts (Positive or Negative)

According to the ICR (pp. 23-24), the main unintended positive effects of the project were related to the adjustments to the VUP as part of the Government's response to the COVID-19 pandemic. Namely, the expansion of NSDS eligibility criteria, expanded coverage of DS and ePWs, and waiving off work requirements for PW beneficiaries. In addition, the success with implementation of the ePW HB-ECD program motivated the Government to extend the program to other non-targeted beneficiaries. The ICR stated that an additional 29,313 ECDs (including community- and home-based ECDs) had been established across all of Rwanda's 30 districts, reaching almost 910,000 children aged 3 to 6. Based on the Project's experience, the Government adopted a policy change through a strategy to establish three ECDs in each village, for a total of over 44,000 new ECD Centers. More generally, the GoR's COVID-19 response through the project translated into a larger pool of VUP beneficiaries.

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Satisfactory	Satisfactory	The objective was almost fully achieved and with mixed attribution.
Bank Performance	Highly Satisfactory	Satisfactory	Insufficient coordination between sectors at appraisal, including for facilitating interoperability between systems, contributing to delays in implementation and NSDS payments.

Quality of M&E	High	High
Quality of ICR	---	Substantial

12. Lessons

1. Focusing a project component on capacity building activities is an important design feature in the context of (i) implementing an IPF for the first time, which requires fundamental capacity improvements in M&E and fiduciary issues that align with Bank policy; and (ii) the need to strengthen delivery systems at the central and especially local levels in a country where decentralization continues to increase.
2. Strong coordination between Bank sectors is important at appraisal to ensure that opportunities during implementation can be quickly acted upon and delays can be avoided. Higher coordination between Social Protection and Health sectors at the Bank could have allowed achieving interoperability of the HMIS, ID system, and LODA MEIS much faster that it occurred and could have helped preventing delays in NSDS payments.
3. Analytical work is a key input for accurate intervention design such that it aligns with the evidence of what works. Some important findings informing project design came from a 2014 impact evaluation of the VUP which found that stronger VUP DS and cPW impacts on household wellbeing could be improved if, inter alia, the timeliness of and predictability of DS and PW payments were improved, PW were extended to more eligible households and better adapted to the needs of labor-constrained households, and DS targeting criteria was expanded to include more vulnerable households.
4. Well-designed complementarity between projects is a key element of World Bank support to social protection in Rwanda, as reflected in (i) the strong sequencing between the project as a new IPF and three previous DPF series (and analytical work), and between the project and the follow-on social protection IPF; and (ii) the strong synchronicity between the project and the SPRP in addressing chronic malnutrition; the SSPP's activities aimed at Strengthening the CRVS and the Digital Acceleration Project (P173373) that supports indexing of civil registration records, among others. This further highlights the importance of high coordination for maximizing results.
5. The project's interventions were fine-tuned to meet the needs of the COVID-19 pandemic, reflecting high adaptability of project design to changing demands from unforeseen shocks, which was possible given a strong pre-existing MEIS that already categorized eligible households, an advanced stage of decentralization in the country, and a strong enough payment system by the start of the project. This high adaptation capacity was reflected in successful adjustments across project interventions including the expansion of NSDS eligibility criteria, coverage of DS and ePWs, waiving off work requirements for PW beneficiaries, and the digitization of VUP payments, all of which became even more relevant for responding to the pandemic.
6. Gradual implementation (or phased implementation) was an effective way of introducing the project's innovations, especially when the experience under the small-scale implementation is reviewed before program expansion. Under the Project, the GoR adopted a phased implementation approach for the home-based ECD and for the new electronic payments system. Small scale implementation of home-based ECD informed early updates in the implementation guidelines and guided the eventual roll-out of the program in 300 sectors and provided important input into the prioritization and sequencing of activities. Further, the

experience from small-scale implementation provided a staggered implementation, which helped with capacity building of the staff responsible for the program and the government in rolling out ECDs countrywide. The digitization of payments systems also started on a small scale with ten districts and is currently being rolled out countrywide. (ICR, pp. 34-35)

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was clear and parsimonious in presenting key information and based reported achievements on well-supported evidence. While some presentations of the RF and associated achievements confounded outputs with intermediate outcomes and outcomes, the RF and related annexes were consistent with each other and reflected a results-oriented theory of change linked to development objectives. Lessons were clearly based on evidence and analysis presented in the ICR. Both narrative and evidence supported the ICR's main conclusions.

a. Quality of ICR Rating
Substantial