



1. Project Data

Project ID P165267	Project Name Social Inclusion Project	
Country Cabo Verde	Practice Area(Lead) Social Protection & Jobs	
L/C/TF Number(s) IDA-63550,IDA-68240	Closing Date (Original) 31-Oct-2022	Total Project Cost (USD) 18,779,113.02
Bank Approval Date 13-Dec-2018	Closing Date (Actual) 30-Apr-2023	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	10,000,000.00	0.00
Revised Commitment	18,548,769.30	0.00
Actual	18,779,113.02	0.00

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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p.1) and the Financing Agreement of February 13, 2019, (p.4) the objective of the project was “to support the Recipient’s efforts in building an effective social protection system that promotes social and productive inclusion”.

The PAD (p. 9) defined “effectiveness” as increased coverage. In January 2021, the project received AF in the amount of US\$10.0 million to support the government’s respond to the COVID-19 pandemic and exclusively finance cash transfers to households in the two poorest quintiles and ensure continued support to regular



cash transfer beneficiaries under the regular cash transfer program. Most of the associated outcome targets were revised upward, and the ICR Review will use these revised targets in its assessment.

For the analysis in this ICRR, the PDO will be parsed as follows:

1. To support the Recipient's efforts in building an effective social protection system
2. To promote social inclusion and productive inclusion

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

Yes

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

Yes

Date of Board Approval

21-Jan-2021

c. Will a split evaluation be undertaken?

No

d. Components

The project included three components:

Component 1: Strengthening the Recipient's Social Protection Systems (appraisal estimate US\$2.0 million, at AF US\$0.86 million, actual US\$1.1 million): This component was to finance two sub-components:

Sub-component 1.1: Building permanent systems to implement Social Protection programs: This sub-component was to establish the delivery systems required to effectively implement social protection programs and enhance the capacity of staff within the General Directorate for Social Inclusion (DGIS) and municipalities to manage these programs. This sub-component was to finance the further development of the following systems: targeting system, payment system, Monitoring and Evaluation (M&E) system, the Management Information System (MIS) for the Social Income for Inclusion Program (RSI) program, a Grievance Redress Mechanism (GRM), a communication system as well as a referral system for beneficiaries to access productive opportunities.

Sub-component 1.2: Expanding the Unified Social Registry: This sub-component was to finance the expansion of the Unified Social Registry (USR) through defining its business processes, developing a communication strategy, collecting a range of information on categorial characteristics and socioeconomic factors, developing a software, and providing municipal grants to scale the USR up to include an additional 8,000 families.

Component 2: Expansion of the RSI Program (appraisal estimate US\$7.7 million, at AF US\$18.84 million, actual US\$17.37 million): This component was to finance two sub-components:



Subcomponent 2.1: Cash transfers to poor households with children: This sub-component was to scale up the cash transfer to additional 4,000 families that were to be registered in the USR and were to be selected through a poverty index (Proxy Means Test, PMT) that was already developed by the DGIS with World Bank technical assistance.

Subcomponent 2.2: Support to productive and social inclusion of RSI beneficiaries: This sub-component was to support RSI beneficiaries in achieving productive and social inclusion, and increase their access to the labor market, self-employment as well as providing access to care services for very poor families to facilitate their access to economic, employment, and/or training opportunities in nine out of 22 municipalities.

Beneficiary households in the USR were selected based on: a) being classified as poor, following the process of registration in the USR and the application of a poverty index; and b) having at least one child under the age of 15 at the time of enrollment in the RSI program.

Component 3: Support Project Management (appraisal estimate US\$0.3 million, actual US\$0.29 million):

This component was to finance the costs associated with the fiduciary management of the project and the staff required to oversee coordination and Project M&E.

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

Project Cost: The project was estimated to cost US\$10.0 million. Actual cost was US\$18.7 million. On January 21, 2021, the project received Additional Financing (AF) through the Crisis Response Window to respond to the COVID-19 pandemic.

Financing: The project was financed by two IDA credits, IDA-63550 in the amount of US\$10.0 million of which US\$9.09 million disbursed and IDA-68240 in the amount of US\$10.0 million of which US\$9.68 million disbursed.

Borrower Contribution: It was not planned for the Borrower to make any contribution.

Dates:

- On January 21, 2021, the project received AF in the amount of US\$10.0 million to support the government's response to the COVID-19 pandemic and exclusively finance cash transfers to households in the two poorest quintiles and ensure continued support to regular cash transfer beneficiaries under the regular cash transfer program. Specifically, the AF was to finance: i) additional emergency cash transfers for approximately 18,000 RSIE (Emergency Social Income for Inclusion Program) households over a period of six months; ii) emergency cash transfers to the existing 5,450 RSIE beneficiary households for six months; and iii) cash transfers to the regular 4,500 RSI beneficiary households to ensure that they receive support for a total of 24 months as planned under the parent project.



- On December 13, 2022, the project was restructured to change the closing date by six months from October 31, 2022, to April 30, 2023, to allow for the completion of project activities.

The project was approved on December 13, 2018, and became effective on May 13, 2019. The original closing date was October 31, 2022, and the actual closing date was April 30, 2023.

3. Relevance of Objectives

Rationale

Country and sector context. According to the PAD (p. 7) Cabo Verde had been experiencing robust Gross Domestic Product (GDP) growth and an important reduction in poverty during the last 10 years before project appraisal. However, 35 percent of the population remained poor. With a Gross National Income (GNI) per capita of US\$3,290 Cabo Verde remained one of the countries with the highest inequality in West Africa. Overall unemployment was 12 percent in 2017 (32 percent among the youth).

Poverty was especially predominant among households headed by women and among households with children. The government was especially concerned with the social and economic vulnerability of poor children. Compared to other African countries, Cabo Verde had initiated the establishment of an adequate social protection system. In 2017/2018, the government created a cash transfer program, the Rendimento Social de Inclusão Program (RSI) with 1,700 households benefitting from the Program. The government intended to support poor households through this newly created program that was to combine cash transfers and access to productive and social inclusion.

According to the PAD (p. 10) the country's social protection programs were very fragmented, and coverage of the poor remained insufficient. Also, there was limited technical capacity within the municipalities to implement social protection programs.

Alignment with the Government Strategy. The objective of the project supported the government's new Sustainable Development Strategic Plan (2022-2026) for Cabo Verde's economic and social development which emphasizes the importance of social protection as a key pillar for social inclusion and for reducing inequalities. Furthermore, the objective of the project supported the National Strategy for the Eradication of Extreme Poverty which identifies the following strategic actions that need to be implemented to address extreme poverty: i) increasing coverage of the RSI and promoting productive inclusion programs; ii) improving articulation between social policies, promoting integrated responses in the fight against poverty, and focusing on extreme poverty; and iii) strengthening institutional, technical, as well as financial capacities to enable the planned expansion and its M&E.

Alignment with the World Bank Strategy. The objective of the project was in line with the Bank's most recent Country Partnership Framework (CPF) (FY20-25), especially with the CPF's Results Area 1 ("accelerate human capital for inclusive, service-led growth") and objective 2 ("social protection and productive inclusion").

The objective of the project was pitched at an appropriate level to address a critical development problem.



Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To support the Recipient's efforts in building an effective social protection system

Rationale

Theory of Change: The project's theory of change stated that project inputs/activities such as defining processes, manuals, and a legal framework, fine tuning the targeting system, developing a Unified Social Registry (USR) that was nascent and updating and expanding its data as well as improving the payment system, and building government capacity at central and local level through training were to result in several outputs. These outputs were to include processes, manuals and a legal framework being defined, the targeting system being fine-tuned, households with completed information enrolled in the USR, and government capacity built to design policies and programs and perform monitoring and evaluation of national programs. These outputs were to result in the outcome of effectiveness of the national social protection system being increased.

The theory of change was sound and logical.

Outputs:

- 200 Ministry of Family and Social Inclusion (MFIS) and municipalities staff were trained to effectively monitor and implement social safety net programs, exceeding the target of 150 staff.
- The percentage of RSI cash transfer payments being completed by a formal payment agent, remained 100 percent (as the baseline) achieving the target of 100 percent.
- 94.70 percent of claims registered in the project's GRM were addressed in a timely manner, exceeding the target of 80 percent.
- 23,650 households benefitted from the emergency RSI cash transfers, exceeding the target of 20,000 households.
- 97 percent of RSI beneficiary households received cash transfers on time, exceeding the target of 80 percent.
- 99 percent of beneficiaries were satisfied with the support provided by the RSI program, exceeding the target of 70 percent.
- The USR was established and included data of 96,000 households from across the country or 77 percent of the population as of January 2023.
- A beneficiaries' targeting system was developed and improved.
- A payment system was built through a bank system.



- Links between the RSI platform and USR were established which allows for selecting and registering beneficiaries (according to pre-defined criteria) as well as making monthly payments to beneficiaries.

Outcomes:

- The percentage of beneficiary households of RSI in the first and second quintile of the income distribution increased from zero in 2018 to 100 percent in 2023, exceeding the original target of 50 percent and the revised target of 90 percent.
- The percentage of beneficiaries of the RSI registered in the USR increased from 30 percent in 2018 to 100 percent in 2023, achieving the target of 100 percent. In addition, 14 additional programs were utilizing the USR to identify potential beneficiaries, and information for 22,968 beneficiaries was updated.
- The project was able to increase the percentage of beneficiary households of RSI in the first and second quintile of income distribution as well as the percentage of beneficiaries of the RSI registered in the USR. Also, the project was able to exceed all of its output targets. Overall, the achievement of this objective was High.

Rating

High

OBJECTIVE 2

Objective

To promote social inclusion and productive inclusion

Rationale

Theory of Change: The project's theory of change stated that project activities/inputs such as providing cash transfers to vulnerable households in all 22 municipalities and providing facilitated access to technical and vocational trainings as well as employment or economic opportunities through municipal grants were to result in outputs such as cash transfers to vulnerable households being provided, and technical and vocational trainings as well as employment or economic opportunities through municipal grants being provided. These outputs were to result in the outcome of social and productive inclusion of targeted poor and vulnerable households being enhanced.

Outputs:

- The IP pilot program enrolled and delivered 87 trainings for entrepreneurship and small business management to 1,867 beneficiaries. Of those beneficiaries 1,756 beneficiaries received access to training and productive opportunities. The remaining 111 beneficiaries graduated out of poverty and were therefore not eligible anymore.
- 1,633 kits for reinforcing/starting up businesses in different areas such as animal husbandry, farming, aesthetics, cookery, baking, sales, carpentry etc. According to the World Bank team (November 27, 2023) the beneficiaries of productive inclusion activities were to receive either a) professional training or b) kits for income generating activities. A priori, there was no specific target for the kits since their delivery was to be determined based on the beneficiary selection between a) and b). In practice, out of



1,867 beneficiaries of productive inclusion, 111 graduated out of poverty (and therefore lost eligibility), 104 obtained professional training and 1,633 received kits. In some municipalities, given budget availability, some beneficiaries received both, professional training, and kits.

- 4,515 RSI beneficiaries and 23,650 RSIE beneficiaries experienced a timely registry and delivery of cash transfers.
- More than US\$16.5 million of cash transfers were delivered to RSI beneficiaries.

Outcome:

- 150,964 beneficiaries benefitted from the social safety net programs, exceeding the original target of 28,500 beneficiaries and the revised target of 120,000 beneficiaries. Of those beneficiaries, 79,407 were female, exceeding the original target of 15,000 and the revised target of 63,600 being female.
- 1,867 RSI beneficiary households benefitted from productive inclusion activities, just falling short of achieving the target of 2,000 households.
- In an email dated March 14, 2024, providing comments on the IEG ICRR draft, the team presented additional evidence from a follow-up survey conducted between September and November 2023. This survey included 1,604 pilot beneficiaries. According to the survey results, 81 percent of respondents reported engaging in income-generating activities between 3 and 6 months after receiving the kit. Additionally, 70 percent reported using the knowledge gained from training to enhance their business, and 74 percent reported increased profitability as a result of the project.

The project was able to exceed the target of beneficiaries benefitting from social safety net programs but was not able to achieve the target of RSI beneficiary households benefitting from productive inclusion activities. According to the survey mentioned above, productive inclusion activities supported by the project likely positively affected incomes. Given this additional information, the efficacy rating for objective 2 is considered Substantial, albeit only marginally, as the evidence presented is based on self-reported measures, which are susceptible to bias, and income data is unavailable.

Rating

Substantial

OVERALL EFFICACY

Rationale

The achievement of the first objective was High, while the achievement of the second objective was Substantial. The aggregation of achievements is indicative of a Substantial rating for overall efficacy, but with caveats, as achievement for the second objective was substantial, albeit only marginally so.

Overall Efficacy Rating



Substantial

5. Efficiency

Economic efficiency:

The PAD (p. 26) provided an overview of the positive impacts of cash transfer programs, like the RSI, in other countries around the world. For example, the PAD mentioned that a recent meta-evaluation of safety nets programs in Africa showed that safety net programs significantly increased consumption among beneficiaries. Per dollar transferred to beneficiary households, it was estimated that on average 74 cents went towards consumption indicating that well-targeted programs can be effective at reducing inequity and alleviating extreme poverty.

The ICR also provided an overview of the higher monetary value than costs the project provided. The National Strategy for the Eradication of Extreme Poverty estimated that each monetary unit invested in social protection in Cabo Verde can generate almost three times the gains in the economy.

Operational efficiency:

The ICR (para. 43) stated that the delivery of RSI cash transfers was performed at a minimal cost since there was no direct cost for the project related to the electronic delivery of cash transfers. The project used the National Center for Social Benefits (CNPS) infrastructure for the direct deposit from the Treasury into beneficiaries' individual bank accounts. Also, the ICR stated that compared to welfare-targeted cash transfer programs, the RSI cash transfer program was implemented more efficiently than in other countries. The ICR estimated that for the RSI, for each dollar invested in the program, US\$0.92 went directly to the beneficiaries while US\$0.08 was the delivery cost.

There were moderate shortcomings in the implementation of the piloted productive inclusion activities (ICR, p. 23) and temporary delays in financial management between 2021 and 2022 (see section 10b) The project's implementation period was extended once by six months to allow for the completion of project activities which had been delayed due to the COVID-19 pandemic, and the electoral periods.

The project's overall efficiency is rated Substantial.

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 <input type="checkbox"/> Not Applicable



ICR Estimate	0	0 <input type="checkbox"/> Not Applicable
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* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objective was High given its alignment with the Bank’s most recent Country Partnership Framework (CPF) (FY20-25). Efficacy was rated Substantial, as aggregated objectives were almost fully achieved (except for objective 2, which was partly achieved). Efficiency was rated Substantial given moderate implementation shortcomings slightly affecting overall project efficiency. The overall outcome rating is Satisfactory.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

According to the ICR (para. 80) the government continues to remain committed to social protection as demonstrated through the establishment of the RSI as a shock-responsive cash transfer program, the institutionalization of the IP pilot and the use and updating of the only instrument for targeting social protection assistance, the Unified Social Registry (USR). Also, the government took strong measures to allocate sufficient financing to ensure the sustainability of achievements made under the project. For example, the ENEPE strategy and the scale up of the RSI cash transfer to 5,000 new households in 2023 will be financed through an increase in the tourism tax. Furthermore, the government and the World Bank continue to work together on scaling up and institutionalizing the programs supported under this project through the Bank’s ongoing Human Capital Project (P 175828, financing in the amount of US\$26.0 million). In addition, other development partners such as the European Union (EU) approved a Euro 18 million budget support for 2021-2024, which is conditioned on social protection measures, among others. The United Nations’ Joint Office and ILO continue to provide financing and technical support to improve access and use of modern essential social services and protection.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the ICR (para. 58) the project built on lessons learned from earlier technical activity and the Systematic Country Diagnostic for Cabo Verde. These lessons learned included: i) productive and social inclusion activities should be completed by RSI to meet the immediate needs of the most vulnerable populations; ii) need to move to a more harmonized social protection systems by improving vertical and horizontal coordination, building effective delivery systems, and strengthening administrative and operational capacity for implementation at central and decentralized levels; iii) institutional strengthening



and support for the MFIS and participating municipalities is needed for the implementation of social programs; iv) municipalities need to have technical and financial resources to lead the implementation of social programs; and v) gender imbalances need to be taken into account when targeting social services as well as productive and social inclusion activities.

According to the PAD (p. 30) the World Bank team identified relevant risks. The fiduciary risk was rated Substantial due to the number of stakeholders involved in the project and the decentralized approach for some sub-components using municipal grants. Mitigation measures included fiduciary instruments being in place to ensure that municipalities used the funds and reported expenditures appropriately, a Municipal Grants Manual was developed, and an internal auditor was recruited. Mitigation measures were adequate and the project did not encounter any significant fiduciary issues.

The project's Results Framework was adequate (see section 9a for more details).

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The World Bank team conducted supervision missions on a bi-annual basis as well as technical mission, indicating that continuous implementation support was provided. When the government requested AF in 2021, the World Bank team ensured that project funding was replenished quickly to address the impacts of the COVID-19 pandemic. Also, the World Bank team revised the Results Framework when the project received AF and extended the implementation period by six months to allow for the completion of project activities. The ICR (para. 78) stated that the World Bank team reached out across the World Bank to support Cabo Verde's social protection and other sectors. Furthermore, the World Bank team filled adequate Implementation Support Reviews and Aide Memoires that included updated key indicators to monitor implementation progress.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

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



The selected PDO indicators were appropriate and measurable. The intermediate outcome indicators were sufficiently specific and measurable. The intermediate outcome indicators were adequate to capture the contribution of the project's component towards achieving the stated objectives.

The Unit for Management of Special Projects (UGPE) at the Ministry of Finance was responsible for the project's M&E activities.

b. M&E Implementation

When the project received AF in 2021, the Results Framework was revised to reflect an increase in targets. Also, indicators were revised as well as added/dropped. The ICR (para. 70) stated that a process evaluation of the PAF/productive inclusion programs and final evaluation of the productive inclusion pilot activities was finalized in December 2022. Also, the project conducted a beneficiary satisfaction survey of the RSI/RSIE and Family Assistance Program (PAF) programs. Municipalities played a key role in registering households in the USR, implementing the RSI Program at the local level, identifying activities to promote productive inclusion of beneficiaries, and referring them.

According to the World Bank team (November 27, 2023) ahead of every mission UGPE provided updates on all the results indicators where data were available (with the exception of indicators related to the beneficiary satisfaction which depended on the beneficiary satisfaction survey that had been delayed). Also, data were found to be reliable and of good quality. The M&E functions and processes established under the project such as the introduction of ICT technologies, and adoption of the Geo-Enabling initiative for Monitoring and Supervision (GEMS), remain with the UGPE and continue to be leveraged under the new operation Human Capital Project (P175828). Therefore, these M&E functions are likely to be sustained after project closing.

c. M&E Utilization

According to the ICR (para. 71) the project's M&E data were used to track implementation progress towards the objective and identify implementation delays which resulted in the project restructuring in August 2022. However, even though the evaluations of the the PAF/productive inclusion programs and final evaluation of the productive inclusion pilot activities were carried out, the ICR lacked a discussion of these evaluations, indicating a major shortcoming in the utilization of M&E.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as category C and did not trigger any of the Bank's safeguard policies.



The project established a Grievance Redress Mechanism (GRM) and 357 requests were submitted which were all addressed by a central committee with representation from the CNPS, DGIS, and UGPE. All complaints were resolved by the time the project closed.

b. Fiduciary Compliance

Financial Management:

According to the ICR (para. 75) during project appraisal several measures were identified to strengthen financial management including the recruitment of internal and external auditors. The ICR (para. 76) stated that throughout project implementation financial records were well maintained, the external auditor's opinions were unqualified, and the internal control environment was considered adequate. Between 2021 and 2022 the project's financial management rating was Moderately Satisfactory due to challenges of submitting timely payment reconciliation reports due to delays in the financial service providers to provide these reports in a timely manner to the project.

When the project closed, the project's financial management performance was rated Satisfactory.

Procurement:

The UGPE was responsible for procurement activities related to goods and services under component 1. For expenses related to goods and services under municipal grants, the municipalities were responsible for following simplified procurement procedures. According to the ICR (para. 75) the UGPE was well staffed and had sufficient experience in the Bank's procurement requirements and procedures. The ICR (para 76) stated that the project encountered one procurement related issues related to the purchase of kits to support the implementation of the productive inclusion program. There was a lack of suppliers on the local market and sometimes on the national market which resulted in challenges due to the condition to get three quotations for shopping. This issue was addressed by signing a service contract with NGOs which allowed for a direct purchase of goods and/or products.

When the project closed, the procurement rating was Satisfactory.

c. Unintended impacts (Positive or Negative)

NA

d. Other

11. Ratings



Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	High	Substantial	Even though evaluations of the PAF/productive inclusion programs and final evaluation of the productive inclusion pilot activities were carried out, the ICR lacked a discussion of these evaluations.
Quality of ICR	---	Substantial	

12. Lessons

The ICR (p. 29) included several very useful lessons learned which were adapted by IEG:

- **A clear government strategy and well-defined institutional responsibilities can positively impact project implementation during administration changes.** In this project, a change in administration following elections and subsequent changes in project management did not impact implementation since the clear government’s strategy and institutional responsibilities ensured consistency and helped to create an environment of teamwork.
- **When a World Bank project is the first in a country’s sector and counter parts are new to the World Bank, special measures can be taken into consideration to allow for smooth project implementation.** In this project, the MFIS was responsible for project implementation while the UGPE took over fiduciary and safeguards management since it did have previous experience with World Bank financed projects. As a result of this arrangement, MFIS was able to focus almost exclusively on technical and sectoral issues. While fiduciary and safeguards management should be incorporated into an implementing agency’s regular operations in the long-term, this set up allowed the MFIS to get a gradual and effective introduction to the implementation of World Bank financed projects.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provided an adequate overview of project preparation and implementation and was internally consistent, relatively concise and complied with the ICR guidelines. Also, the ICR included adequate evidence,



was sufficiently outcome oriented and provided useful lessons learned which can be applied to similar projects in the future. However, the ICR did not provide a meaningful discussion of the productive inclusion pilot and did not present any evidence of its efficacy. The overall quality of the ICR is deemed substantial, albeit only marginally so due to the absence of a thorough discussion of the pilot.

a. Quality of ICR Rating
Substantial