

Document of
The World Bank

Report No: ICR2337

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-73580)

ON A

LOAN

IN THE AMOUNT OF

EURO 72.2 MILLION
(US\$ 88.8 MILLION EQUIVALENT)

TO THE

REPUBLIC OF POLAND

FOR A

POST-ACCESSION RURAL SUPPORT PROJECT

June 27, 2012

Sustainable Development Unit
Bulgaria Country Management Unit
Europe and Central Asia Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective August 31, 2005)

Currency Unit = PLN (Zloty)

PLN 1.00 = US\$ 0.30

US\$ 1.00 = 3.30 PLN

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CDD	Community Driven Development
CPS	Country Partnership Strategy
CSO	Civil Society Organization
EU	European Union
GCSP	<i>Gmina</i> Center of Social Policy
ICR	Implementation Completion Report
ICT	Information and Communication Technologies
KRUS	Agricultural Social Insurance Fund (<i>Kasa Rolniczego Ubezpieczenia Społecznego</i>)
MIS	Management Information System
MLSP	Ministry of Labor and Social Policy
PARSP	Post-Accession Rural Support Project
PHRD	Japan Policy and Human Resources Development Fund
PIU	Project Implementation Unit
PLN	Polish Zloty
SIF	Social Inclusion Fund
SIP	Social Inclusion Program
ZUS	Social Insurance Institution (<i>Zukład Ubezpieczeń Społecznych</i>)

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POLAND
POST-ACCESSION RURAL SUPPORT PROJECT

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MAP IBRD 33467R

A. Basic Information			
Country:	Poland	Project Name:	Post-Accession Rural Support Project
Project ID:	P065270	L/C/TF Number(s):	IBRD-73580
ICR Date:	06/27/2012	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	MINISTRY OF FINANCE
Original Total Commitment:	USD 88.80M	Disbursed Amount:	USD 100.58M
Revised Amount:	USD 88.80M		
Environmental Category: C			
Implementing Agencies:			
Ministry of Labor and Social Policy			
KRUS - Agricultural Social Insurance Fund (Kasa Rolniczego Ubezpieczenia Społecznego)			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	11/20/2003	Effectiveness:	06/12/2006	06/12/2006
Appraisal:	05/16/2005	Restructuring(s):		05/06/2010 02/02/2011
Approval:	01/24/2006	Mid-term Review:		
		Closing:	12/31/2009	12/30/2011

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Low or Negligible
Bank Performance:	Moderately Unsatisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Unsatisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Compulsory pension and unemployment insurance	30	30
Other social services	60	60
Sub-national government administration	10	10
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	13	13
Other social protection and risk management	25	25
Participation and civic engagement	24	24
Rural policies and institutions	13	13
Social analysis and monitoring	25	25

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Philippe H. Le Houerou	Shigeo Katsu
Country Director:	Peter C. Harrold	Daniela Gressani
Sector Manager:	Elisabeth Huybens	Maninder S. Gill
Project Team Leader:	Daniel P. Owen	Jan Pakulski
ICR Team Leader:	Maurizia Tovo	
ICR Primary Author:	Maurizia Tovo	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The PARSP has the following development objectives: (i) to increase social inclusion in rural underdeveloped *gminas* through enhancing the capacity of local governments to

identify, plan, and execute social inclusion strategies through a Social Inclusion Fund (SIF); and, (ii) to support KRUS reform by improving the efficiency of the KRUS Agency through strengthening its administrative and analytic capacity and enabling better management of decision processes during its reform process.

Medium-term objectives include:

(a) quickly building rural *gmina* capacity in handling SIF-financed activities so that these rural *gminas* will be prepared to absorb similar social inclusion-focused programs which could become available under the 2007-2013 National Development Plan; and, (b) developing a targeted instrument (the SIF) for disadvantaged *gminas* to mitigate the potentially negative impact of future KRUS premia increases on rural families.

Revised Project Development Objectives (as approved by original approving authority)

The PDOs and key indicators were not officially revised. However, about mid-way through project implementation (in 2009), the key indicators tracked through ISRs were revised. The changes in indicators (see Table below) reflected the desire to measure more precisely project progress towards achieving the project development objectives. These changes were agreed upon informally.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	At least 30 percent of people from excluded groups (youth, elderly, vulnerable families) accessing at least one service.			
Value quantitative or Qualitative)		30%		40%
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	According to the baseline survey of January 2006, before the project started, the percentage of people from excluded groups accessing at least one service was 11.3 percent, and by the time the component closed it had gone to 40 percent. The original target (30 percent) was largely surpassed (133% achievement rate)			
Indicator 2 :	Improved awareness of social exclusion, project objectives and implementation mechanism among 500 disadvantaged <i>gminas</i> .			
Value quantitative or Qualitative)		500		500
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	All of the 500 targeted <i>gminas</i> produced " <i>Gminas'</i> Strategies for Solving Social Problems", 492 adopted the strategy after broad consultations, and 411 <i>gminas</i> also developed plans to ensure sustainability of SIP results.			
Indicator 3 :	Enhanced local government capacity indicated by at least 50 percent of <i>gminas</i> receiving external funding for social inclusion activities from external sources, by the end of the project.			

Value quantitative or Qualitative)		50%		78%
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	The number of <i>gminas</i> receiving external funds went from 90 in 2006 (18 percent), before the project started, to 391 in 2010 (78 percent). The target was therefore largely surpassed.			
Indicator 4 :	Reduction of the delay in availability of management information from the current 15-20 week lag to a 2 week lag			
Value quantitative or Qualitative)		2 week lag		Not Available
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	The reform was not completed.			
Indicator 5 :	Improved KRUS employee satisfaction with new KRUS integrated IT system			
Value quantitative or Qualitative)		Not Set		Not available
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	A survey was not carried out, but interviews with KRUS staff who tested the new functionalities suggest a high level of satisfaction.			
Indicator 6 :	Level of KRUS client satisfaction as measured by percentage of clients with no complaints			
Value quantitative or Qualitative)		Not Set		Not available
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	Clients have not yet been exposed to the changes.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Reduced administrative cost per client (contributor and beneficiary) and staff per client			
Value (quantitative or Qualitative)		Not Set		Not available
Date achieved		12/30/2011		12/30/2011
Comments (incl. % achievement)	The reform was not completed.			

achievement)				
Indicator 2 :	Results of a social assessment of recipients of social inclusion services indicate a positive increase in access and quality of social inclusion services in participating <i>gminas</i> .			
Value (quantitative or Qualitative)	No <i>gminas</i> have benefitted from participation in the project		60% of users surveyed indicate satisfaction with service quality and access.	
Date achieved	02/01/2006		12/30/2011	
Comments (incl. % achievement)	Qualitative assessment to obtain beneficiary perception of services has been completed through the Beneficiary Assessment (BA) and associated surveys. BA confirmed that 60% of users surveyed indicate satisfaction with service quality and access.			
Indicator 3 :	Increased linkage of local social inclusion strategies with National Strategies, and sharing of information between local governments and service providers to improve quality and quantity of service provision.			
Value (quantitative or Qualitative)	0 <i>gminas</i> with linked strategies		500 <i>gminas</i> with formally adopted linked strategies	500
Date achieved	02/01/2006		12/30/2011	
Comments (incl. % achievement)	Social Inclusion Strategies prepared in 500 participating <i>gminas</i> and adopted in 492 <i>gminas</i> with broad consultation encompassing service providers and local governments. Objective fully achieved.			

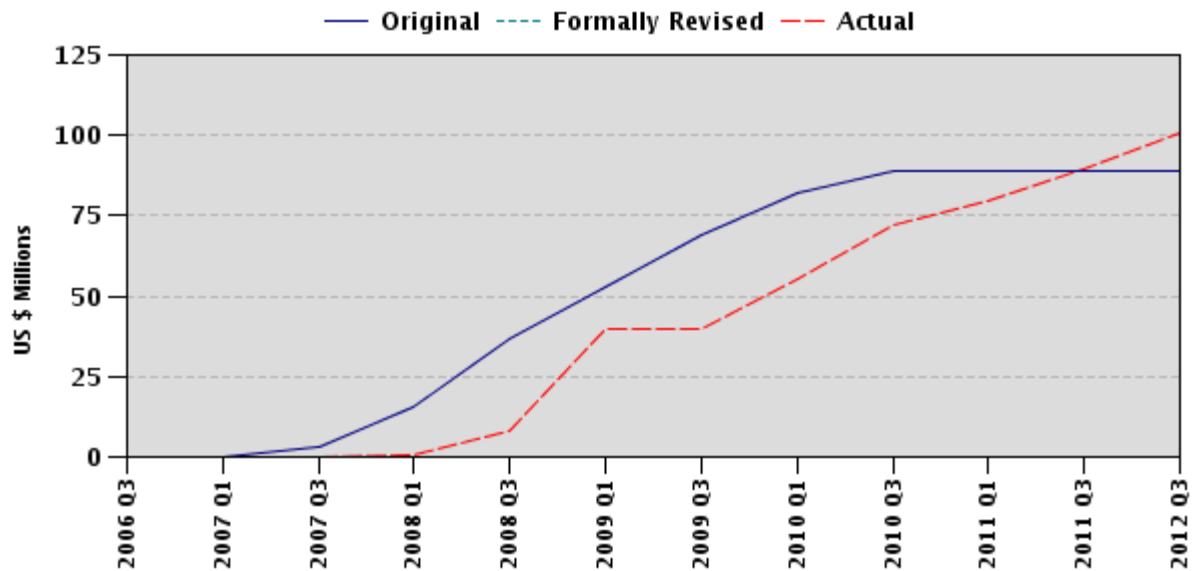
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	05/08/2007	Moderately Unsatisfactory	Moderately Unsatisfactory	0.00
2	03/06/2008	Moderately Unsatisfactory	Moderately Unsatisfactory	7.95
3	06/19/2008	Moderately Satisfactory	Moderately Satisfactory	7.95
4	06/29/2009	Satisfactory	Satisfactory	55.54
5	10/14/2009	Satisfactory	Satisfactory	55.54
6	03/03/2010	Satisfactory	Satisfactory	68.68
7	10/17/2010	Satisfactory	Satisfactory	79.89
8	01/03/2011	Satisfactory	Satisfactory	83.57
9	05/17/2011	Satisfactory	Satisfactory	93.72
10	12/04/2011	Moderately Satisfactory	Moderately Satisfactory	95.05

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
05/06/2010		S	S	71.85	Reallocation and extension of Closing Date
02/02/2011		S	S	83.57	Extension of Closing Date

I. Disbursement Profile



Summary

1. The Poland Post Accession Rural Support Project (PARSP) consisted of two very different components, one to increase social inclusion in the poorest rural areas, and the other to support the administrative reform of the farmers' social insurance institution (KRUS). The Project Development Objective (PDO) and implementation arrangements reflected the dichotomous nature of the project and the two components advanced independently of each other. The Social Inclusion Component achieved, and even surpassed, the performance indicators that were adopted (albeit informally) mid-way implementation and laid a foundation for local social inclusion practice that is highly regarded in-country. The KRUS Administrative Reform Component on the other hand lagged behind and could not be completed despite a two-year extension (though there is reason to believe that the PDO will be achieved after project closing). The overall outcome of the PARSP is therefore considered Moderately Satisfactory. The Bank's performance is rated Moderately Unsatisfactory due to shortcomings in project design and supervision, including the failure to formally adopt the new performance indicators for the social inclusion component and the failure to conduct a mid-term review. Government performance is rated Moderately Satisfactory.

2. The mid-way revision of the performance indicator for the social inclusion component merits an upfront discussion. The original performance indicator was flawed in several ways. It was not clearly tailored to the different aspects of the PDO. It was focused on variables that are appropriate for targeting but do not lend themselves to monitoring changes over the relatively short time frame of a project. And it emphasized the counterfactual of richer rural areas rather than assessing progress over time within the *gminas* in the poorest rural areas. The change in performance indicators was discussed and agreed with the client and recorded in aide-memoires and ISRs. It was unfortunately not formalized through project restructuring.

1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

a) Country Background

3. Poland joined the European Union (EU) on May 1, 2004. EU membership concluded a period of four years of negotiations, implementation of a wide range of reforms, and adoption of the *acquis communautaire*, which saw the alignment of Polish legislation, regulations and procedures with those of the EU. During the period 2001-04, economic growth slowed from 5.4 percent per annum on average during the second half of the 1990s to about 2.9 percent. As the economy continued to slow down, urban and rural unemployment increased rapidly and peaked in 2002 at 20 percent. However, this number did not reflect the share of hidden unemployment in agriculture, estimated at around 1 million. Adding this hidden unemployment to the official number, the rural unemployment rate was likely to be as high as 35 percent. Poverty increased during the period of economic slowdown from 14 percent to 17 percent of households. By 2005 poverty and social exclusion¹—estimated at 60 percent by the Central Statistical Office—were at an all time high.

¹ The project defined social exclusion based on Poland's National Social Inclusion Strategy. According to this strategy, social exclusion is broadly understood as limited participation in the labor force and/or local society more widely, resulting from local or regional economic crises, a weak combination of human capital and social skills, disability or other personal characteristics (long-term disease, addiction, etc.).

b) Sector Background

4. The emergence of structural poverty and unemployment were the two largest (interrelated) negative side-effects of Poland's transition to a market economy. Up to one third of all families lived on social welfare and below the poverty line in *gminas*² (districts) where unemployment was high and structural. This was particularly the case in rural areas. At the time of project design, agriculture employed 17 percent of the population, either full or part-time, while agricultural GDP was only about 4-5 percent of total GDP. Unemployment was exacerbated by the privatization of the former state farms in the western and northern regions, where some 50 percent of the labor force was affected. Long-term unemployment was the main underlying cause for social exclusion and had become an increasingly important challenge in the least developed rural *gminas*. Social exclusion, in turn, proved to be a self-perpetuating cross-generational social problem.

5. Within this context, social insurance played an important role. Two contributory social security systems operated –and still operate– in parallel, requiring significantly different contributions: the Agricultural Social Insurance Fund (known as KRUS - Kasa Rolniczego Ubezpieczenia Społecznego) and the Social Insurance Institution (known as ZUS - Zakład Ubezpieczeń Społecznych). Eligibility for KRUS was –and still is– conditional on owning at least one hectare of land, and individual contributions are around one-eighth of the contribution to the regular ZUS, which is open to any employed person and mandatory upon obtaining a formal job. At present, the minimum mandatory contribution to ZUS by self-employed workers is set at roughly 28 percent of the national average wage, which is much higher than the average earnings of self-employed workers in rural areas. Considering the significant difference in contribution rates but similar benefits of KRUS and ZUS, the system has been acting as a disincentive to the movement of workers out of farm employment, encouraging them to hold on to small plots of land to ensure eligibility to KRUS. At the same time, KRUS was deemed –and is still deemed– an unfair advantage by those who are not eligible to it, and challenges to its continued existence resurface regularly. However, dismantling KRUS or reforming its regime to match ZUS were both politically unacceptable options. Reforming KRUS into a more efficient and modern institution, therefore, would be a way to make it more acceptable to the majority while simultaneously helping the Government make good on its commitment to more effective public expenditures and programs.

6. As multi-generational social problems increasingly emerged, the need for specific social programs (beyond cash benefits) for qualifying families became apparent. Realizing that breaking the vicious cycle of social exclusion could not happen through high economic growth alone, the Government approved a series of legislative acts to stimulate social activism and the development of civil society, and prepared a National Social Inclusion Strategy. Regional Centers of Social Policy started working with *gminas* to develop and update plans to address issues of social exclusion, as well as reflect changing national legislation and EU targets. Efforts were made to integrate these social plans into already existing overall regional development plans. However, *gminas* had limited resources and knowledge to undertake detailed social needs assessments, refine social plans, and create concrete action plans. The poorer and least developed *gminas* were the most challenged, as they faced the biggest problems while at the same time they were least likely to have the needed staff and expertise.

² According to the last (1998) territorial reform, Poland's territory consists of 16 provinces (*województwa*, translated into English as voivodships), 379 sub-provinces (*powiats*) and 2,478 districts (*gminas*).

c) Rationale for Bank Involvement

7. An initial World Bank-supported Rural Development Project helped to pilot government efforts to address the main obstacles to the development of the rural sector by supporting infrastructure improvements, as well as a number of services in rural areas³ and it proved highly relevant for achieving the Government's rural policy objective of improving working and living conditions in rural areas. Following the satisfactory performance of this project, the Government asked the World Bank to continue supporting rural development with the Post-Accession Rural Support Project. In particular, while the Rural Development Project was successful in improving rural infrastructure, as well as access to education and microcredit, it did not address social exclusion, which, as explained above, had become a pressing issue in rural areas. Experience with social inclusion programs worldwide, and especially in the ex-Soviet bloc, made the World Bank the ideal partner. The project was in line with the 2005 Country Assistance Strategy (CAS), which envisaged a significant role for the World Bank in enhancing the effectiveness of public expenditures and programs, and the country's institutional capacity for providing social assistance and inclusion programs.

d) Contribution to Higher Level Objectives

8. PARSP contributed to two out of three key priorities of the 2005 CAS. By assisting Poland in furthering its policy dialogue aimed at reforming KRUS and improving its efficiency, PARSP contributed to the first CAS priority of promoting fiscal adjustment and reverse negative debt dynamics through restructuring of expenditures (Fiscal Consolidation). The project also contributed to achieving the third CAS priority of reducing poverty, encouraging social inclusion, and bringing employment closer to the Lisbon targets (Employment and Poverty). This was to be done by integrating social plans within the overall development plans at the local level and enhancing the capacity of local governments for improved delivery of social inclusion activities.

1.2 Original Project Development Objectives (PDO) and Key Indicators

Project Development Objectives	Key Indicators as approved in the Project Appraisal Document (PAD)	Changed key performance indicators as agreed with project implementing agency
Increase social inclusion in rural underdeveloped <i>gminas</i> through enhancing the capacity of local governments to identify, plan, and execute social inclusion strategies through a Social Inclusion Fund (SIF).	<ul style="list-style-type: none">• Social inclusion in 500 underdeveloped rural <i>gminas</i> supported by the PARSP increases between the start and the completion of the project, and at a faster rate than in rural <i>gminas</i> not supported by the project, as measured by a similar set of variables as those which comprise the Social Inclusion Index used in allocating project funds to underdeveloped rural	<ul style="list-style-type: none">• Social inclusion in 500 underdeveloped <i>gminas</i> increases, as measured by at least 30% of people from excluded groups (youth, elderly, vulnerable families) accessing at least one service.• Improved awareness of social exclusion, project objectives and implementation mechanism among 500 disadvantaged <i>gminas</i>.

³ Support to infrastructure improvement was implemented in all Poland, while education and institution building aspects in seven regions, and micro-credits in five.

	<i>gminas</i> .	<ul style="list-style-type: none"> Enhanced local government capacity indicated by at least 50% of <i>gminas</i> receiving external funding for social inclusion activities from external sources by end of project.
Support KRUS reform by improving the efficiency of the KRUS Agency through strengthening its administrative and analytic capacity and enabling better management of decision processes during its reform process.	Reduction of the delay in availability of management information in the KRUS agency from 15-20 weeks lag to a 2 week lag.	<ul style="list-style-type: none"> Reduction of the delay in availability of management information in the KRUS agency from 15-20 weeks lag to a 2 week lag Improved KRUS employee satisfaction with new KRUS integrated IT system Level of KRUS Client Satisfaction as measured by percentage of clients with no complaints

9. The PAD also identified the following two medium-term objectives for the first part of the PDO linked to social inclusion:

- (a) quickly building rural *gmina* capacity in handling SIF-financed activities so that these rural *gminas* will be prepared to absorb similar social inclusion-focused programs which could become available under the 2007-2013 National Development Plan; and
- (b) developing a targeted instrument for rural *gminas* to mitigate the potentially negative impact of future KRUS premium increases on rural families.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

10. The PDO was not revised. About mid-way through project implementation and before 50% of the project funds were disbursed, new key indicators for the Social Inclusion Component were adopted. The original key indicator was flawed in several ways. It was not reflective of the different components of the PDO. It was focused on the Social Inclusion Index on the basis of which the 500 poorest *gminas* had been selected for support under the project. That index was composed of variables that are appropriate for targeting but are less useful for monitoring purposes over the relatively short timeframe of a project. And it emphasized the counterfactual of richer rural areas rather than assessing progress over time within the poorest rural areas, which is the more relevant measure. The original key indicator was replaced by three key indicators that focused more clearly on the primary aspects of the PDO. The need for a change in performance indicators was discussed in the Aide-memoire of April, 2009 and new performance indicators were subsequently featured in the ISRs starting in October, 2009. The new results framework was unfortunately not formalized in project restructuring.

1.4 Main Beneficiaries

11. Given the very different nature of the two main components of the project, the only thing their beneficiaries have in common is that they are all rural dwellers. Project beneficiaries are therefore discussed separately for each component.

12. **Component 1: KRUS Administrative Reform.** KRUS clients – farmers and farming families – were the main beneficiaries of this component, as they will profit from increased efficiency and better client services (as end users, when system reform is complete). The other immediate beneficiaries of this component were over 6,000 KRUS employees, as the objective of this component was to increase their capacity to effectively and efficiently carry out KRUS’ activities through the use of Information and Communications Technology (ICT).

13. **Component 2: Social Inclusion.** The main beneficiaries of this component were the inhabitants of the 500 most underdeveloped rural *gminas* in Poland, and in particular the 580,000 direct beneficiaries of social inclusion services (according to the MIS data, these included 230,000 children and youth, 74,000 seniors, 66,000 disadvantaged persons, 42,000 disabled persons, 19,000 dependent persons, 25,000 victims of violence, and 59,000 homemakers). The project gave special attention to the most vulnerable and disadvantaged groups in the target *gminas* such as children, youth, dysfunctional families and the elderly. Local *gmina* authorities and local civil society organizations were the other main beneficiaries under this component as they were to benefit from the project through capacity building activities in the planning, management and implementation of social inclusion activities.

14. **Component 3: National Awareness.**⁴ Beneficiaries of the National Awareness Component were the general public, as well as the specific stakeholders of the other two components. The latter included KRUS staff, as well as government officials and other local stakeholders beyond the 500 *gminas* supported by the project. Government officials and local leaders in particular benefited from awareness raising activities, especially through regional workshops, as well as through participation in study tours showcasing best practices. Finally, beneficiaries, particularly of the Social Inclusion Component, also stood to benefit from the National Awareness Component’s focus on sensitizing public attention/support to the merits of increasing public resources towards social inclusion. The component also actively targeted social partners and facilitated their dialogue.

1.5 Original Components

Component 1: KRUS Administrative Reform (EUR 27.05 million)

15. This component was designed to provide support that would enable KRUS to enhance its sustainability and improve its efficiency, including substantial assistance for the implementation of KRUS’ ICT strategy. This implied a focus on software and equipment needs to facilitate the management of KRUS internal operations and to support the consolidation of over 540 databases operating in 49 regional offices and 221 local offices⁵ for gathering information on the eligibility of recipients, revenue collection, and payment of benefits (data processing modernization).

16. Investments under this component also supported the linkage of KRUS’ ICT systems to the Integrated Administration and Control System, the implementation of standards for automation facilities,

⁴ See Section 1.5 for additional information on the National Awareness Component.

⁵ During PARSP implementation, KRUS changed its structure to 16 regional and 256 local offices.

and the establishment of a long-term archiving system for KRUS records. To bolster policy development, PARSP also focused on building mechanisms that would improve the analytical capability of KRUS, with an aim to translating the results of predictive models of Polish farm family income into regulations for setting KRUS premiums.

Component 2: Social Inclusion (EUR 43.95 million)

17. This component aimed at increasing social inclusion in the least developed rural *gminas* and building rural *gmina* capacity to plan and provide social inclusion services. These two objectives were to be pursued through two sub-components.

- The first sub-component financed primarily technical assistance to: (a) develop techniques for social assessments, social inclusion strategies and action plans, and social service standards, and (b) identify best practices in these areas. The sub-component was also designed to develop a network of certified training providers (i.e., train the trainers) that could assist the governments of *gminas*, sub-provinces (*poviats*) and provinces in using these techniques.
- The second sub-component was designed to finance primarily a Social Inclusion Program (SIP) that would enable underdeveloped rural *gminas* to purchase: (i) high priority social services for vulnerable groups (e.g., youth, the disabled, the elderly) as identified via local assessments; and (ii) staff training and technical assistance services from the network of certified training providers developed under the first sub-component. It should be noted that the SIP was not intended to finance cash benefits, as these services were to be covered by the European Social Fund or the new Educational Social Assistance Program.

Component 3: National Awareness (EUR 1.77 million)

18. The third PARSP component focused on increasing public awareness in relation to the activities supported by the two other components.

- Concerning the first component, it envisaged support for two types of public awareness campaigns related to KRUS reform. The first one was an “external” campaign aimed at informing the public about the changes in the policy environment that define the contributions and benefits of farmers. The second awareness campaign was an “internal” campaign focused on KRUS staff to promote their understanding and generate the necessary support towards major changes in business procedures and systems that would have had an impact on their everyday work and on the way services are delivered to KRUS clients.
- Concerning the second component, two main sets of activities were envisaged: (a) a national public awareness and information campaign to focus public attention on the importance and efficacy of directing increased resources towards social inclusion; and (b) a number of regional conferences and a national conference targeted at sub-province and province level managers with the aim of building local social inclusion strategies and further developing national priorities for social inclusion, in line with the National Action Plan for Social Inclusion.

19. This component was also designed to fund the provision of a small number of consultant staff for assisting the Ministry of Labor and Social Policy (MLSP) in the handling of procurement and financial

management of contracts and expenditures covered by PARSP, a project evaluation of the impact of both the KRUS Administrative Reform and Social Inclusion Components, and audit costs of PARSP.

1.6 Revised Components

20. The components were not revised.

1.7 Other significant changes

21. The Project's original Closing Date was extended on October 21, 2009 from December 31, 2009 to June 30, 2011. The project also went through two level 2 restructurings. The first restructuring was requested to complete tasks related to *gmina* leadership support, as well as to put greater emphasis on monitoring, dissemination, knowledge sharing and program evaluation in light of the growing interest in the project by non-beneficiary *gminas* and other stakeholders. These tasks encompassed regional thematic conferences, continuance seminars, good practice training and promotion and publications, as per the Action Plan of the National Awareness Component. In addition, the reallocation enabled full funding for the Beneficiary Assessment programmed in 2010, which was considered a key tool for drawing lessons from PARSP investments in social inclusion. The restructuring comprised a reallocation of proceeds from the unallocated disbursement category as follows:

Category of Expenditures		Allocation (Euros)		% of Financing	
Current	Revised	Current	Revised	Current	Revised
Category 4 Unallocated	Category 3 Social Inclusion Services	40.000	41.400	57.1%	59.1%
Category 4 Unallocated	Category 2 Goods, consultants services and operational costs	5.720	6.460	8.2%	9.2%

22. The second restructuring requested an additional extension of six months, to December 30, 2011, to continue implementation of the KRUS Administrative Reform Component and allow for the full utilization of project funds.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

a) Soundness of Background Analysis

23. Project preparation was supported by a US\$628,725 PHRD Grant approved in August 2003 and signed a year later. The grant proved very helpful in a number of ways. First of all, it made it possible to organize workshops and consultations with various stakeholders to inform project design, and helped Regional Social Policy Centers and local governments familiarize themselves with project implementation mechanisms. Second, it addressed a number of knowledge gaps related to the functioning of KRUS. The assessment of KRUS' organizational structure and functioning was particularly thorough and appreciated, to the point that seven years after its completion, KRUS staff still refer to it (as ascertained during field work for the preparation of this ICR). Third, a number of studies were carried out

as background preparation for the Social Inclusion Component.⁶ For example, an assessment of the capacity of local governments to tackle problems of social exclusion in rural *gminas* helped determine the capacity building aspects of the component, as well as some of the implementation arrangements, while the design of a Social Inclusion Index to determine the eligibility of *gminas* for project financing helped protect the resource allocation process from political interference.⁷

b) Assessment of Project Design

24. **Two projects in one.** As stated by the Project Coordinator, this project was in reality two totally different projects under the same umbrella. The two main components were only vaguely related –the one point in common being that the end beneficiaries were in both cases rural dwellers. It is not clear what the strategic rationale was for combining two very distinct objectives in the same project as the issue is not formally raised in any of the project preparation documents. The KRUS Administrative Reform Component was essentially an IT operation characterized by complex procurement processes that required considerable technical knowledge, while the Social Inclusion Component was a CDD-type operation that required an entirely different set of skills.

25. **Complex objectives, inadequate performance indicators.** Reflecting the dichotomous nature of the project, the PDO was split into two parts, one addressing social inclusion and the other KRUS reform. Each part, in turn, contained intermediate objectives –increased social inclusion was to be achieved “through” capacity building of local governments and KRUS’ improved efficiency was to be achieved “through” stronger administrative and analytical capacity. However, indicators to measure progress toward the final or intermediate objectives were not properly identified, and while action was taken during project implementation to address this shortcoming concerning the social inclusion objective, the KRUS portion of the PDO remained de facto unmonitorable.

26. **Essentially sound component design.** The design of each component was essentially sound, but at the time of project effectiveness a number of issues still had not been ironed out (see Section 2.2), which resulted in delays at project start.

27. **Separate implementation of the two main components.** Implementation arrangements tried to take into account the dichotomous nature of the project. While the Department of Social Welfare and Inclusion of the MLSP was to be responsible for the Social Inclusion Component, the KRUS Administrative Reform Component was going to be jointly managed by KRUS and MLSP’s Department of Economic Analysis and Forecasting. The latter was also responsible for the National Awareness Component. This arrangement worked, essentially because the KRUS Agency was allowed a considerable margin of autonomy, for example by having direct access to the World Bank instead of having to go through the MLSP.

⁶ Studies financed by the PHRD Grant include: an assessment of *gminas*’ training needs; an assessment of education management practices in *gminas* and *poviats*; the design of social works standards; and the preparation of a methodology for social integration (included in the Operating Manual).

⁷ The Social Inclusion Index used for the selection of *gminas* was based on a composite index including a number of indicators related to social exclusion at the community level, such as the percentage of elderly people living alone, female-headed households and unemployed people, as well as education and income levels.

c) Adequacy of Client Commitment at Entry

28. PARSP was the MLSP's first experience with the World Bank and the Ministry was committed to establishing a good working relationship that would last beyond project implementation. MLSP's commitment was sustained throughout project preparation and project implementation. But the implementation arrangements for the Social Inclusion Component were quite decentralized, and therefore it was also important to obtain the buy-in of local stakeholders, i.e., *gmina* and voivodship authorities. During project preparation, a strong effort was made to achieve a sense of ownership. The consultations and workshops financed by the PHRD Grant allowed a variety of actors to voice their concerns and learn about the proposed activities, thus winning their commitment as well.

d) Assessment of Risks

29. Specific risks to the successful implementation of each component were identified (five in total), together with reasonable mitigating measures. In addition to the comments in the table below, it is noteworthy that there was no acknowledgement of the risk of significant delays in implementing the KRUS Administrative Reform Component considering the heavy procurement burden, the political sensitivity of anything having to do with KRUS⁸, and the sheer complexity of the task (e.g., 16 regional offices, 256 local offices, 540 different ICT applications and databases).

Risk identified in the PAD	Rating at Preparation	Comments	Rating at Completion
KRUS policy environment establishing improvements in the definition of "farmer", contribution schemes and levels is not enacted ⁹	Unrated	Policy was not enacted. Government enacted changes in legal procedure and level of contributions based on size of farmer holdings only in 2011. New legal interpretation of KRUS procedures obliged the Government to make Health contributions the responsibility of farmers rather than being supported through the State budget. The definition of "farmer" is unchanged. Hence the risk materialized yet certain costs were nevertheless transmitted to farmers. Yet it is difficult to understand why this risk was identified as the KRUS Administrative Reform Component did not in any way touch upon or was affected by KRUS premiums. SIP targeting of the poorest rural <i>gminas</i> was expected to mitigate the potentially negative impact on rural families of increases in KRUS premiums.	Not applicable
KRUS is not given sufficient resources	Unrated	Counterpart funds were never a problem, and the allocation of additional public	N

⁸ See Section 1.1 b Sector Background.

⁹ This is the wording of the PAD.

from the central budget to cover its counterpart responsibilities		funds to complete KRUS reform after project closing suggests Government commitment to support the reform financially. However, the KRUS Administrative Reform Component encountered other unanticipated risks, particularly the challenging and complex procurement packages, which led to serious delays in project implementation.	
Service providers may not respond to increased quality and quantity of services at the <i>gmina</i> level	Unrated	Many <i>gminas</i> provided training to service providers and good practices were widely disseminated. Finding service providers to work in <i>gminas</i> was not a problem, and the majority of service providers were locally based.	N
Underdeveloped rural <i>gminas</i> may have weak social plans, and capability to apply and use allocated funds.	Unrated	The technical assistance provided by the 27 Regional Consultants hired by the project proved very effective and allocated funds were used correctly and completely	N
Financial management capacity needs strengthening	Unrated	Persistent problems in financial management linked to exchange rate fluctuations suggest that this risk was not fully mitigated (see Section 2.4).	M

2.2 Implementation

30. **Initial delays due to diverging views on PIU and project implementation mechanisms.** Upon effectiveness of the project in June, 2006, it took almost 17 months for the project to start in earnest. This delay came in addition to slow project preparation which had taken 3 years between concept review in November, 2003 and Board approval in January, 2006. Project implementation was delayed due to several factors. During the first year of project implementation, several changes occurred in the Polish Government including in the line ministry responsible for the project, the MLSP, which resulted in changing responsibilities and counterparts for the project. In addition, the World Bank and the MLSP held diverging views with regard to the arrangements for project implementation, including staffing of the PIU. Issues that required clarification included the number and role of PIU staff and the number of Regional Consultants supporting the local governments. Further delays occurred when the World Bank did not give its No Objection to the selected head of the PIU. It took 17 months after the project had become effective to have a fully staffed PIU.

31. **Procurement challenges.** The procurement (and therefore the disbursement) pace at the beginning of implementation was very slow. Procurement packages under the KRUS Administrative Reform Component were very large (e.g., \$10 million) and complicated, which caused serious delays. Slow responses on the Bank side contributed to procurement delays, though that problem, in turn, was also related to the complexity of packages requiring highly specialized ICT expertise. To remedy this problem - at the request of the MLSP - it was agreed to divide the large Technical Assistance contracts into smaller contracts for which the MLSP sought external assistance, if and when necessary.

32. **KRUS Administrative Reform Component implementation challenges.** Delays in implementation of the KRUS Administrative Reform Component were initially a result of the slow pace of project start-up and the lengthy gestation of PIU/management system arrangements. This led to an 18-month delay from the time KRUS implementation plans were ready for execution. The KRUS IT Strategy, used as a basis for preparation of the component, was ready in 2004 and partially obsolete when implementation started in 2008. KRUS rescheduled its entire implementation plan based on long delays in procurement clearance from the World Bank of the large package associated with the "workflow" system, upon which all other KRUS tasks were dependent. Further delays during implementation resulted from Government policy changes. The newly introduced changes in the Health Code in 2011 (with farmers paying their health contributions on the basis of farm size) forced changes in IT design and implementation of IT system archives. As a consequence of these delays and mid-course changes all funds earmarked for the KRUS Administrative Reform Component were disbursed before the completion of all the activities. These funds largely were allocated to hardware (servers, scanners, IT equipment) and consultancy services around hardware and system integration.

33. **Initial low disbursement rates under the Social Inclusion Component.** When activities under the Social Inclusion Component of the project started, it quickly became apparent that the envisaged timeframe for completing legal agreements between the regional governments and the MLSP, as well as the process of preparing *gmina* Action Plans for social inclusion had been too optimistic. In particular, as *gmina* Action Plans were to be developed in a participatory manner, a good amount of community mobilization and training was necessary to move the process forward. On the other hand, implementation of the plans was then quite smooth, thanks to this initial investment.

34. **Impacts of the 2009 financial crisis on project implementation.** The financial crisis negatively impacted the pace of implementation for the Social Inclusion Component. In January 2009, the Ministry of Finance decided to create a budgetary reserve fund to counter the effects of an eventual deepening crisis. The creation of the reserve fund resulted in a 25% "across-the-board" cut of most of the expenditures foreseen in the Government's original 2009 budget. In addition, the Ministry of Finance found the costs of the PIU to be excessive and stopped financing the project for several months, including the transfer of funding to *gminas*. This brought the implementation of the Social Inclusion Component to a near standstill.¹⁰ *Gminas* were not able to initiate planned activities and many municipalities even found themselves unable to pay the suppliers they had already contracted. Local governments turned to their members of Parliament to exert political pressure on the Government, in particular the Ministry of Finance, to honor their commitments under the Project. After several months of heavy campaigning from the Parliament, the issue was resolved and the Ministry of Finance resumed PARSP funding. However, the delays caused by this episode made the first extension of the project necessary.

35. **Changes in PIU.** The PIU Manager and the majority of PIU staff were replaced in 2009 due to the resignation of the Deputy Minister of Labor in charge of PARSP. As this change occurred at a relatively late stage in project implementation, just one and a half years before project closure, it was initially challenging for the new team to get acquainted with the project. The changes in the PIU also resulted in the loss of some of the institutional memory of the project.

¹⁰ KRUS was in the process of procuring a large ICT package at the time and was therefore not negatively impacted by this episode.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

36. **Initial confusion and delays about the M&E framework and function.** As discussed previously the original project performance indicators were poorly conceived. The results framework was subsequently improved for the Social inclusion Component but not for the KRUS component. Moreover, despite the fact that work related to the establishment of an M&E system for the project was carried out with funding from the PHRD Grant, and an MIS had been created as an on-line application, there was no M&E system in place when the project started. It is reported that at project inception considerable confusion surrounded the M&E function and it was not until 2008 that a comprehensive M&E plan was prepared. At that time, an M&E Specialist was hired, but it was decided that he would only focus on the Social Inclusion Component.

37. **Close monitoring of the Social Inclusion Component through MIS.** A substantial amount of information was regularly produced concerning the implementation of the Social Inclusion Component. The MIS collected data on: (a) profile of beneficiary gminas (e.g., inhabitants, vulnerable people, recipients of social assistance, registered organizations, budget allocations for social services);¹¹ (b) capacity building activities (e.g., workshops, visits); (c) social inclusion activities implemented by each gmina (e.g., nature, beneficiaries, implementing agency, service providers, costs); (d) financial flows; and (e) contractors, consultants and service providers. On the basis of the MIS data, and additional information provided by the Regional Consultants hired by the project and by PIU staff, the PIU produced comprehensive quarterly reports on implementation progress in the different gminas (though some delays were lamented because not all gminas provided information in a timely manner). These quarterly reports were discussed and used to inform implementation.¹² Between 2008 and 2009, MIS data on the Social Inclusion Component were complemented by qualitative research carried out every six months in 36 gminas to obtain feedback from local authorities (through in-depth interviews) and from recipients of social inclusion services (through focus groups) on issues such as implementation challenges, quality of services, project impact, and satisfaction with project activities.

38. **Comprehensive final evaluation of the Social Inclusion Component, but failure to carry out a rigorous impact evaluation.** In 2010, a final evaluation of the Social Inclusion Component was carried out. In addition to the MIS data mentioned above, the evaluation was informed by the following sources: (a) a beneficiary assessment carried out in 40 *gminas* (see Annex 5 for more information); (b) reports compiled by the 27 Regional Consultants; (c) a survey of all the NGOs, informal social groups and other public and private service providers involved in the component (5,926 respondents; see Annex 5 for more information); and (d) an online survey of all *gmina* coordinators. Plans for a rigorous impact evaluation, however, were never realized. The research design was ready by the end of 2010, but a lengthy consultant selection process left insufficient time for the evaluation to be fielded. Furthermore, given the comprehensive Beneficiary Assessment completed for the Social Inclusion Component and the incomplete nature of the KRUS Administrative Reform Component activities, the project team questioned the additional value from an Impact Evaluation. The planned survey would have included a representative sample of *gminas*' population and a control group defined through a propensity score matching technique, which would have made it possible to determine the counterfactual and would have provided a more rigorous measure of inclusion outcomes resulting from the project.

¹¹ Questionnaires sent to *gmina* authorities were used to collect basic information and obtain a benchmark for assessing results. Completed baseline questionnaires were received from 498 *gminas* and were used to generate a summary report.

¹² Unfortunately, the reports stopped being translated in November 2010 with the departure of the initial SIP Coordinator.

39. **No adequate monitoring instruments for the KRUS Administrative Reform Component.** Concerning other aspects of the project, M&E proved more challenging. The PAD does not identify monitoring instruments for the first component, neither for the PDO indicator related to the component (i.e., reducing the delay in availability of management information), nor for the single intermediate indicator identified in the Results Framework (i.e., reduced administrative costs per client and staff per client). Project implementation progress was followed primarily on the basis of a detailed activity plan and procurement plan. While this practical approach allowed for some monitoring in the absence of indicators measuring progress toward the PDO, it is not clear what impeded the Bank and Borrower from addressing an obvious shortcoming in project design and finding alternative methods of obtaining adequate monitoring indicators throughout the five years of implementation.

2.4 Safeguard and Fiduciary Compliance

a) Environmental Safeguards

40. In appraising the original scope of PARSP, which included financing of sub-projects to rehabilitate small and medium-sized infrastructure, the Bank team reviewed the adequacy of the national environmental assessment requirements relevant to small civil works investments, including the mechanisms and responsibilities for environmental screening and review of EA results. However, since the scope of PARSP was subsequently limited to ICT investments, social inclusion services, technical assistance and workshops for the elaboration of social inclusion strategies, the project was assigned a Category C and no EA procedures were necessary.

b) Social Development Aspects

41. Given the limited scope of project activities, PARSP did not encounter any social safeguards issues during implementation.

c) Financial Management

42. Financial Management was found to be Moderately Unsatisfactory. A persistent problem throughout project implementation had to do with the changing exchange rate between Euros and Polish Zlotys (PLN). With large consultant contracts denominated in Euros, MLSP staff interviewed reported the need for continuous recalculations, as well as difficulties in closing accounts and balancing budgets. A review of financial management arrangements identified problems with the online web-based MIS used by various project actors for accounting of project expenditures. Shortcomings of the MIS functionalities resulted in discrepancies in quarterly reporting linked to recalculations of PLN expenditures in Euro. To solve these problems, the PIU contracted an IT vendor to provide system maintenance and ongoing support with the MIS, but the problems persisted. In April 2011, the PIU finally decided to take over the MIS maintenance from the IT vendor and installed the MIS system on a computer located in the PIU, relying on an individual IT consultant for maintenance. As a result, the system was no longer web-based. In the last months of project implementation it was agreed to adopt a FIFO (first in, first out) approach, which made things easier, but this decision came too late in the project life. For these reasons, financial management is rated Moderately Unsatisfactory.

d) Procurement

43. Procurement undertaken under the project was overall Satisfactory. As mentioned in Section 2.2, the pace of procurement at the beginning of implementation was quite slow, in particular under the KRUS Administrative Reform Component. At the request of KRUS, it was agreed to divide the large Technical Assistance contracts for the management and implementation of this component into smaller contracts,

and this proved to be a wise decision. Nevertheless, ICB processes are known to be slow and cumbersome, and PARSP was no exception with an average six-seven months elapsed between call for proposals and contract signing for consultant services procured in this way.

2.5 Post-completion Operation/Next Phase

a) Sustainability of KRUS Administrative Reform and IT System Modernization

44. Because of delays in project implementation, the activities envisaged under the Project could not be completed. In particular, tasks for the improvement of the Workflow System are projected to be completed by 2012, while work on the Management Support System and the Archive System is likely to extend into mid- 2013. This means that sustainability will be dependent on the continued commitment of the Government to the component objectives and its willingness to make available the resources needed for completing all tasks. Fortunately, this commitment exists. The required public funds for 2012 (about 8.5 million PLN) to pay for the roll-out of the new Workflow System have been included in the approved budget law (though some reshuffling of KRUS internal budget will be required) and funds for 2013 (about 1 million EUR) have been included in the draft budget law for that year. As for the fiscal sustainability of the KRUS reform, there is no concern because the reform is not expected to have a fiscal impact. KRUS will become a more efficient and modern agency, but its recurrent costs will not change significantly.

b) Sustainability of Social Inclusion Activities Financed Under the Social Inclusion Component

45. **Increased awareness and commitment to social inclusion at the local level.** The sustainability of interventions supported under the Social Inclusion Component primarily hinges on: (a) the effectiveness of the capacity building provided to *gmina* authorities and other local actors; and (b) the community mobilization and processes set in motion during the project life. Due to project activities, local government officials have gained a better understanding of the acute social inclusion challenges their communities are facing. This has resulted in an increased share of the earmarked budget to address these social inclusion challenges in at least half of the *gminas*. In addition, according to the reports submitted by the Regional Consultants, at the end of the project 463 of the 500 *gminas* were planning to continue at least some of the social inclusion activities financed by PARSP and 391 (78 percent) were able to mobilize additional funding from external sources to continue --and in some cases expand and diversify-- the social inclusion activities initiated under the project. To this should be added the significant additional resources that were mobilized through in-kind contributions from the community members, such as voluntary work, free access to meeting space for community activities, and use of private vehicles. A critical positive outcome deriving from PARSP support is the participatory strategic planning practice for social inclusion at the *gmina* level joining together Mayors and *gmina* line agency representatives with civil society organizers, service providers and the private sector. This represented a significant transformation in policy and program formulation and evidence suggests high interest in sustaining these practices.

46. **Significant increase in organized collective action for social inclusion.** A significant number of civil society organizations have been established as a direct result of PARSP activities. During the life of the project, 806 new civil society organizations have been formally registered and 1,069 informal social groups were established in over 370 *gminas*. These organizations will carry on with developing and delivering social inclusion activities in their communities similar to the ones financed under the project. Moreover, a collective initiative of 25 (out of 27) Regional Consultants employed under the Social Inclusion Component has led to the establishment of a Foundation to continue and further the work on local social inclusion practices and knowledge sharing.

47. **Wide dissemination of good practices.** The Social Inclusion Component has also produced three manuals: “Means to Implement Social Initiatives in Rural Areas. Guidelines of Good Practices of the Social Inclusion Program”, “Between a Leader and Change” and “Participatory Methodology of *Gmina*’s Social Development Support - Local Strategy for Resolving Social Problem and Social Development”. These manuals were widely shared with stakeholders (policy makers, technical staff from Government at both central and local levels, and academics in social policy and rural development) beyond the 500 beneficiary *gminas* to motivate other communities to learn from the SIP experience and actively implement social inclusion activities in their own context. The national SIP workshop held at the end of component implementation was also a key instrument for disseminating and sustaining efforts on social inclusion.

Next Phase / Follow-up Operation

48. **KRUS Administrative Reform.** KRUS would like to continue the work initiated under PARSP in two main areas. The first is further development of the Integrated Information System toward three objectives: (i) the replacement of the current Central Personal Data System with a new registry of KRUS beneficiaries (R3 System) to improve personal data management and facilitate fraud detection; (ii) the establishment of e-services for KRUS clients (eKRUS); and (iii) the creation of new interfaces with other public institutions in addition to the three already set up under PARSP --with the Agency for Restructuring and Modernization of Agriculture, with the National Fund for Rehabilitation of the Disabled, and with the National Health Fund. The second area is to make available parts of the KRUS portal to the insured and beneficiaries. The plan is to finance this additional work with EU funds and carry it out in 2014-15.

49. **Social Inclusion.** PARSP established a strong presence in social inclusion strategic and operational work at the *gmina* level. Though there is no immediate follow-up in terms of World Bank investment (in light of the business plan for Poland and the priorities in Bank-Poland engagement), the appetite to follow up and build on PARSP is evident. The Ministry of Regional Development has discussed with the Bank project team about using PARSP SIP approaches in their nationwide work on youth, as well as complementing the infrastructure upgrading in rural municipalities (social centers) with a PARSP-introduced menu of inclusive participatory planning and outreach for social inclusion, local civil society mobilization, and innovations in service delivery to broaden the net on targeted social groups. In particular, the Ministry of Regional Development has manifested interest in adopting the SIP methodology in the planned country youth centers network (Swietliki). In addition, the project Let's Decide Together (Decydujemy Razem), presently being implemented in 108 *gminas* (2010-2014) has been inspired by SIP –in terms of content, approach and even service providers (they are the same). While the focus is on developing social participation rather than social inclusion, it can rightfully be considered a follow-up to SIP.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

50. **Project objectives remain relevant.** The project remains relevant to the World Bank’s strategic engagement with the Government of Poland as reflected in Pillar 1 “Social and Spatial Inclusion” of the CPS 2009-2013. While overall poverty levels in Poland have decreased, they are now concentrated in rural areas and among the long-term unemployed. In addition, regional income disparities have been increasing since EU accession. As noted in the 2011 CPS Progress Report, PARSP contributed significantly to strengthen social inclusion in poor *gminas* and raise awareness of social inclusion challenges among key stakeholders. The continued relevance of the project objectives is also reflected in

the World Bank's engagement with sub-national entities in Poland guided by the Sub-national Cooperation Action Plan (SCAP) with the objective of supporting sustainable socio-economic development of Polish regions and cities, developed by the World Bank with local experts and partners in 2010.

51. **The implementation arrangements for the project remain relevant.** KRUS management was and should continue to be responsible for the administrative reform of KRUS, while the MLSP was and continues to be the Government entity responsible for social inclusion. The decentralized approach adopted for the Social Inclusion Component and the central role given to *gmina* authorities proved to be the correct approach (see Section 3.2 below) and remains particularly relevant in light of efforts toward decentralization. On the other hand, as discussed below, combining KRUS administrative reform and the promotion of social inclusion in the same project was a questionable design choice.

3.2 Achievement of Project Development Objectives

52. The following analysis of project outcomes concerning the PDO related to social inclusion is based on the sources of information listed below, but was constrained by the fact that most of the reports produced by the PIU were not translated into English.

- Data from the MIS database, as described in Section 2.3, and in particular the summary report produced in October 2010.
- A Beneficiary Assessment carried out in 40 *gminas* selected through stratified sampling and consisting of individual in-depth interviews and focus groups.
- A survey of service providers and community organizations involved in the delivery of social inclusion services financed by the component (5,926 respondents).
- An online survey of municipal coordinators (457 respondents).
- A summary of Regional Consultants' reports and a focus group held with a representative sample of them during the ICR mission.
- Field visits and interviews carried out during the ICR mission (with PIU and MLSP staff, and the WB team).
- ISRs.

53. Concerning the PDO related to KRUS administrative reform, the analysis of outcomes relies to a great extent on interviews conducted with KRUS staff involved with the project and with the Bank team, as well as subsequent written communications. In addition, during the ICR mission, KRUS organized a demonstration of some of the administrative improvements financed by the project. A detailed analysis of outputs by component is presented in Annex 2, so this section only makes passing references to outputs. Below is a table summarizing results on the basis of the indicators agreed informally in 2009 (see Section 1.2). A separate discussion for each of the two parts of the PDO follows.

PDO: (a) Increase social inclusion in rural <i>gminas</i> by enhancing the capacity of local governments to identify, plan and execute socially inclusive strategies;			
Indicator	Target	Result	Comments
Social inclusion in 500 underdeveloped rural <i>gminas</i> supported by the PARSP increases between the start and the completion of the project, and at a faster rate than in			This indicator proved impossible to monitor and was replaced, albeit informally, by the three indicators below.

rural <i>gminas</i> not supported by the project, as measured by a similar set of variables as those which comprise the Social Inclusion Index used in allocating project funds to underdeveloped rural <i>gminas</i> .			
At least 30 percent of people from excluded groups (youth, elderly, vulnerable families) accessing at least one service.	30%	40%	According to the baseline survey of January 2006, before the project started, the percentage of people from excluded groups accessing at least one service was 11.3 percent, and by the time the component closed it had gone to 40 percent. This is a very substantial increase in five years, and the end result largely surpasses the target.
Improved awareness of social exclusion, project objectives and implementation mechanism among 500 disadvantaged <i>gminas</i> .	500	500	All of the 500 targeted <i>gminas</i> produced “ <i>Gminas</i> ’ Strategies for Solving Social Problems”, 492 adopted the strategy after broad consultations, and 411 <i>gminas</i> also developed plans to ensure sustainability of SIP results.
Enhanced local government capacity indicated by at least 50 percent of <i>gminas</i> receiving external funding for social inclusion activities from external sources, by the end of the project.	50%	78%	The number of <i>gminas</i> receiving external funds went from 90 in 2006 (18 percent), before the project started, to 391 in 2010 (78 percent). The target was therefore largely surpassed.
PDO: (b) Support KRUS reform by improving the efficiency of the KRUS Agency through strengthening its administrative and analytic capacity and enabling better management of decision processes during its reform process.			
Reduction of the delay in availability of management information from the current 15-20 week lag to a 2 week lag	2 week lag	N.A.	The reform was not completed.
Improved KRUS employee satisfaction with new KRUS integrated IT system	Not set	N.A.	A survey was not carried out, but interviews with KRUS staff who tested the new functionalities suggest a high level of satisfaction.
Level of KRUS client satisfaction as measured by percentage of clients with no complaints	Not set	N.A.	Clients have not yet been exposed to the changes.

PDO: (a) Increase social inclusion in rural *gminas* by enhancing the capacity of local governments to identify, plan and execute socially inclusive strategies

54. The project was successful in achieving this objective, and actually surpassed expectations, as the table above indicates. This conclusion is also supported by additional considerations set forth below. The analysis is divided in two parts reflecting the structure of this PDO (achieving something by doing something else) and starts from the second part of the PDO (the “by” part) since it represents an intermediate objective.

Intermediate Objective: Enhance the capacity of local governments to identify, plan and execute socially inclusive strategies

55. The project was successful in enhancing the capacity of local governments to identify, plan and execute socially inclusive strategies. Evidence in this sense is quite compelling.

- As indicated in the table above, rural *gminas*’ capacity to absorb similar social inclusion-focused programs available under the 2007–2013 National Development Plan and to access EU Cohesion Funds was significantly enhanced as evidenced by the growing number of *gminas* that received external funds – 391 *gminas* in 2010 (78 percent) compared to 90 in 2006 (18 percent).
- According to declarations of *gmina* coordinators, after the social inclusion strategies were developed by the beneficiary *gminas*, 91 percent of them set up teams to implement and monitor the strategies developed. A 2010 survey found that 73 percent of *gminas* were actively monitoring implementation and had held meetings to discuss progress and challenges. Similarly, the Regional Consultants hired under the project to support *gminas* reported that 84 percent of *gminas* held meetings during which the strategies were reviewed.
- Between 2007 and 2010, the number of employees involved in social inclusion projects almost doubled in the *gminas* covered by the project, suggesting a greater interest in and commitment to social inclusion activities among *gmina* authorities. According to the final SIP report, in a control group of 338 *gminas* there was also an increase in the number of employees involved in social inclusion projects, but considerably less (about half as much),¹³ indicating that the increase in the beneficiary *gminas* was at least in part the result of project activities.
- The project also facilitated the establishment of tools and instruments to help local governments procure social inclusion services. Databases for social inclusion providers were developed in 467 *gminas*, and in 338 *gminas* these databases were made public.
- *Gminas* signed 10,623 contracts to provide a variety of services identified as necessary to increase social inclusion in the “Gmina Strategies for Solving Social Problems”, including improved educational services (e.g., adult education and extracurricular activities), integration activities (e.g., labor activation programs for disabled groups), culture and arts, legal assistance, anti-poverty programs (e.g., care services, aid to the homeless), housing policy assistance, social housing construction, psychological and domestic violence counseling and crisis intervention, transportation support, health care information (e.g., family planning and help with addictions), and direct employment creation (see Annex 2 for more details on outputs).

¹³ Precise figures are not available.

56. Changes produced by the project appear to have reached beyond the way in which local governments address social inclusion. The Regional Consultants interviewed during the ICR mission spoke about a true “cultural change”. Before 2007, municipalities offered fewer services but employees were overwhelmed because of insufficient organization and cooperation. PARSP taught them to work with others and to delegate. In this vein, two mayors interviewed by a popular radio station (Radio Maryja) reported that PARSP was their best project because it changed their competence and their expectations.

Final Objective: Increase social inclusion in rural gminas

57. **The project was successful in increasing social inclusion.** As highlighted in the table above, by the time the Social Inclusion Component ended, 40 percent of excluded population groups in the 500 beneficiary *gminas* accessed at least one social inclusion service, compared to 11.3 percent in January 2006, before the project started. This is a substantial increase in five years and largely surpasses the target of 30 percent. In particular, data collected by the MIS indicate that the Social Inclusion Component reached 580,000 direct and 1,260,000 indirect beneficiaries. Direct beneficiaries included 230,000 children and youth, 74,000 seniors, 66,000 disadvantaged persons, 42,000 disabled persons, 19,000 dependent persons, 25,000 victims of violence, and 59,000 homemakers. Fifty-nine percent (342,000) of direct beneficiaries were women.

58. Additional considerations support the conclusion that social inclusion increased in the beneficiary *gminas*. Qualitative information¹⁴ points to the increased “visibility” of previously excluded groups, such as single mothers or substance abusers, who are now participating in community life and even organizing meetings on their own. In many cases, this new involvement was previously unheard of and represented somewhat of an awakening (see box).

59. Another element that suggests an increase in social inclusion is the proliferation of local formal and informal groups and associations in beneficiary *gminas*. According to the MIS data:

- 806 NGOs were created and formally registered, representing an increase of 21 percent from before the project;
- 1,069 informal groups were created, representing an increase of 58 percent from before the project;
- new formal groups were created in 68 percent of *gminas*;
- registered organizations were reactivated in 14 percent of *gminas*; and

Inclusion of Disabled Youth in Byszow

In the village of Byszow, local businessman and runner Marek Bargiel started to organize competitions for the disabled after noticing their interest in his running. Now, disabled youth run races and train together. They have traveled to Warsaw and Krakow for races and have also visited museums and theaters. Instead of staying home out of sight, they have become part of village life, and in doing so, have changed people’s perceptions. “It is surprising how self-sufficient the disabled children can be. They don’t need much assistance and they get around very well on their own. This project has made them believe in themselves, but it also has made me believe I can do something good...,” says Bargiel. PARSP provided financial support through the Social Inclusion Program to local initiatives in Byszow, including the disabled inclusion scheme.

Source: Project Brief.

¹⁴ Qualitative information comes from: the publication *Small Communes Big Changes*, the aide-memoire of October 20, 2010, the project brief prepared by the TTL in 2010, the beneficiary assessment carried out at the end of the component implementation period, and several interviews during the ICR mission, including with *gmina* representatives and project beneficiaries.

- informal groups were reactivated in 29 percent of *gminas*.

60. These formal and informal groups include associations of vulnerable people, such as single mothers, elderly people or recovering substance abusers, as well as groups involved in various artistic, cultural or sports activities. What these diverse groups have in common is that they are expressions of strengthened social capital, and in turn they contribute to (horizontal) social capital development. Considering that social capital can be defined as the capacity of people to work together for a common goal and as the expression of solidarity, its development implies an increase in social inclusion.

PDO: (b) Support KRUS reform by improving the efficiency of the KRUS Agency through strengthening its administrative and analytic capacity and enabling better management of decision processes during its reform process.

61. **The outcomes for this component were not achieved by the end of the project, but it is reasonable to expect that they will be achieved after project closure.** The indicator proposed to measure the achievement of the above portion of the PDO was “reduction of the delay in availability of management information from the current 15-20 week lag to a 2 week lag”. As the activities envisaged to support the reform of the KRUS Agency have not yet been completed and are only expected to be completed in the first quarter of 2013, the outcomes for this component were not achieved by the end of the project. However, in light of the following considerations, it appears reasonable to expect that the outcomes will be reached even if the project is now closed.

- ***The administrative and analytical capacity of agency staff has been strengthened.*** About one thousand staff have been trained in the use and management of the new workflow system and 600 in the use and management of the new archive system. They are planned as trainers for the remaining 5,000 staff.
- ***The workflow system, which represents the core of KRUS functions, has been developed and successfully piloted*** in 16 branches, 6 local offices and in headquarters. Improvements include the unification under a unique portal of short-term benefits, long-term benefits and health benefits, which will enable faster services, better monitoring of each case progress, and faster exchange of information between different KRUS units. The pilot has shown great gains in efficiency. For example, under the old –and still in use– system, field offices produce reports, regional offices collate and verify them (and send back those found to have problems), and the Head Office collates the reports coming from the 16 regional offices. This process takes several weeks. Under the new system, reports prepared by the field office are automatically verified by the software and in one week are available to the Head Office.
- ***Funding is available for the roll-out of the new workflow system to the rest of the agency, as well as for the completion of all other activities envisaged*** –creation of the archive and management support systems, information campaign for users and the general public. Adequate budget allocations have been secured for 2012 (8.5 million PLN) and are included in the 2013 budget law (1 million Euros).
- ***KRUS management and staff are highly committed to completing the reform.*** This is evidenced not only by the support and declarations of KRUS management, but also by the fact that some 300 staff involved in the project have been doing the required extra work to help design and test new processes enthusiastically and mostly without additional payment – and also in the absence of any threats for failure to engage.
- ***Broad political commitment is also present.*** Although during project preparation there was talk about dismantling KRUS, work toward its reform has strengthened its position. The fact that reform efforts have continued despite Government changes and despite the fact that KRUS is disliked by much of the population (because it is considered unfairly generous to

farmers) indicates that --in the words of KRUS management-- “if the idea is the right one, everyone will work toward its implementation.” Hence, it is most unlikely that the administrative reform would be stopped because of political reasons, especially now that the end is in sight.

3.3 Efficiency

62. Given the nature of the activities financed by the project and the information available, the efficiency analysis is based on cost effectiveness considerations.

KRUS Administrative Reform Component

63. According to interviews with several KRUS and MLSP staff familiar with the component, the gains in efficiency expected with the completion of project activities (i.e., by 2013) would not be possible without the ongoing reform.¹⁵ Nor could they have been obtained in a much faster manner or at a lower cost. It is true that the component is behind schedule, but the decision-making process on all details of the complex streamlining and automation of KRUS processes could not have been rushed because a participatory and democratic process was necessary to ensure widespread buy-in, and in any case, it is expected to pay off in the form of a faster up-take when it is time to implement all the changes nationally. Also, social benefits are a very delicate matter and mistakes can be very costly to individual KRUS beneficiaries, so the time taken to ensure a high quality is considered justified.

64. As for the cost of the services and goods financed by the project, they compare quite favorably to those of KRUS’ “sister” organization, ZUS. KRUS budget in 2010 for all IT services amounted 70 million PLN equivalent to 19 PLN per client. ZUS IT budget was 850 million PLN, equivalent to 37 PLN per client. One of the reasons for the cheaper cost of the IT system in KRUS is the competitive process used to secure needed goods and services, where different service providers competed with each other during implementation. In the case of ZUS this did not happen, resulting in higher costs both for implementation and maintenance.

Social Inclusion Component

65. While there is convincing evidence that social inclusion increased as a result of project activities and beneficiary *gminas* developed greater capacity to identify, plan and execute social inclusion strategies, it is not easy to determine whether the same results could have been obtained at a lesser cost.

- *Could the same results have been achieved without the project?* Most unlikely. Not enough data for non-beneficiary *gminas* were gathered and therefore sound counterfactual evidence is not available. But according to interviews carried out during the ICR mission, what was achieved by the component was unique and would not have been possible without the project because (a) *gminas* would not have had the technical capacity to develop and implement a “good” social inclusion strategy, and (b) in any case, they would have had no incentive and not enough money to do it.
- *Could the same results have been obtained at a lower cost?* Probably not, because all elements of the Social Inclusion Component were needed to achieve the results, and goods and services were purchased at competitive prices. For example, as pointed out by PIU staff,

¹⁵ Information to quantify the gains in efficiency expected could not be obtained.

the capacity building provided by PARSP enabled *gminas* to develop social inclusion strategies in a participatory way, something completely novel in a country used to top-down, bureaucratic approaches. Of course, a *gmina* employee tasked with developing a social inclusion strategy could have done it sitting in his/her office at a much lower cost than the one incurred by the project, but the quality, applicability and sustainability of the strategy would not have been the same. In the same vein, responsibility for implementation could have rested entirely on the shoulders of *gmina*'s and regional offices' employees without the help of the 27 Regional Consultants paid by the project, but the results would not have been the same because local government employees would not have had the time, the skills and the dynamism needed. Also, social accountability was high because of the participatory and transparent approach and, combined with competitive procurement methods, appears to have resulted in "value for money" for the services purchased (though no comparative data could be obtained).

3.4 Justification of Overall Outcome Rating

Rating: Moderately Satisfactory

Element	Rating
Relevance	S
Achievement of PDO: Part (a)	S
Part (b)	U
Efficiency	MS

66. **Relevance is satisfactory.** The project objectives remain highly relevant, as indicated by the CPS 2009-2013 and the World Bank's engagement with sub-national entities. Implementation arrangements also continue to be relevant both for KRUS reform, which should continue to be the responsibility of KRUS management, and for social inclusion activities, whose decentralized implementation approach remains particularly relevant in light of efforts toward decentralization.

67. **Achievement of PDO is Moderately Satisfactory.** The PDOs were achieved for the Social Inclusion Component (59 percent of total project cost), and will be probably –albeit not certainly– achieved for the KRUS Administrative Reform Component (36 percent of total project cost). As in the absence of certainty it is better to err on the side of caution, the achievement of the PDO concerning KRUS reform is considered Unsatisfactory. On the other hand, the achievement of the PDO concerning social inclusion is fully Satisfactory. Given the greater weight of the budget for the Social Inclusion Component, an overall rating of Moderately Satisfactory for the achievement of the PDO is justified.

68. **Efficiency is Moderately Satisfactory.** It is difficult to make a judgment about project efficiency given the lack of estimates concerning the expected benefits of efficiency gains for KRUS, the inherent difficulty of quantifying the benefits of social inclusion, as well as the absence of counterfactual information or cost norms. Nevertheless, qualitative information suggests that the results achieved by the Social Inclusion Component would not have been possible at a lower cost, i.e., without the project, with a different project design or with lower expenditures under the same design. As for the KRUS Administrative Reform Component, it is true that there were initial delays but what has been achieved with the project so far, and especially what is expected to be achieved once all envisaged activities are completed, would hardly have been possible without the project or in a faster way.

3.5 Overarching Themes, Other Outcomes and Impacts

a) Poverty Impacts, Gender Aspects, and Social Development

69. **Poverty Impacts - Integration of vulnerable groups.** More than 35% of the social services delivered under the project focused on activities to facilitate the inclusion of vulnerable groups. According to a survey conducted under the Social Inclusion Component, 72% of respondents declared that the needs of the elderly were satisfied to a greater extent than before the project. 95% respondents noted that extracurricular activities for children and youth had improved due to project activities.

70. **Social Development - Community mobilization.** The project successfully incorporated social development aspects and approaches throughout implementation. From the outset, PARSP introduced a strong focus on community mobilization and participatory approaches to identify needs and resources, as well as to develop and implement social inclusion strategies. Regional Consultants and moderators facilitated the delivery of 1,589 workshops in 311 *gminas* bringing together local government representatives, teachers, representatives of civil society organizations (CSOs), local businesses, members of informal groups and ordinary citizens. A significant number of CSOs have been established as a direct result of PARSP activities. This is particularly noteworthy as the level of community self-organization and presence of civic structures were very low at the beginning of project implementation. As mentioned earlier, the SIP monitoring system reveals that during the life of the project, 806 new CSO were formally registered and 1,069 informal social groups were established (though not officially registered) in over 370 *gminas*. Moreover, a collective initiative of 25 Regional Consultants employed for the implementation of the Social Inclusion Component has led to the establishment of a foundation to continue supporting social inclusion practice and knowledge sharing at the local level.

71. Activities under the project also facilitated intra-community communication and interaction, resulting in better awareness of community needs, available resources and how they can be utilized to solve issues and challenges the communities had been struggling with. In 68 percent of the *gminas*, project beneficiaries who prior to the project had not been involved in any type of social activities are reported to have joined social organizations, and in 49 percent of the participating *gminas* it was registered that the project had a positive impact on people who had previously very limited social contacts.¹⁶ Community activation has been reported to have resulted in, among other things, the formation of youth groups or *gmina* youth councils (e.g., in the Lubelskie region), initiatives to promote better use of community spaces for social gatherings (e.g., in Podkarpackie region), the organization of care-giving services for sick children by neighbors, and the active inclusion of elderly and disabled persons in community activities (Lubelskie region). Most importantly, the Regional Coordinators consistently reported a shift in the communities' perception of their situation including their ability to positively influence social outcomes in the community.

72. **Gender impacts.** The data collected under the SIP's M&E system does not sufficiently capture gender outcomes in a quantitative manner. Reports from the Regional Consultants, however, suggest that the project has had a positive impact on rural women. Traditionally, rural women in Poland do not participate in public life and organizations. Project activities have resulted in the reviving of already existing or the creation of local branches of the "Association of Rural Housewives" in a number of *gminas*. SIP required communities to form partnerships for the delivery of social services and the Association of Rural Housewives was reported to be one of the most frequent partners for service providers.

¹⁶ Information obtained from MIS data, as reported in PowerPoint presentations prepared for the closing event of the Social Inclusion Component.

b) Institutional Change/Strengthening

73. **Increased capacity of government officials.** At the outset of project implementation, the situation in the 500 *gminas* selected for activities under the Social Inclusion Component can be generally described as one in which social needs were high and the capacity of local stakeholders to address them was very limited. As local governments had traditionally given priority to infrastructure investments, they lacked access to resources (including best practice examples and funding), as well as the capacity to plan and implement “soft” projects that would address the most pressing social issues. The Social Inclusion Component changed this situation fundamentally. SIP increased the capacity of government officials through trainings and study visits: 1,589 workshops with local government officials and community stakeholders were conducted in which participants were encouraged to jointly develop priorities and approaches to tackle the social inclusion challenges in their community. These workshops have changed the hierarchy of communal priorities, elevating social issues to a higher level. Almost 400 *gminas* participated in study visits to learn from other communities’ experiences.

74. **Better collaboration between local governments and the local community.** The local governments’ capacity to interact with the local community in identifying social needs has also considerably increased due to the project. In over 370 *gminas* permanent and reliable cooperation mechanisms between the local community and the *gmina* government were developed and implemented to identify and solve social problems. The project has also facilitated the establishment of tools and instruments that help local governments monitor the market for social services: in 467 *gminas*, databases for social inclusion providers were developed and in 338 *gminas* these databases were made public.

75. **Increased local government capacity to mobilize external funds.** As discussed in Section 3.2, the project had a measurably positive impact on local governments’ capacity to apply for external funding. Before project activities started, only 18 percent of the *gminas* received external funding related to the implementation of social inclusion activities. At the end of project implementation, 78 percent of them were able to obtain funding from external sources, including EU funding.

76. **More local government staff working on social inclusion.** Institutional capacity in the *gminas* was not only strengthened in terms of the availability of knowledge, instruments and financial resources, but also with regard to human resources. On average, between 2007 and 2010 the number of *gminas*’ staff responsible for the social inclusion agenda has increased by almost two staff.

77. **More capable and active Centers for Social Policy.** Project activities have also had a positive impact on the work of the *Gmina* Centers of Social Policy (GCSP). These centers’ role was largely limited to distributing social benefits and welfare and they were not perceived as being able to contribute to the social inclusion agenda in a more comprehensive manner. GCSPs that participated in PARSP activities were able to gradually change their image. They became “closer” to the local citizens, meeting them during workshops and trainings and developed new tools to diagnose local needs and identify resources. Partnerships were formed between GCSPs and local groups, such as Teachers Associations, to channel information on families in the community that were in need of special support. GCSPs that had previously mostly focused on assistance started to broaden their approach and introduced prevention programs, such as trainings on constructive parental skills and prevention of intra-family violence.

78. **A more comprehensive approach to social inclusion.** Altogether, PARSP activities have helped communities and local institutions look at social inclusion and social policy in a more comprehensive manner. By moving away from a focus on welfare and benefits only, communities were able to embrace new possibilities and a wide range of activities, including education, training, cultural and leisure time activities.

c) Other Unintended Outcomes and Impacts

79. **Strengthened social capital.** While social inclusion may be an expression of social capital at work, social capital development –and its potential benefits—cannot be considered an inevitable by-product of social inclusion. Many elements suggest that the project was successful in developing social capital, and more in general in “waking up” communities. Qualitative data report a rise in community events organized by communities themselves. At first they were mostly for amusement. While some stakeholders dismissed that as “wasting money on parties”, it became apparent that it was an important element for social capital development. By planning together a fun event, people started meeting, and other ideas sprung up. Mayors talked about having to rack their brains to find some communal activity to propose before the project. Now they are receiving plenty of requests and ideas from citizens, from anti-nicotine campaigns to English classes to “Day of the Neighbor”. Also, beneficiaries reported that project activities have helped them overcome their reservations against becoming involved in non-profit organizations and increased their awareness and appreciation of the role of social service providers. As mentioned earlier, a significant number of CSOs have been established as a direct result of PARSP activities. This is particularly noteworthy as the level of community self-organization and presence of civic structures were very low at the beginning of project implementation.

80. **A paradigm shift.** Several people interviewed for the ICR used the expression “paradigm shift” when talking about the Social Inclusion Component. Local authorities were asked to tackle problems that had been swept under the rug for twenty years. For the first time, they were encouraged to work in a participatory way, to listen, and to plan collectively. And for the first time, citizens were encouraged to think creatively. Many stereotypes were challenged. For example, the first coordinator of SIP recalled that at the beginning of the project it was not always easy to convince mayors to focus on “soft” issues like social inclusion. One year and a half later, in 2009, when the government temporarily stopped project funding, the mayors took to the streets of Warsaw to demand the project be continued. Also, in Poland social services had been traditionally provided by public institutions. The project encouraged relying on private providers and municipalities discovered that locally-based private providers such as NGOs could offer an attractive alternative to public institutions. Many actually chose to use the training budget at their disposal to train locally-based NGOs.

81. **Knowledge transfer.** Implementation of the KRUS Administrative Reform Component relied on the services of consulting firms that introduced KRUS staff to new ways of doing things, and this knowledge was then applied beyond the project boundaries. For example, KRUS staff learned about “best practice” methods for project managing (Prince 2 method) and the need to develop standards and procedures. As a result, KRUS set up a matrix structure to facilitate and monitor business changes, and established IT maintenance standards that will be applied beyond the project scope. Also, KRUS made an agreement with the Ministry of Justice on IT knowledge transfer and the creation links for future e-administration.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

82. A Beneficiary Assessment was carried out in late 2010, just before completing the Social Inclusion Component (see Annex 5 for more information). Its findings include the following:

- 87 percent of respondents felt the quality of social services had improved.
- 72 percent reported that the needs of the elderly (one of the main socially excluded groups) were better addressed.
- 73 percent reported that the needs of single parent families (another key socially excluded group) were better addressed.

83. A survey of actual and potential service providers in *gminas* was also carried out. The vast majority (66%) of them indicated that people previously uninvolved in community action had joined their organization over the previous two years. Approximately 85% of social service providers feel that the Social Inclusion Component has helped increase both the level of social inclusion in *gminas*, and the quality of social services delivered to *gmina* residents. The program's influence was noted in the increase and improvement in the range of after-school activities for children and youth; the introduction of new services for *gmina* residents, including seniors, unemployed and disabled persons; the increased ability of *gmina* leaders to apply for and obtain funding for social projects; and increased attention of *gmina* authorities to the residents' social needs.

4. Assessment of Risk to Development Outcome

Rating: Low

Risk	Comments	Rating
Technical:	Both parts of the PDO contain an important element of capacity building –of <i>gmina</i> authorities and of KRUS staff. In both cases, the capacity building not only took place, but appears to have contributed to change the way those directly responsible for the achievement of the PDO actually think and act.	
(a) Risk of <i>gminas</i> tackling social inclusion in inappropriate ways .	(a) Increased social inclusion has been achieved in the beneficiary <i>gminas</i> , but in addition there has been a change in the way beneficiary <i>gminas</i> approach social problems that many stakeholders believe will be long-lasting (see Section 3.5 on “paradigm shift”).	Low
(b) Risk of KRUS’ new processes being too complicated or poorly understood and therefore not applied.	(b) The participatory and democratic approach followed in planning and implementing various elements of the KRUS reform resulted in changes that are broadly endorsed and understood throughout the organization, while the training will gradually build capacity and the piloting phase is helping iron out technical glitches. An information campaign for both staff and customers will also facilitate buy-in.	Low
Financial:		
(a) Funding is not available to continue social inclusion activities.	(a) Given <i>gminas</i> ’ demonstrated new skills in obtaining external financing for social inclusion activities, results under this component appear to be financially sustainable.	Low
(b) KRUS reform cannot be rolled out and maintained because of insufficient funds.	(b) KRUS financial flows are expected to increase by approximately 20% per annum in relation to maintenance and service for the system. On the other hand, it is expected that some present	Moderate

	<p>recurrent costs would then decrease as a result of better maintenance and more efficient processes (e.g., savings on printing and shipping documents) as well as the close-down of financial and HR systems currently used in KRUS. Note, however, that no staff reduction is expected, as gains in efficiency are expected to result in better customer service and possibly be compensated by added functions.</p>	
<p>Social:</p> <p>KRUS reform generates resentment among the general population .</p>	<p>The general population tends to resent KRUS because it is perceived as unfairly advantageous to farmers. However, it has been pointed out that a more modern and efficient organization is likely to result in greater social acceptance. The planned awareness campaign should also contribute to increased acceptance.</p> <p>Concerning the Social Inclusion Component, there are no social risks. To the contrary, local authorities and regular citizens are so proud of their accomplishments that they even requested permission to hold a parade in the center of Warsaw.¹⁷</p>	Low
<p>Political:</p> <p>(a) Political commitment to social inclusion wanes.</p> <p>(b) Political commitment to KRUS reform wanes.</p>	<p>Project implementation has continued regardless of political changes, and its accomplishments have gained widespread support across the political spectrum.</p> <p>(a) <i>Gmina</i> authorities have expressed their satisfaction with the SIP and demonstrated their commitment to continuing social inclusion activities (see Sections 3.2 and 3.5)</p> <p>(b) The fact that public resources have already been made available to complete the envisaged KRUS reform is further indication of Government commitment.</p>	<p>Low</p> <p>Low</p>

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

¹⁷ The permission was denied (personal communication from project staff).

84. The most important factor impacting quality at entry (and in fact overall project implementation) was the lack of a coherent strategic framework tying together the two main project components (as stated in Section 2.1. b). In retrospect, it is not clear why the Bank decided to include these two components into one project and whether it was understood that this would pose considerable challenges to the effective management by the Task Team Leader (TTL), the Government counterpart and the PIU, as two distinct types of skill sets were required. No specific arrangements were made at the time of project preparation to manage these challenges. In particular, there was no acknowledgement of the risk of delay inherent in a relatively large number of complex procurement packages under the KRUS Administrative Reform Component, which had to be processed in sequence. In addition, the inclusion of a risk unrelated to the actual content of the KRUS component suggests that the scope of the component had to be changed after project approval, or that the team preparing the project simply forgot to update the PAD.

85. Another important shortcoming at entry was the lack of a robust results framework, including measurable key indicators towards achieving the project development objectives. This is particularly disappointing as parts of the PHRD Grant that had been used to fund project preparation had been devoted to developing an M&E system for the project. Despite this investment, no functioning M&E system was in place when the project started.

86. All other implementation arrangements were appropriate and consistent with the Bank's fiduciary role. Due to the two serious shortcomings discussed above, however, the Bank's performance in ensuring quality at entry is rated as Moderately Unsatisfactory.

b) Quality of Supervision

Rating: Moderately Unsatisfactory

87. The Bank team was overall responsive to client needs during the course of project implementation, providing support when implementation problems arose and keeping a flexible attitude to client suggestions, for example with regard to procurement simplification. It also proved immensely valuable to have Warsaw-based financial management, procurement and operations staff as they greatly facilitated close collaboration with the Government. At least 8 supervision missions were undertaken by the Bank, including a number of field visits to verify progress in the gminas and achievements in community mobilization. However, the quality of Bank supervision is considered Moderately Unsatisfactory in light of the following considerations:

- The project had altogether three different TTLs: the first transition took place right before the project went to the Board, and the second transition in 2009. As the TTL in charge of the project between 2007 and 2009 spoke Polish, most project documents were not translated into English. This impacted the quality of Bank supervision as of mid-2009 when the new TTL found himself without meaningful access to important documents such as the Operational Manual and therefore was not able to verify if agreed implementation procedures were observed.
- As noted above, the procurement pace at the beginning of implementation was very slow, in particular concerning the KRUS Administrative Reform Component. This appears to have been in part due to long internal review processes that resulted in delays issuing No Objection to procurement packages.
- The World Bank team should have also put greater emphasis on documenting changes in implementation arrangements, most importantly changes in the results indicators of the

project. These changes were agreed during a supervision mission and mentioned in an Aide Memoire and ISR but not officially consolidated through a level 2 restructuring.

- No Mid-Term Review was carried out. The time initially envisaged for the Mid-Term Review appeared just at the beginning of implementation because of delays in project start. After about one year of implementation, the Bank team started preparing an extension and, after careful review, proposed some changes to the project structure --the same ones that could have been the result of a Mid-Term Review. At that point, a Mid-Term Review did not seem necessary.

c) Justification of Rating for Overall Bank Performance

Rating: Moderately Unsatisfactory

88. Due to the shortcomings in project preparation and supervision – in particular the lack of officially documenting changes in the results indicators through a level 2 restructuring and the absence of a Mid-Term Review - and despite the fact that the Bank and PIU cooperated in an active and effective manner during the course of project implementation, the Bank's overall performance is rated as Moderately Unsatisfactory.

5.2 Borrower Performance

a) Government Performance

Rating: Moderately Satisfactory

89. Project implementation started at a time of political instability in Poland, which resulted in frequent changes in the Government, including the MLSP which was the line ministry in charge of the project. Moreover, for political reasons project management was assigned to the Department of Economic Analysis and Forecasting (this is also where the PIU was located) instead of to its more natural home, the Department for Social Integration. As a result, ownership of the project and capacity inside the Ministry to oversee and support project implementation were somewhat limited. Changes in the Ministry, as well as the convoluted structures and reporting lines further complicated the first phase of PARSP implementation. However, over the course of project implementation, and with the Social Inclusion Component starting to achieve very tangible results on the ground, the Ministry's interest in project activities increased and more attention and resources were devoted to PARSP for the remainder of the project.

b) Implementing Agency or Agencies Performance

Rating: Moderately Satisfactory

90. The project was implemented by a PIU located in the MLSP. The PIU is considered to have done a reasonably competent job in implementing the project. The PIU manager and the majority of PIU staff were replaced in 2009, resulting in some disruption while the new team became acquainted with the project, as well the loss of some of the institutional memory. Also, as noted before, financial management problems related to the exchange rate could not be resolved until the end of the implementation period. KRUS was accorded considerable autonomy for the implementation of its component, which turned out to be a wise decision with a positive effect on project implementation. KRUS staff working on the project showed a high level of competence and it is noteworthy that the over 300 KRUS employees called to contribute in various ways carried out the extra work in a timely manner and mostly without extra payment.

c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

91. On the basis of the justification provided above, the borrower's overall performance is rated Moderately Satisfactory.

6. Lessons Learned

92. ***Lesson 1: Including two very different unrelated components under the same project presents implementation challenges difficult to overcome.*** Virtually all project stakeholders pointed out that in reality there were two separate projects under one heading, and that it would have been better to implement them as separate projects. To begin with, it was impossible to find a Project Coordinator or a TTL with all the competences required to do a good job on both of the main components, and while team work can help compensate for missing competencies, the final responsibility should rest on someone who has a complete grasp of all project components. In particular, the KRUS Administrative Reform Component would have required a TTL with an IT specialization. Fortunately, the MLSP never assigned someone to specifically manage the component, and the very competent KRUS staff responsible for project implementation were given much autonomy, including direct access to Bank staff, which certainly allowed for smoother implementation. But one can easily imagine a case in which the official implementing agency would not be as flexible (or practical) and insist on keeping a tight control over all project aspects, including matters on which it is ill-equipped to work.

93. ***Lesson 2: Social inclusion may be spurred in many ways, and cultural considerations are paramount.*** Because of the “soft” nature of social inclusion, tackling it inspires a certain resistance among bureaucrats –both within governments and within the Bank. The resistance may be greater when the activities pursued in the name of social inclusion are far from the typical projects. Thus, the many picnics, parties and fairs initially financed by the Social Inclusion Component raised many eyebrows. But it turned out they were far from a waste of money. For 40 years communism made it compulsory to participate in social action events (e.g., collective leaf raking), and there was no sense of ownership, transparency or volunteerism. Allowing people to freely decide what they wanted to do together, no matter what it was, as long as it was inclusive, proved to be the right strategy. It “woke up” people, helped them be more open to others, inspired social activism, and in the end did result in targeted social inclusion activities. This is a lesson applicable to all countries coming out of totalitarian regimes.

94. ***Lesson 3: If economic exclusion is intimately linked to social exclusion, both should be addressed.*** A number of stakeholders interviewed during the ICR mission noted that this represented a shortcoming, because poverty and unemployment were often at the root of social exclusion. An operation to tackle social inclusion in a comprehensive way should also include a component specifically targeting employment creation, at least in contexts such as Poland's.

95. ***Lesson 4: Outsiders supported by a project can provide the needed spark for regular actors and do not compromise sustainability.*** There has been much debate surrounding the possible stifling effects of CDD approaches on the development of local governments, and government in general, with CDD being criticized for by-passing –and therefore weakening– permanent government structures in the name of community empowerment. This project offers an example of how a CDD approach can act as a “pump primer” for local governments, greatly contributing to strengthening their capacity and increasing their role as agents of social cohesion. The key to this success were the 27 Regional Consultants (“gems” in the words of an interviewed stakeholder). Recruited on the basis of their competence and dynamism and embedded in local government offices, they worked with local authorities and regional social policy personnel, offering technical assistance, inspiration and ideas. In many ways, they appear to have been

the glue of the SIP, providing a link to the central government and the PIU, but also bridges between regions and *gminas*.

96. **Lesson 5: Standard five-year project duration may not be appropriate for complex administrative reforms.** The steps required for KRUS reform were envisaged as feasible in five years, presumably to stay within the standard five year duration of World Bank projects. This turned out to have been too optimistic. The process to conceive and implement the reform was very slow, as the following steps were necessary, and each of them required extensive consultations: (i) evaluate the situation (done in great part during project preparation); (ii) define specific objectives; (iii) determine which processes/tools need to be changed and which can remain; (iv) integrate the system by connecting information scattered over a plethora of different IT applications and databases; and (v) launch large procurement packages, which mostly needed to be done in sequence –hence with cumulative delays. Predictably, implementation advanced very slowly at first, with only 7 percent of funds disbursed as of 2009. Two extensions were requested, but they were not enough to see planned activities to their completion.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

97. The Government raised several issues in their contribution to the ICR and these are consistent with the key issues highlighted in the report. The overall project timetable, including preparation lead and implementation schedule once effective was extremely ambitious and posed particular challenges. The first agreements between Marshals of the Provinces and the communes eligible for PARSP support were only signed in early 2008, leaving barely over a year before the original project closing date of December 2009 for implementation of project component investments. The delays in overall project implementation put *gminas* at a disadvantage in competing for EU Cohesion funds; EU resources had been programmed for the period 2007 to 2013, and the majority of funds available had been allocated by the time the SIP component was completed. Nevertheless, as documented in the ICR, most *gminas* became successful at raising external funding. With respect to KRUS, drawn-out tender procedures and the need for strategic and capacity development work alongside resulted in very low disbursement rates under Component 1 in 2008 and 2009 – approximately 1.7% and 6.6% respectively. The procurement procedures applying were flagged by the Borrower as inefficient with respect to purchase requirements for small-scale services or materials, in particular for Component 2. The Borrower also raised issues related to the management challenges associated with a project consisting of two very different components. The Borrower further underscored the persistent complication from Euro-denominated financial settlements and exchange rate differences, a predicament portrayed in the ICR. Finally, the Borrower indicated reservations as to the nature of employment contracts serving the project team and limitations resulting from task-specific consultancy contracts that were used. These issues raised by the Borrower are largely in line with the findings of the ICR as presented.

(b) Cofinanciers

98. N/A

(c) Other partners and stakeholders

99. N/A

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
KRUS Administrative Reform	33.55	30.05	90
Social Inclusion	53.61	53.04	99
National Awareness	2.15	7.07	329
Total Baseline Cost	88.77	90.15	102
Price Contingencies	2.61	0.00	0.00
Total Project Costs	91.38	90.15	99
Front-end fee IBRD	0.21	0.00	0.00
Total Financing Required	91.59	90.15	98

NB: Project cost was estimated in Euros and changes from original estimates are due to exchange rate fluctuations between Euro and USD. The exchange rate used in the table above is 1 EUR= 1.286950 USD (May 15, 2012).

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		3.54	0.00	.00
International Bank for Reconstruction and Development		88.80	92.72	.00

Annex 2. Outputs by Component

Component 1: KRUS Administrative Reform

1. This component was designed to help KRUS in its efforts to improve efficiency primarily by investing in automation and, to a lesser extent, by developing analytical and management capacity. This objective was pursued through six sub-components:

Sub-Component	Estimated Utilization (US\$ millions)	Actual Utilization (US\$ millions)
Management Support System	3.07	3.490
Workflow Systems and Data Processing System	18.22	15.044
Archival System	3.07	2.273
Security Assurance	(not envisaged)	0.149
ICT Infrastructure	2.30	4.613
Technical Assistance to Implementation Effort	0.38	1.168

2. *Sub-component 1: KRUS Management Support System.* Following an ICB selection process, a firm was contracted to design a modern managerial system that would include a financial management system, a human resource management system, a payroll system, a procurement management system, fixed asset management, and other management systems. The assignment also includes the analytical systems needed to allow management to evaluate the effect of the agency's operations, its efficiency, and effectiveness on the target population. The contract completion date is set as January 25, 2013. As of project closing, the following tasks had been completed: assignment documentation completed and delivered; prototype 1 of Management Support System delivered along with an analysis of the proposed system; and hardware and licenses purchased.

3. *Sub-component 2: Workflow Systems and Data Processing System.* This subcomponent supported the design of a system that would process the flows corresponding to the statutory responsibilities of the agency, namely the premium collection and benefit paying subsystems. Given the complexity of the task (e.g., 540 different datasets had to be harmonized), three separate contracts were issued: to design the workflow system, to modernize the data processing system for long-term benefits, and to modernize the data processing system for agricultural social insurance and short-term benefits. The new workflow system, which integrates the data processing functions and workflow management across three application subsystems (Farmer, Krusnal-C, Krusnal and Kachna), has been designed and successfully tested. However, full roll-out is not expected until early 2013. The contract was completed in June 2011 but technical support and warranty services will last until December 31, 2013. As for the modernization of data processing, the design is complete including technical documentation (technical arrangements of applications and every layer of the system defined), applications have been developed and piloted, and initial training to KRUS staff has been delivered.

4. *Sub-component 3: Archival System.* A contract was awarded in April 2011 to put in place a long-term (50-year) archival capacity for the paper and electronic records of the agency. This process entails a huge amount of scanning, for which hardware had to be purchased and special software designed. As of project closing, business assumptions had been defined, as well as technical requirements and applications; the final database systems were defined; needed hardware was purchased and operational; the software EDR (Enhanced Data Rate) was designed and delivered; and system administrators had been trained. The expected completion date of the contract is June 20, 2012.

5. *Sub-component 4: Security Assurance.* This sub-component was not planned at project appraisal, but it became quickly evident that it was a pre-condition for the rest of the work envisaged. Its main objective was to analyze and determine the information security requirements for the Integrated Information System, in view of their inclusion in the bidding documents for the other subcomponents, especially for Workflow System, Management Support System and Archival System. The verification of bids and then technical project documentation developed within particular projects (sub-components) against those requirements was also a part of this sub-component. The objectives have been reached as the output of the subcomponent has ensured that the technology and solutions provided by suppliers of IT system components are up-to-date and provide a sufficient level of information security. The contract was completed in June 2011.

6. *Sub-component 5: ICT Infrastructure.* Investments under this sub-component served to modernize the ICT hardware infrastructure in the 270 offices of KRUS. They consisted primarily in the supply of workstations with LCD monitors, multifunctional printing devices, servers, various types of software and miscellaneous equipment. Below is a summary of the equipment purchased:

Servers	91
Basic Computer Equipment	2,327
LCD Monitors	2,327
UPSs	35
Disk Arrays	19
Tape Libraries	19
Multifunctional Printing Devices	504

7. *Sub-component 6: Technical Assistance for Implementation.* This component provided services to complement the KRUS ICT staff required to implement the sub-components defined above. The technical assistance provided included the following: (i) advisory services for the implementation standards of the IT Infrastructure Library and support for the creation of a center of competence within the IT department; (ii) verification of the delivery by service providers of all the components of integrated IT systems; (iii) IT implementation support to customize PRINCE2 and MSP (methods for project and program management) to KRUS requirements, including the definition of indicators of implementation effectiveness, and two training programs for management and for operational staff; (iv) support for bidding documentation development, procurement process; and (v) general support for the program in KRUS, especially in the area of monitoring, reporting and management.

Component 2: Social Inclusion

8. The social inclusion component was organized in two subcomponents:

- Sub-component 1 : Social Inclusion Framework (0.80 million Euro) financed technical assistance to develop standards, procedures and training materials, for use by *gmina/powiat/voivodship* management and social policy staff, to assess social needs, and develop strategic social policies and action plans within the context of overall community development plans.
- Sub-component 2: Social Inclusion Services (43.15 million Euro) financed the delivery of social inclusion services, as well as demand-driven technical assistance and training at the *gmina* level.

9. *Sub-component 1:* Regional Consultants and moderators facilitated the delivery of 1,589 workshops in 311 *gminas* bringing together local government representatives, teachers, representatives of civil society organizations (CSOs), members of informal groups and ordinary citizens (see Table 1 below). Capacity building services were also delivered by a range of other actors including civic organizations, NGOs, private firms, units of territorial self-governance, educational establishments and sports organizations. In particular, training output included:

- 429 educational activities for local government staff, reaching a total of 5,362 people;
- 458 training activities to develop the skills and improve the quality of local providers of social inclusion services, reaching, among others, 5,690 representatives of CSOs and NGOs, over 2,700 staff from educational establishments and over 200 staff from public health institutions;
- 473 training activities to provide community leaders with new skills --as a Regional Coordinator reported, community leaders were taught to be service providers, and to shed their fear of paperwork associated with tender competitions, fund settlement and reporting;
- 407 M&E training sessions for representatives of *gmina* monitoring teams for social inclusion strategies.

Table 1: Number of Training Participants by Category of Beneficiary

Type of Training Participants	No. Trained
Representatives of informal groups, natural persons, community leaders	8,652
Representatives of community organizations / NGOs / public benefit organizations	5,690
Local government staff (<i>Gmina</i> Office and/or auxiliary units)	5,362
Other participants	4,947
Personnel in educational establishments, school organizations	2,726
Representatives of private firms	338
Representatives of sport organizations	309
Personnel in public healthcare establishments or other public institutions	202
Representatives of religious institutions, Church-affiliated organizations	201

10. *Sub-component 2:* A total of 10,624 contracts for service delivery were issued for an average value of 13,994 PLN (roughly equivalent to US\$5,000). The most numerous –one third of the total– were for educational activities of various types, including pre-school (the number of pre-school programs available in beneficiary *gminas* doubled during the course of the project), after-school enrichment programs (e.g., arts and crafts, English, computer) and adult education. Second, were activities aimed at the inclusion of traditionally excluded groups, such events organized for the disabled and elderly. It is noteworthy that one of the most popular types of activities selected were those to rekindle old traditions that helped nurture the community social capital, such as “The day of the Neighbor”. A complete list of services delivered and their cost is provided in Table 2.

Type, Number and Cost (in PLN) of Social Inclusion Services Delivered

Service Type	No. of contracts	Value of contracts
Education (incl. adult education, off-school activities)	3,598	55,943,247
Inclusion-oriented activities (e.g., for the disabled)	2,778	33,915,561
Culture and arts (including local traditions and customs)	1,899	24,734,023
Other SIP services	1,531	22,081,352
Equipment	625	5,740,337
Specialized counseling (e.g., legal, social and civil assistance)	261	4,596,352
Healthcare (e.g., prevention of addictions, family planning)	184	2,493,488
Alleviating poverty impacts (e.g., care services, helping the homeless)	156	3,997,091
Renovation	146	1,952,022
Psychological counseling, crisis intervention	116	1,785,757
Transport (e.g., for the elderly, sick persons, children)	115	585,893
Improving the perception of security (incl. prevention of domestic violence, neighborhood support groups)	39	473,125
Reducing unemployment, improving entrepreneurship	4	58,000
Housing policy, social building	1	70,924

Component 3: National Awareness

11. This component was much smaller than the other two and primarily conceived to support them by increasing public awareness of and support for their objectives. As a result it included two sub-components:

12. *Sub-component 1: Social Inclusion Public Awareness.* The main outputs of this sub-component were its outreach efforts through publications, conferences and study tours. Three best practice manuals were published and widely disseminated:

- “Means to Implement Social Initiatives in Rural Areas. Guidelines of Good Practices of the Social Inclusion Program”,
- “Between a Leader and Change” and
- “Participatory Methodology of *Gmina’s* Social Development Support Local Strategy for Resolving Social Problem and Social Development”.

13. A national conference was organized in April 2011, shortly before the Social Inclusion Component was to close, to disseminate its achievements. The conference was well attended and received considerable press coverage. Also –and this was arguably one of the most important outputs of this component– many study tours were exchanged between *gminas* and regions, leading, for example, to 320 *gminas* adopting new solutions based on the practices pursued by other *gminas* as a result of the exchanges between local government representatives.

14. *Sub-component 2: KRUS Public Awareness.* Two types of public awareness campaigns were envisaged. The first was an “external” campaign aimed at informing the public about the changes in the policy environment defining the contributions and benefits of farmers. The second was an “internal” campaign, focused on KRUS staff, to gain their support and generate enthusiasm for the major changes in

business procedures and systems implied by the administrative reform. Neither of these two campaigns was carried out during the project life (though initial steps were made toward the internal campaign), because both were considered premature.

Annex 3. Economic and Financial Analysis

Economic and Financial Analysis at Appraisal

1. The Economic and Financial Analysis presented in the Project Appraisal Document underlines that the benefits to be derived from increased social inclusion are both quantifiable and unquantifiable. These benefits are identified as: (a) building *gminas* capacity to devise and implement local social inclusion strategies, and (b) initiating the critically needed services which empower groups to begin the transition to playing a more productive role in their communities. As the benefits from increased *gmina* capacity are considered largely unquantifiable and in any case to be accrued in the medium to long-term, i.e., beyond the life-span of the project, the economic analysis focuses on the increased labor force participation that was envisaged to result from SIP-financed activities. Assuming that the project would be able to help 10-15 individuals in each *gmina* to make the transition from social assistance to full-time equivalent employment, for a total of 6,200 rural workers, the analysis concludes that the stream of benefits less project costs (taken over 10 years, with a 10 percent discount rate) would have a net present value of roughly 30 million Euro.

2. It was decided that the project would not really concern itself with increased labor force participation because the European funds that became available soon after project inception targeted employment creation. Thus, although some jobs were created as a result of activities financed by Social Inclusion Component, their number and nature was not carefully monitored and it is impossible to draw any conclusion in terms of the rate of return of this investment.

3. The fiscal (rather than financial) analysis, undertaken for appraisal, built on the economic analysis by assuming the same success in boosting the rural labor force participation by 0.1 percent (i.e., 6,200 individuals) over the project period and concludes that the fiscal savings of foregone social assistance payments would amount to roughly 2 million Euro per year. It further estimates that the fiscal savings of improving the probability of KRUS reform by 2 percent would result in expected annual incremental benefits of about 10 million Euro.

Assumptions

4. The considerations made during appraisal about the difficulty of quantifying the benefits to be derived from social inclusion remain all the more valid at project closing. To begin with, it is difficult to measure social inclusion. Some literature on social inclusion/exclusion simply relies on broad measures of poverty and well-being such as PPP or the Human Development Index. When more intangible aspects of inclusion linked to social acceptance or social capital are considered relevant, measurement tends to require the use of psychological instruments such as scales assessing social isolation and social relations. Assuming that social inclusion can be measured, or at least that it is possible to determine that it has increased, –as it can be reasonably concluded in the case of SIP-financed activities– assigning a value to the benefit remains a real challenge, as there is no DALY (Disability-Adjusted Life Year)¹ equivalent for social exclusion. As a result, the economic analysis for the Social Inclusion Component has to rest on the cost side and, to the extent possible, on the counterfactual.

¹ One DALY can be thought of as one lost year of "healthy" life.

5. Concerning the KRUS reform, it would be possible to estimate the benefits of the efficiency gains realized thanks to the project-financed streamlining and automation of many processes, but because the reform is not concluded, it would be purely speculative to quantify such gains at this point in time.

Social Inclusion Component

6. While there is convincing evidence that social inclusion increased as a result of project activities and that beneficiary *gminas* developed greater capacity to identify, plan and execute social inclusion strategies, it is difficult to determine whether the project funds were used in a cost-effective manner.

(a) *Could the same results have been achieved without the project? Most unlikely.*

Data for non-beneficiary *gminas* were not gathered and therefore sound counterfactual evidence is not available. But according to interviews carried out during the ICR mission, what was achieved by the component was unique and would not have been possible without the project. To begin with, municipalities would not have had the technical capacity to develop and implement a well articulated and targeted social inclusion strategy (it should be remembered that the beneficiary *gminas* were targeted because they were considered “under developed.” In any case, without the project funds there would have been no incentive for *gminas* to embark on cumbersome participatory processes to define a strategy, and certainly not enough money to implement the strategy.

(b) *Could the same results have been obtained at a lower cost? Probably not.*

All elements of the Social Inclusion Component were needed to achieve the results.

- *Activities financed:* All activities were needed, and excluding some of them could have lowered the cost but would also have had a negative impact on results. For example, the capacity building provided by PARSP enabled *gminas* to develop social inclusion strategies in a participatory way, something completely novel in a country used to top-down, bureaucratic approaches. Of course, a *gmina*’s employee tasked with developing a social inclusion strategy could have done it at a much lower cost than the one incurred by the project, without holding time-consuming consultations and without redrafting to incorporate feedback received. However, the quality, applicability and sustainability of the strategy would clearly not have been the same.
- *Organizational set-up:* A central and light PIU relying on decentralized Regional Coordinators for outreach, support and monitoring appears to have been the most effective approach and the same results would not have been possible with a less costly arrangement. For example responsibility for implementation could have rested entirely on the shoulders of *gmina* and regional employees without the help of the 27 Regional Consultants paid by the project, but the results would not have been the same. Employees at decentralized levels (municipal, provincial) tend to be overburdened and at times also poorly organized, so the additional tasks requested for project implementation would hardly have been greeted with enthusiasm or received the necessary attention.
- *Competitive prices:* The ICR mission found it impossible to obtain standard prices for the type of activities financed for the *gminas*. However, social accountability was high because of the participatory and transparent approach and, combined with competitive procurement methods, appears to have resulted in “value for money” for the services purchased (though no comparative data could be obtained).

KRUS Administrative Reform Component

7. According to interviews with several KRUS and MLSP staff familiar with the component, the gains in efficiency expected with the completion of project activities (i.e., by early 2013) would not be possible without the ongoing reform. Nor could they have been obtained in a much faster manner or at a

lower cost. It is true that the component is behind schedule, but the decision-making process on all details of the complex streamlining and automation of KRUS processes could not have been rushed because a participatory and democratic process was necessary to ensure widespread buy-in, and in any case it is expected to pay off in the form of a faster up-take when it is time to implement all the changes nationally. Also, social benefits are a very delicate matter and mistakes can be very costly to individual KRUS beneficiaries, so the time taken to ensure high quality is considered justified. As for the cost of the services and goods financed by the project, they were obtained following World Bank procurement procedures that are designed to obtain the best cost/quality ratio.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Lynette Alemar	Senior Program Assistant	ECSSD	Project Support
David Herbert Fretwell	Consultant	ECSHD	Operations: Social Inclusion
Mark R. Lundell	Sector Leader	LCSSD	Task Team Leader
Ryszard Malarski	Consultant	ECSS2	Operations
Natalia Otel	Junior Professional Associate	ECSSD	Operations
Elzbieta Sieminska	Lead Procurement Specialist	AFTPC	Procurement
Iwona Warzecha	Sr Financial Management Specialist	ECSO3	Financial Management
Supervision/ICR			
Myrtle Laura Diachok	Operations Officer	SDV	M&E
Galina S. Kuznetsova	Sr Financial Management Specialist	ECSO3	Financial Management
Ryszard Malarski	Consultant	ECSS2	Operations and Implementation Support
Valerie Morrica	Social Development Specialist	ECSS4	ICR
Karina Mostipan	Senior Procurement Specialist	ECSO2	Procurement
Valeria Nikolaeva	Procurement Analyst	ECSO2	Procurement
Beulah C. Noble	Program Assistant	ECSSD	Project Support
Daniel Owen	Sr Social Development Specialist	ECSS4	Task Team Leader
Jan Pakulski	Sr. Social Development Specialist	ECSS4	Task Team Leader
Ireneusz M. Smolewski	Senior Procurement Specialist	ECSO2	IT Procurement
Maurizia Tovo	Lead Social Development Specialist	ECSS4	ICR
Iwona Warzecha	Sr Financial Management Specialist	ECSO3	Financial Management
Mark C. Woodward	Sustainable Development Leader	EASPS	Task Team Leader
Barbara Ziolkowska	Procurement Analyst	ECSO2	Procurement

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY03	0.20	0.77
FY04	24.31	148.52
FY05	40.51	249.73
FY06	13.85	77.02
Total:	78.87	476.04

Supervision/ICR		
FY06	8.61	73.36
FY07	19.60	144.54
FY08	22.26	163.82
FY09	32.34	148.16
FY10	27.87	156.46
FY11	22.58	115.60
FY12	11.89	90.01
Total:	145.15	891.95

Annex 5. Beneficiary Survey Results

1. A Beneficiary Assessment was carried out in October 2010, shortly before the Social Inclusion Component was to terminate. Unfortunately, it was never translated from Polish into English because the project budget did not have provisions for it and the supervision budget could not cover it. As a result, only some of the information could be exploited by the ICR team, including a summary chapter, which fortunately was translated for the closing SIP workshop, and a methodology summary, translated with an internet-based software.

2. The sample of *gminas* to be included in the Beneficiary Assessment was carefully selected. As a first step, *gminas* were divided into three groups: developing (16.6%), advanced (69.6%), and leading (13.8%). On this basis, *gminas* were selected from within each group as follows: 7 in the developing group, 27 in the advanced group, and 6 in the leading group. Additional criteria guiding the *gmina* selection process were location (i.e., coming from different districts) and the level of funding received (which was determined at the beginning of the project by a formula based on development indicators and population size). In each *gmina* the study consisted of :

- individual interviews with mayors;
- individual interviews with the *Gmina* Coordinators;
- focus groups with members of groups and organizations involved in the planning, provision or monitoring of the social inclusion services (e.g., service providers, NGOs); and
- focus groups with final recipients of social inclusion services.

3. Overall, the individuals consulted gave a positive evaluation of the SIP. They noted that the catalogue of services of a social and/or cultural nature had expanded significantly, and appreciated both the quality and the number of the services financed by the program. Their high levels of participation attested to their appreciation. Many respondents particularly emphasized the impact the program had on revitalizing social life. The many harvest festivals, topical meetings, sports tournaments, bonfires and village fairs brought people out and helped them overcome their reservations against becoming involved in non-profit initiatives. Awareness about the role and importance of socializing activities grew and people reported feeling more committed toward their fellow community inhabitants and the common good.

4. A survey of actual and potential service providers was also carried out during August-September 2010, covering a total of 5,926 individuals in 448 *gminas*. Respondents included:

- formally registered NGOs, regardless of whether they had provided social inclusion services financed by SIP;
- informal groups regardless of whether they had been involved in social inclusion activities financed by SIP;
- representatives of private companies that provided social inclusion services;
- public service providers (representatives of health centers, educational establishments, libraries, etc.); and
- representatives of parishes and religious organizations that provided social inclusion services financed by SIP.

5. The vast majority of the quantitative survey respondents (66 percent) indicated that people previously uninvolved in community activities had joined their organization over the previous two years. Approximately 85 percent of social service providers feel that SIP has helped increase both the level of social inclusion in *gminas*, and the quality of social services delivered to *gmina* residents. The program's

influence was noted in the increase and improvement in the range of after-school activities for children and youth; the introduction of new services for *gmina* residents, including seniors, unemployed and disabled persons; the increased ability of *gmina* leaders to apply for and obtain funding for social projects; and increased attention of *gmina* authorities to the residents' social needs.

6. As an additional source of information, a computer assisted web interview (CAWI) was administered to all *Gmina* Coordinators. It's findings include the following:

- 87 percent of respondents felt the quality of social services had improved;
- 72 percent reported that the needs of the elderly (one of the main socially excluded groups) were better addressed; and
- 73 percent reported that the needs of single parent families (another key socially excluded group) were better addressed.

Annex 6. Summary of Borrower's ICR and/or Comments on Draft ICR

The appraisal of operational objectives, design of the project and its implementation¹

1. The objectives should be deemed properly-formulated and prepared. They reflected the actual needs, and the achievement thereof would reduce the level and number of problems in rural areas, as well as facilitate more organised and effective operation of KRUS Agency.

- (i) For a more permanent and effective utilisation of the human resources created in the course of the Project fulfilment, a parallel sub-part should be in operation. This sub-part would give opportunities of occupational activation of individuals under threat of social exclusion, particularly for the permanently unemployed, adolescents, people on the verge of social pathologies, a part whose objective would be the occupational activation, along with the social activation and integration.
- (ii) The implementation schedule should account for a faster activation of the Management Information System application, so that it could be functional at the time when the communes enter the project. The implementation schedule should also account for earlier and more intensive training courses in the application operation in its final version. Such time advance would help to prevent errors occurring in the course of data input.
- (iii) With a much diversified number of communes from particular provinces participating in the project - from 5 to 102 communes from one province, the essential problem was the provision of appropriate staffing in Regional Social Welfare Centres. These extreme numbers of communes attended by the provincial coordinators employed in the Regional Social Welfare Centres were responsible for the fact that the designation of one employee in the Lower Silesian province (5 communes) was easier (with a narrow scope of responsibilities) than in the Masovian Province (102 communes), where it was necessary to delegate at least one full-time employee to work at the project. The Regional Social Welfare Centres did not receive any additional resources for the employment of an employee and could often treat these additional obligations as issues of secondary importance.
- (iv) Analysing the functions of the individual institutions and people participating in the implementation process, an important role was played by the Regional Consultants. However, their position should be made more precise - in particular with regard to the role that perform in relation to the Regional Social Welfare Centres.

Appraisal of the results achieved measured against the stated objectives

2. The total appraisal of the results achieved concerning the administrative reform of KRUS Agency is impossible and premature at this moment; it will be possible upon the total completion of the projects under implementation. On the basis of the so-far effects of Component A's implementation, the achievement of acceptable results in comparison with the established objectives seems practicable. However, it is not possible and justified at the current level of implementation, with the current schedule of all projects completion which assumes that the last ones will be finished at the end of 2012. Constituent appraisals of the implemented systems may be positive, but it is necessary to implement all components of the system for a total appraisal of the achievement of the established objectives.

¹ The content of this Annex is taken verbatim from the report submitted by the Borrower.

3. The Implementation of Component B - Social Integration, completed and settled in 2010, was appraised in the context of objectives achievement. The results of the conducted evaluation of the Social Integration Project determine the level of objectives achievement as high. The communes achieved higher efficiency in the planning and creating of communal strategies for resolving social problems, updated the existing ones and learned to appropriately and efficiently fulfil them. The workers of the communal offices, their dependent units and non-governmental organisations that came into existence in the course of the project acquired skills allowing them to apply for resources from aid funds. These objectives were achieved in the substantial majority of the communes. In some communes – the so-called “developing communes” – these objectives were achieved partially. Definitely, a few factors played a role in this case – the commitment of the Regional Consultant, openness and commitment of the commune head [wojt] / mayor, commune coordinators and the complexity of social problems in a commune.

4. Component C, as part of the project that popularised the effects of Components A and B, fulfilled its role. Three publications describing the effects of Social Integration Project fulfilment were created, a base of Social Integration Project good practices came into existence, 30 of the good practices were selected and popularised in more than 180 communes, as part of the Social Integration Academy. A few hundred study visits were conducted.

Appraisal of own conclusions drawn from the preparation and implementation of the project

5. Project preparation

- (i) **Project completion date.** The project completion data established initially (until the 31st of December 2009) was very difficult to maintain. The organisational structure of the PARSP- consultants employed in the Project Management Unit and regional consultants were appointed and employed in the period from May to November 2007. Due to an active role of the consultants in the preparation and fulfilment of the project in the communes, the first agreements between the Marshals of the Provinces and the communes qualified for the project were signed at the beginning of 2008. The creation or updating of communal strategies for resolving social problems was also a long-lasting process. The result was the fact that there are about 18 - 20 months left for the actual fulfilment of the project in communes according to the initial intentions. This also applies to the KRUS Agency. The high amounts (necessary for such a developed network of departments and institutions) of the planned contracts required long-term tender procedures, which resulted in the fact that operational scheduled were very tight and each delay had its own consequences. The development of a strategy, needs, capacities for the utilisation of the existing infrastructure, necessary changes in the organisation and management were also long-term processes. This resulted in the fact that the utilisation of resources of Part A in the year 2008 and 2009 was scarce – approximately 1.7% and 6.6% respectively, and the extension of the project was indispensable.
- (ii) **Components.** Component A is fulfilled in the institution dependent on other institution (the Ministry of Agriculture) other than Component B (the Ministry of Labour and Social Policy). The possibility of management of the project was thus reduced. Moreover, the two main Parts have distinct areas of influence, and are directed to completely different beneficiaries, from the point of view of objectives, and could be fulfilled totally independently, particularly that the entire implementation process : tenders, financial resources, settlements were practically operated separately.
- (iii) The principles (the procurement procedures) concerning the contracting mode and mode of utilisation of the resources in the particular “lines” of the Procurement Plan are

precisely defined in the “Procurement Method” and the utilisation of the resources from the particular lines must be conducted in accordance with the procedure described therein. Frequently, for an efficient operation it was necessary to purchase small-scale services or materials – the shipment of packages with the materials to the Regional Social Welfare Centres, the purchase of some publication, fees for the transportation of materials to a conference of workshops, small and untypical purchases for an office. According to the provision in the Procurement Plan, the Shopping Procedure should always be launched for those purchases that do not exceed a few hundred Polish zlotys. It is inconvenient and often ineffective.

6. *Project implementation*

- (i) **Implementation schedule.** The earlier fulfilment of Social Integration Project (according to the initial plan, i.e. by the end of 2009) and the achievement of the determined objectives, (the creation of non-governmental organisations, new service providers) could lead to the greater and faster influence and the possibility to seek other EU funds. The completion of the Social Integration Project at the end of the year 2010 lead to the fact that, due to the EU resources programming period from 2007 to 2013, a large part of those funds had already been distributed and was not available to the communes at the moment of Social Integration Project completion.
- (ii) **Financial settlements.** The resources allocated for particular Parts, the values of individual projects and the allocation to communes were denominated in euro. With such a number of entities involved in the flow of resources (517 institutions including 500 communes, 13 provincial offices, the Ministry of Labour and Social Policy, KRUS Agency, the State Budget’s account in zloty and the State Budget’s special account in euro), it was necessary to adopt a transparent and simple system for settlement of these resources. Moreover, an IT settlement system was necessary to ensure a proper calculation of the resources transferred. The method of average weighted rate was adopted for the settlement of allocations. This method was not appropriate in such project. The multi-level of resources flow between institutions involved in the project, considerable number of transfers resulting from large number of beneficiaries and the long period of the project’s fulfilment, were responsible for the necessity of multiple calculations of the average rate for individual units. Moreover, the settlements were complicated by return transfers acting as a re-direction of the unused part of the resources from the dedicated reserve in the particular year. The adopted method of calculation was responsible for the fact that, for instance, the Ministry of Labour and Social Policy alone was forced to nominate 34 different EUR/PLN exchange rates, and more than 10 thousand of average weighted rates were functioning in all of the units fulfilling the PARSP.
- (iii) At the same time, **the Management Information System**, designed specifically to satisfy the project’s needs, was supposed to record all events occurring in the project and be available from the level of the Internet. All the project’s participants registered in the System each substantial and financial event, which helped to obtain the picture of the project’s fulfilment, control the implementation status and perform financial settlement of the projects. Unfortunately, in this respects the System did not function properly in its entirety. The settlements in zlotys were recorded and performed in a proper manner, while the settlements of euro allocations contained errors and were corrected outside the system. Moreover, the implementation of the System presented many problems and the communes encountered hardships during the operation of the System.

- (iv) **Exchange rate differences.** Some of the agreements with service providers were concluded in EUR currency. As a result of settlement between the rate from foreign currency translation (RS <-> RBP) and the rate from the payment of currency invoices, there appeared an amount from the exchange rate differences that had no reflection in the financial reports. In the case of utilisation of the loan in the vicinity of 100%, there were unnatural rates of the remaining resources.
- (v) **Regional Consultants.** On the basis of the information from the Regional Social Welfare Centres, it may be stated that the role of Regional Consultants and their powers in the structure were not made precise enough, particularly in terms of liability and subordination.
- (vi) **Managing Team.** For a more skilful and efficient task fulfilment, it would be necessary to increase the autonomy of the Team. Moreover, due to the nature of the agreements between the consultants and the ministry, which were contracts to perform a specific task, there was absence of proper legal relationships characteristic of employment contracts.

Appraisal of activities conducted by the Bank and other partners executing the project. Appraisal of their mutual relationship, operational effectiveness and experience gained

7. The co-operation of the institutions fulfilling the project was conducted without any essential disturbances. The flow of information was smooth and adequate.

8. The budget limitations in the year 2009 had an undoubted influence on the project's implementation. The government planned (in July 2009) to considerably limit the amount of the dedicated reserve designated for the project's fulfilment. After an intervention made by a group of members of parliament from the territories covered by the project and after a deep involvement of the great majority of local and regional self-governments, the resources were not considerably limited and the project could be continued. However, this immobilised the project for more than ten weeks, and the fulfilment of the contracted services in the communes was stopped. This undermined, to some extent, the confidence in the project. Small destabilisation of the implementation schedule occurred during the substitution of project's principal by the World Bank. For this reason also, the flow of information and the approvals for individual tasks were suspended for a few weeks. The commitment of the institutions participating in the project, both the Regional Social Welfare Centres and the communes, was considerable. Major commitment was mainly shown by the commune coordinators of the project, for whom those were additional duties, not arising from the existing scope of tasks. There were occasional instances, particularly at the beginning of the implementation, of lack of interest in the project or intention to spend the majority of the allocated resources on services connected with festivities, outdoor events; particularly due to the fact that part of the resources could be utilised prior to the approval of commune strategies for resolving social problems.

Proposed solutions for the future success of the project

- The practicable creation of the implementation schedules, particularly in terms of large, infrastructural projects - Part A.
- The creation of a mechanism facilitating the settlement of exchange rate differences arising from currency settlements in the case of agreements denominated in a foreign currency, for example regional consultants and management team.
- The creation of a line in the Procurement Plan, from which small-scale purchases for the current office activities could be made. In order to ensure security of those resources, one

could limit - for example - the amount of one-time expenditures; determine the list of qualified purchases from this line.

Comments from the Borrower on the ICR

The draft ICR was shared with the Borrower; no comments were received.

Annex 7. List of Supporting Documents

1. Project Appraisal Document (December 28, 2005)
2. Assessment of Organization Structure of KRUS by Gerry Fitzpatrick, July 19, 2005.
3. Restructuring Papers (May 6, 2010, and February 2, 2011).
4. Aide memoires of implementation support missions
5. Implementation Status and Results Reports (ISRs)
6. Country Assistance Strategy 2005-2008.
7. Country Partnership Strategy Progress Report 2009-2013 (May 9, 2011).
8. “SIP execution based on the MIS data, as of October 2010”. PowerPoint presentation prepared by Cezary Trutkowski.
9. “SIP execution based on RC reports – Annual Report 2010” PowerPoint presentation prepared by Cezary Trutkowski.
10. “Small Communes – Big Changes: Summation of the first year of implementation of the Social Inclusion Program PARSP”. 2008.
11. “Strengthening Social Inclusion through Innovations in Service Delivery - Bringing People Out of Isolation in Rural Poland”, Project Brief prepared by Daniel Owen (January 24, 2012).
12. Main Conclusions from SIP Monitoring and Evaluation, excerpt from “Wyniki monitoringu i ewaluacji - Raport Zbiorczy” by Cezary Trutkowski (March 2011).
13. KRUS - Description of Project Progress by Components. (March 30, 2012).
14. Implementation Completion Report by Andrzej Bładoszewski, PIU Manager (October 2011).

POLAND



- SELECTED CITIES AND TOWNS
- ⊙ PROVINCE (WOJEWÓDZTWO) CAPITALS
- ⊗ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- MAIN RAILROADS
- PROVINCE (WOJEWÓDZTWO) BOUNDARIES
- - - INTERNATIONAL BOUNDARIES

