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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 11-Mar-2024 | Report No: PIDIA00324



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Central African Republic	WESTERN AND CENTRAL AFRICA	P179211	Adaptive and Productive Social Safety Nets Project
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	27-Feb-2024	23-May-2024	Social Protection & Jobs
Borrower(s)	Implementing Agency		
Central African Republic	Ministry of Humanitarian Action, Solidarity and National Reconciliation		

Proposed Development Objective(s)

The development objective of the project is to : (a) expand access to social safety nets for poor and vulnerable households in targeted areas; and (b) strengthen the shock-responsiveness of delivery systems.

Components

- Component 1: Expansion of social safety nets to households in targeted are
- Component 2: Social safety nets systems strengthening to respond to climate-related and other shocks
- Component 3: Project management, monitoring and evaluation
- Component 4: Contingent Emergency Response Component (CERC)

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	30.00
Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	30.00
IDA Grant	30.00

Environmental And Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Central African Republic (CAR) is one of the poorest and most fragile countries in the world.** While the country possesses significant agricultural potential and is rich in minerals and forests, it has yet to experience equitable growth and significant poverty reduction. Poverty is extremely high, with around 70 percent of the population of around 6.1 million living on less than US\$1.90 per day,¹ and cyclical violence over the past forty years has severely hampered development. Between 2018 and 2021, almost 90 percent of the population lived in a household that had experienced a shock, with armed conflicts being the predominant factor (54 percent), followed by health (48 percent), household income (38 percent), food prices (27 percent) and climate (27 percent).²

2. **CAR is highly vulnerable to climate change and has extremely low levels of adaptation readiness, making it the second-most climate vulnerable country in the world³.** Extreme temperatures and longer-lasting heat waves are expected to occur more frequently and coincide with the planting season, negatively impacting crops and further exacerbating food insecurity⁴ particularly given that 72 percent of the country’s population work in the agricultural sector. The Notre-Dame Global Adaptation Initiative (ND-GAIN) Index ranks CAR 180 out of 181, indicating the high level of vulnerability to climate change shocks. Climate change is likely to exacerbate food insecurity, where CAR already ranks 120 of 121 countries on the Global Hunger Index. The absence of pre-positioned resources and agreed

1 CAR Poverty Assessment, World Bank, 2023

2 CAR Poverty Assessment, World Bank. 2023

3 It ranks 180 out of 181 countries. The score for CAR indicates that the country has high vulnerability levels and low levels of readiness to adapt to climate change. See <https://gain.nd.edu/our-work/country-index/rankings/> , accessed April 2023.

4 Climate Risk Profile: Central African Republic (2021): The World Bank Group



procedures to support people in times of climate shocks, mean that affected populations (of which most are poor and/or vulnerable) are largely unprotected.

3. **CAR has one of the lowest human capital indexes (HCI) in the world.** With a score of 0.29 on the 2020 HCI⁵, a child born in CAR today will only be 29 percent as productive when she grows up as she could be if she enjoyed complete education and full health. CAR has one of the highest maternal, infant and child mortality rates in the world⁶: 835 maternal deaths per 100,000 live births and 76 infant deaths per 1,000 live births. In addition, 21.5 percent of children under 5 years are underweight and 39.8 percent are stunted. Only one third of the 60 percent of enrolled primary school children complete the full cycle, and only 20 percent enroll in secondary school⁷. Repetition and drop-out rates across all education levels are alarmingly high and 52.6 percent of men and 75.1 percent of women are illiterate⁸.

4. **Gender-based violence (GBV) and gender gaps in human capital and employment opportunities remain significant.** CAR ranks 166 out of 170 countries on the 2021 Gender Inequality Index⁹. Gender gaps exist across all development indicators. In particular, only 9.7 percent of women own a financial account compared to 18.1 percent of men.¹⁰ Also, GBV in CAR has reached alarming levels: in the first half of 2022, 11,732 GBV cases were recorded, surpassing all cases combined in 2021.¹¹

Sectoral and Institutional Context

5. **The main response to poverty and vulnerability in CAR has been through humanitarian assistance.** Ad hoc humanitarian appeals to fund emergency support to vulnerable people have often fallen short of needs. During successive crises, the international community supported individuals affected by conflict and forced displacement through humanitarian agencies.

6. **Government has made some progress in recent years in developing a more sustainable and government-led social protection system and has taken steps to improve the coordination and efficiency of its social protection programs through initiating the development of a unified social registry.** Although initiated in 2018 with support from development partners, the development of the unified social registry (*Registre Social Unique* – RSU) has been delayed due to limited government capacity, recurrent crises, and changes to the RSU’s institutional anchorage. In addition, in 2017, the government relaunched the process of preparing a national social protection strategy (*Politique nationale de protection sociale* - PNPS) led by the Ministry of Labor, Vocational Training and Social Protection. The strategy outlines a vision for a “social protection system that is accessible to all citizens and provides them with the support they need to live with dignity and security.” However, the completion of the PNPS is still ongoing.

⁵ <https://thedocs.worldbank.org/en/doc/64e578cbeaa522631f08f0cafba8960e-0140062023/related/HCI-AM23-CAR.pdf>.

⁶ World Bank, World Development Indicators 2021. Central African Republic Country Profile. <https://data.worldbank.org/country/central-african-republic>

⁷ In rural areas, these numbers are even lower, with only 50 percent of children enrolled in primary school and 10 percent enrolled in secondary school.

⁸ In rural areas, the situation is even more dramatic, as 69.6 percent of men and 92.4 percent of women are illiterate.

⁹ UNDP Human Development Reports. “Gender Inequality Index (GII).” <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>

¹⁰ World Bank Gender Data Portal. “Central African Republic.” <https://genderdata.worldbank.org/countries/central-african-republic>

¹¹ Statistics of the Gender-based Violence Information Management System (GBVIMS) collected at dedicated services covering only 52 percent of the country’s sub-prefectures. See OCHA. “Central African Republic Gender-based Violence: A Surge with Devastating Consequences.” <https://reports.unocha.org/en/country/car/card/3wnXz0h5EQ>.



7. **The World Bank supported Service Delivery and Support to Communities Affected by Displacement Project (PACAD, P161591), also represented a breakthrough in the context of social protection in CAR.** Approved in May 2017, PACAD was the first, relatively large-scale safety net transfer intervention in the country outside of the humanitarian response, reaching 48,000 households in five urban areas affected by displacement, floods and COVID-19. The project was implemented through the United Nations Office for Project Services (UNOPS) under the Ministry of Humanitarian Action, Solidarity and National Reconciliation (*Ministère de l'action humanitaire, de la solidarité et de la réconciliation nationale* - MAHSRN).

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

8. To : (a) expand access to social safety nets for poor and vulnerable households in targeted areas; and (b) strengthen the shock-responsiveness of the delivery system.

Key Results

9. **The progress towards achievement of the PDO will be measured by the following outcome indicators:**

Outcome 1: Expand access to social safety nets.

- Beneficiaries of safety nets programs (Corporate Results Indicator [CRI], number), of which female (percentage), and people with disability (number)
- People with enhanced resilience to climate risks (climate change, percentage), of which female (percentage)

Outcome 2: Strengthened shock-responsiveness of delivery systems.

- Households registered in the Unified Social Registry (number)
- Programs using the shock response framework (number)

D. Project Description

10. **The proposed project will be implemented in two regions characterized by high levels of poverty and vulnerability to climate change.** Given financial and accessibility limitations, project operations will be limited to two initial regions, with the possibility of expansion to other regions should further financial resources become available in future. According to the latest available poverty map, these are Region 4 (Kagas) and Region 6 (Haut-Oubangui) with respectively 78.60 and 84.65 percent poverty incidence. The two regions are also known to be exposed to climatic shocks. According to the CAR Climate Risks Country Profile, both regions face high river flood and wildfire risks that could lead to loss of crops, while risks of extreme heat are assessed as Medium.¹²

Component 1: Expansion of social safety nets to households in targeted areas (US\$22.4 million)

Subcomponent 1.1: Regular safety net transfers (US\$15.8 million)

¹² Climate Risk Profile: Central African Republic (2021): The World Bank Group, p.14



11. **Safety net transfers under this sub-component will be provided to approximately 45,000 households to help stabilize their consumption.** Beneficiaries will be provided with safety net transfers of XAF 25,000 (approximately US\$ 41) per quarter for two years, after which they will be reassessed for eligibility. The transfer level will be assessed on an annual level and potentially increased to maintain its value against inflation¹³. Within the two regions targeted, prefectures and communes with the highest incidence of poverty and vulnerability to climate shocks will be selected. Based on the successful experience from PACAD, women will be targeted as the main beneficiaries of safety net transfers, promoting their economic empowerment and financial inclusion. Payments will be made electronically, unless local conditions, such as the availability of mobile network do not allow it. The project will also provide all beneficiaries with a phone and a SIM card. By targeting women as the majority of beneficiaries of the safety net transfer, equipping them with cell phones, and opening mobile money accounts for them, the project will contribute to reducing the gender gap in digital and financial access between men and women.

Subcomponent 1.2: Emergency safety net transfers (US\$2.8 million)

12. **Emergency safety net transfers will be provided to poor and vulnerable households in communities affected by a climatic shock or other eligible emergencies to reduce negative coping strategies.** Given the regularity of climate related and other shocks, the sub-component aims at protecting the human capital and livelihoods and assets of the poor and vulnerable during shocks and enabling climate adaptation and recovery. Eligible emergencies will include floods or wildfires causing loss of livelihoods or crops, among others. Unlike the CERC which would address any national emergency, this sub-component will allow for a swift cash-based emergency intervention to support beneficiaries in a localized approach. Details of eligibility criteria will be presented in the Project Implementation Manual (PIM). It is estimated that approximately 25,000 households will be eligible to receive these transfers during the course of the project. Emergency safety net transfers would be implemented for localized emergencies occurring within the two targeted regions through vertical expansion for existing beneficiaries affected by the emergency and horizontal expansion through the selection of other emergency-affected poor and vulnerable beneficiaries within the two targeted regions.

Subcomponent 1.3: Behavior change communication (BCC) and training for climate resilience and human capital investment (US\$3.8 million).

13. Project beneficiaries will benefit from a multi-faceted BCC package to complement cash transfers. These BCC include:

- a. Training for human capital development will encourage investments in health and education, with a particular focus on nutrition and maternal and child health. This will include encouraging the enrolment of school-age children in UNICEF's essential family practices¹⁴, and improved nutrition of pregnant women, and children aged 0-2.
- b. Training for climate adaptation and resilience will provide critical information to beneficiaries and communities on climate change, and mitigation and adaptation strategies. Training will include modules on climate-smart agriculture and livelihood diversification, financial literacy, and livelihood diversification.

¹³ The transfer value represents 7.6 percent of the national poverty line, in line with similar programs in other countries where safety net transfers benefit levels are on average between 8 and 15 percent of the national poverty line.

¹⁴ Essential family practices as defined by UNICEF "are commonly practiced behaviors at household and community level that impact on child survival, growth and development or on the causes of morbidity (illness/disease) and mortality (death) in children." They are grouped into four categories: (i) child feeding, growth and development; (ii) disease/illness prevention; (iii) appropriate home care; and (iv) care seeking and compliance, and response to illnesses.



- c. Close links will be established with ongoing supply-side interventions in health and education, wherever possible, to link beneficiaries to additional support from other projects, in order to maximize impact on human capital. The CAR Emergency Food Crisis Response Project (EFCRP)¹⁵, which supports its beneficiaries interested in investing in agriculture as livelihoods, could also be an opportunity for beneficiaries of this project to capture additional support to develop their livelihoods.
- d. Behavior change communication materials with a strong focus on gender equality will also be developed, with a view to empowering women, discouraging harmful practices such as female genital mutilation, early marriage and pregnancy, and promoting school enrolment for girls (of all ages).
- e. The subcomponent will support a one-time safety net transfer in the amount of a regular quarterly transfers) to those beneficiaries who have the highest attendance during training and awareness-raising sessions. This one-time payment will serve as incentive to beneficiaries to join accompanying measures activities and will support income generating activities for beneficiaries. This is part of the exit strategy at the end of the households' participation in the program.

Component 2: Social safety nets systems strengthening to respond to climate-related and other shocks (US\$5.1 million)

Subcomponent 2.1: Development and roll-out of the RSU (US\$2.5 million).

14. This subcomponent will support the government to accelerate the development and deployment of the RSU. Having a social registry with large coverage of the population will be critical to the efficiency of future responses to climate related and other shocks. In particular, this subcomponent will support: (i) the design, testing and deployment of the information system that will support the collection, consolidation, storage, and management of socioeconomic data, (ii) the collection of household-level socioeconomic data; (iii) the acquisition of required software and hardware; (iv) technical assistance to develop and prepare the required institutional framework and finalize the methodology and data collection tools; (v) citizen engagement through the development and implementation of communication campaigns. Data collection on households to be registered in the RSU will start with beneficiaries of component 1 and will gradually expand to other poor and climate change affected areas of the country. Socio-economic data collected during registration under component 1 will be fed into the RSU. Further deployment will prioritize geographic areas with the highest risks of climate shocks and will embed climate risk into the questionnaire for collection of household level data. This will allow for data analysis to assess vulnerability to climate change at the household level.

Subcomponent 2.2: Development of a digital management information system (MIS) and payment platform for safety net interventions (US\$1.0 million)

15. This subcomponent will invest in the design, development and deployment of a multi-modal web-based MIS and payment platform for the regular and emergency safety net transfers under component 1, to be used for any future government safety net transfer program. This will build on the lessons learnt from the delivery of digital safety net transfers through mobile money under PACAD. The MIS and digital payment platform will allow for the automation of business processes all the way up to payment by mobile money operators, for greater transparency and fiduciary control. The system will also develop protocols for data privacy and have a user-centered design which will allow the safety net benefits to be brought as close as possible to beneficiaries. Design will be based on recent studies and lessons learnt from CAR as well as other countries such as Zambia. Activities under this subcomponent

¹⁵ The CAR Emergency Food Crisis Response Project aims at increasing food production and improving resilience of targeted smallholder farmers and food insecure households in affected areas.



will also be coordinated with other initiatives, especially under the World Bank-funded Public Sector Digital Governance Project (PSDGP)¹⁶, The PSDGP is supporting the digitization of selected public services, including social protection services. The digitization of safety net transfers is a key climate adaptation measure allowing rapid cash-based responses to reach people affected by climate related and other shocks.

Subcomponent 2.3. Strengthening the shock-responsiveness of the safety nets system (US\$1.6 million)

16. This subcomponent will support the government in establishing the necessary institutional and financial frameworks to efficiently use its social safety nets to respond to climate-related and other shocks. The aim is to increase the government's preparedness to effectively coordinate and manage responses to shocks and post-disaster relief activities. The project will therefore support the development of an institutional framework and standard operating procedures for response through vertical and/or horizontal expansion of the safety net transfer program during shocks. The institutional framework will define the roles and responsibilities of the various actors in CAR and the role of the RSU in determining vulnerability during climate related or other emergencies. The subcomponent will also undertake assessments and strategy development processes towards better linking safety nets with early warning systems and develop a disaster-risk financing strategy to support the government's response. Strengthening the country's shock-response institutional and financing framework increases climate adaptation by ensuring the country has procedures and financing in place to respond in the event of a climate-related shock.

Component 3: Project management, monitoring and evaluation (US\$2.5 million)

17. This component will strengthen the capacities of government implementing agencies. Transitioning away from full outsourcing of project implementation as under PACAD, qualified consultants will be recruited to support project implementation, as well as the required staff for the management of the social registry. Critical training and short-term external technical assistance will be provided based on comprehensive capacity assessments. Monitoring and evaluation, coordination and project management will also be undertaken under this component. Particular attention will be paid to using innovative tools for delivery and monitoring of project results given the challenging local context such as GEMS and the Intermittent Beneficiaries Monitoring (IBM). Finally, an impact evaluation (IE) of Component 1 activities is envisaged, for which collaboration will be sought with the Gender Innovation Lab (GIL) and Development Impact Evaluation (DIME).

Component 4: Contingent Emergency Response Component (CERC, US\$0 million)

18. A CERC is included in the project in accordance with Investment Project Financing (IPF) Policy, paragraphs 12 and 13, for Situations of Urgent Need of Assistance and Capacity Constraints. This will allow for rapid reallocation of project uncommitted funds in the event of an eligible emergency as defined in OP 8.00. To meet CERC activation requirements, the Government commits to prepare a CERC Manual in advance, submit an Emergency Action Plan (EAP) for each specific eligible event and meet the environmental and social requirements as agreed in the EAP and ESCP.

¹⁶ P174620



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

19. **The environmental risks are considered as moderate at this stage of project preparations** but might increase depending on the livelihood options and vocational trainings that will be offered.

20. **The social risks are estimated as substantial**, mainly due to security concerns, the risk of an increase in domestic violence, and the risk of SEA/SH - particularly when the list of beneficiaries is being developed - and also during training activities. There is also the risk of social tension in the communities if selection criteria are not easily understood or seen as unfair. In relation to the support for the establishment of a unified social registry and payment system, there is the risk that marginalized groups will be excluded due to discrimination, corruption and elite capture. Finally, there is also the risk that data captured in the RSU will not be kept confidential. Proven mitigation measures used in other similar projects will be used to preclude and manage these risks. As the preparations for the project progress and activities becomes clearer, the social risk classification might be reconsidered. The ESF team will work closely with the TTL and task team to ensure that issues related to the inclusion of vulnerable groups, including IPs are taken into account during project design, and that there are control measures in place to ensure that the poor and vulnerable are being reached. The team will also work with the TTL to ensure that data protection measures are integrated into component 3 (Social Registry).

E. Implementation

Institutional and Implementation Arrangements

21. **The project will be anchored at the MAHSRN, under the Office of the Minister.** Through PACAD, MAHSRN has acquired implementation capacities and established the Technical Unit (TU), which worked alongside UNOPS to supervise, but also implement some of the project activities on the ground, especially those related to safety net transfers and accompanying measures.

22. **The TU will be strengthened into a project implementation support unit (PISU), and with individual consultants for key functions, such as fiduciary and safeguards functions, who will work closely with counterparts, within the MAHSRN, under the oversight of the Chief of staff of the Minister.** The PIU will be supported on the ground by Prefecture Coordination Units (*Coordination Préfectorale de Projet or CPP*) established in each of the five intervention Prefectures of the Project and housed at the Prefecture Directorates of the MAHSRN. A Project implementation Manual (PIM) will be developed. A targeted capacity building plan to address the knowledge and skills gaps of these counterparts will be developed and financed under the project. The project’s mid-term review will assess capacity building progress and a decision made regarding the continuation or not of the above-described arrangement.



CONTACT POINT

World Bank

Gbetoho Joachim Boko
Senior Social Protection Specialist

Borrower/Client/Recipient

Central African Republic

Implementing Agencies

Ministry of Humanitarian Action, Solidarity and National Reconciliation
Lina Josiane Bemaka-Soui, Minister, miniaffairesocial@gmail.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Gbetoho Joachim Boko
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Approved By

Practice Manager/Manager:		
Country Director:	Cheick Fantamady Kante	12-Mar-2024