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Report No: PADHI00258

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 22.7 MILLION  
(US\$30 MILLION EQUIVALENT)

TO THE

CENTRAL AFRICAN REPUBLIC

FOR AN

ADAPTIVE AND PRODUCTIVE SOCIAL SAFETY NETS PROJECT

May 2, 2024

Social Protection and Jobs Global Practice  
Western and Central Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2024)

Currency Unit = Special Drawing  
Rights (SDR);  
Central African  
CFA Franc (XAF)

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US\$1= SDR 0.75525849

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US\$1= XAF 608

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## FISCAL YEAR

January 1 - December 31

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Regional Director: Trina Haque

Country Director: Cheick Fantamady Kante

Practice Manager: Camilla Holmemo

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## ABBREVIATIONS AND ACRONYMS

AM	Accountability Mechanism
BCC	Behavior Change Communication
BOMS	Beneficiary Operations Management System
CAR	Central African Republic
CERC	Contingent Emergency Response Component
CIFS	Inter-ministerial Safety Nets Coordination Unit ( <i>Cellule Interministérielle de Coordination des Filets Sociaux</i> )
CPF	Country Partnership Framework
CPP	Préfecture-level Project Coordination Unit ( <i>Coordination Préfectorale de Projet</i> )
CRI	Corporate Results Indicator
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DIME	Development Impact Evaluation
DR	Directorate of Resources
EAP	Emergency Action Plan
EHCVM	Harmonized Household Living Conditions Survey ( <i>Enquête harmonisée sur les conditions de vie des ménages</i> )
ESCP	Environmental and Social Commitment Plan
FM	Financial Management
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEMS	Geo-Enabling Initiative for Monitoring and Supervision
GHG	Greenhouse Gas
GIL	Gender Innovation Lab
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HCI	Human Capital Index
IBM	Intermittent Beneficiaries Monitoring
IBRD	International Bank for Reconstruction and Development
ICASEES	Central African Institute for Statistics and Economic and Social Studies ( <i>Institut Centrafricain de la Statistique et des Etudes Economiques et Sociales</i> )
IDA	International Development Association
IGF	Inspectorate General of Finance ( <i>Inspection Générale des Finances</i> )
IGM	Inspectorate General of the Ministry ( <i>Inspection Générale du Ministère</i> )
IFR	Interim Financial Report
IPF	Investment Project Financing
MAHSRN	Ministry of Humanitarian Action Solidarity and Reconciliation ( <i>Ministère de l'action humanitaire, de la solidarité et de la réconciliation nationale</i> )
M&E	Monitoring and Evaluation
MEPCI	Ministry of Economy, Planning and International Cooperation ( <i>Ministère de l'Économie, du Plan et de la Coopération Internationale</i> )
MFB	Ministry of Finance and Budget
MIS	Management Information System
MLEVTSP	Ministry of Labor, Employment, Vocational Training, and Social Protection
NGO	Nongovernmental Organization

OHADA	Organization for the Harmonization of Business Law in Africa ( <i>Organisation pour l'Harmonisation en Afrique du Droit des Affaires</i> )
PACAD	Service Delivery and Support to Communities Affected by Displacement Project ( <i>Projet d'Appui aux Communautés Affectées par le Déplacement</i> )
PDO	Project Development Objective
PFM	Public Finance Management
PIM	Project Implementation Manual
PISU	Project Implementation Support Unit
PIU	Project Implementation Unit
PMT	Proxy-Means Testing
PNPS	National Social Protection Strategy ( <i>Politique Nationale de Protection Sociale</i> )
PPSD	Project Procurement Strategy for Development
PSDGP	Public Sector Digital Governance Project
ReCos	Community Workers ( <i>Relais Communautaires</i> )
RSU	Unique Social Registry ( <i>Registre Social Unique</i> )
SDG	Sustainable Development Goal
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholders Engagement Plan
SNCC	Behavior Change Strategy for the Empowerment of Women and Girls ( <i>Nationale de Communication pour un Changement de Comportement</i> )
SORT	Systematic Operations Risk-Rating Tool
STEP	Systematic Tracking of Exchanges in Procurement
TOR	Terms of Reference
TSA	Treasury Single Account
TU	Technical Unit
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WFP	World Food Programme



TABLE OF CONTENTS

<b>DATASHEET .....</b>	<b>ii</b>
<b>I. STRATEGIC CONTEXT.....</b>	<b>1</b>
A. Country Context.....	1
B. Sectoral and Institutional Context .....	2
C. Relevance to Higher Level Objectives .....	4
<b>II. PROJECT DESCRIPTION.....</b>	<b>5</b>
A. Project Development Objective.....	5
B. Project Components .....	5
C. Project Beneficiaries .....	11
D. Results Chain .....	11
E. Rationale for World Bank Involvement and Role of Partners.....	12
F. Lessons Learned and Reflected in the Project Design.....	12
<b>III. IMPLEMENTATION ARRANGEMENTS .....</b>	<b>13</b>
A. Institutional and Implementation Arrangements.....	13
B. Results Monitoring and Evaluation Arrangements.....	15
C. Sustainability .....	15
<b>IV. PROJECT APPRAISAL SUMMARY .....</b>	<b>16</b>
A. Technical, Economic and Financial Analysis .....	16
B. Fiduciary.....	19
C. Legal Operational Policies .....	20
D. Environmental and Social .....	20
<b>V. GRIEVANCE REDRESS SERVICES.....</b>	<b>22</b>
<b>VI. KEY RISKS.....</b>	<b>22</b>
<b>VII. RESULTS FRAMEWORK AND MONITORING .....</b>	<b>25</b>
<b>ANNEX 1: Implementation Arrangements and Support Plan .....</b>	<b>35</b>
<b>ANNEX 2: Map of Central African Republic .....</b>	<b>43</b>

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**DATASHEET**

**BASIC INFORMATION**

Project Beneficiary(ies) Central African Republic	Operation Name Adaptive and Productive Social Safety Nets Project		
Operation ID P179211	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Substantial	

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 23-May-2024	Expected Closing Date 29-Jun-2029
Bank/IFC Collaboration No	

**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 Name	Cost (US\$)
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Component 1: Expansion of social safety nets to households in targeted areas	22,400,000.00
Component 2: Social safety nets systems strengthening to respond to climate-related and other shocks	5,100,000.00
Component 3: Project management, monitoring and evaluation	2,500,000.00
Component 4: Contingent Emergency Response Component (CERC)	0.00

**Organizations**

Borrower: Central African Republic  
Implementing Agency: Ministry of Humanitarian Action, Solidarity and National Reconciliation

**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**

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

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	30.00
IDA Grant	30.00

**IDA Resources (US\$, Millions)**



	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	0.00	30.00	0.00	0.00	30.00
<b>Total</b>	<b>0.00</b>	<b>30.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30.00</b>

**Expected Disbursements (US\$, Millions)**

WB Fiscal Year	2024	2025	2026	2027	2028	2029
Annual	0.00	2.00	8.00	10.00	7.00	3.00
Cumulative	0.00	2.00	10.00	20.00	27.00	30.00

**PRACTICE AREA(S)**

**Practice Area (Lead)**

Social Protection & Jobs

**Contributing Practice Areas**

Education

**CLIMATE**

**Climate Change and Disaster Screening**

Yes, it has been screened and the results are discussed in the Operation Document

**SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)**

**Risk Category**

1. Political and Governance

**Rating**

● High

2. Macroeconomic

● High

3. Sector Strategies and Policies

● Substantial

4. Technical Design of Project or Program

● Moderate





5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	● Substantial
10. Overall	● Substantial

**POLICY COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

**ENVIRONMENTAL AND SOCIAL**

**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant



NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**LEGAL**

**Legal Covenants**

**Sections and Description**

Schedule 2, Section I.A.3(b): No later than three (3) months after the Effectiveness Date or such later date as agreed by the Association, recruit and appoint, an accountant, a safety net specialist, an assistant procurement specialist, a community mobilization and accompanying measure specialist, a security specialist, social development specialist, a gender-based violence specialist, a database manager, a social registry coordinator, and a monitoring and evaluation specialist, with adequate experience, qualification and terms of reference acceptable to the Association.

Schedule 2, Section I.A.3(c): No later than three (3) months after the Effectiveness Date or such later date as agreed by the Association, the PISU shall recruit and thereafter maintain, an internal auditor, with adequate experience, qualification and terms of reference acceptable to the Association.

Schedule 2, Section I.A.3(d): No later than six (6) months after the Effectiveness Date or such later date as agreed by the Association, the Recipient shall recruit and thereafter maintain, an external auditor, with adequate experience, qualification and terms of reference acceptable to the Association.

Schedule 2, Section I.A.3(e): No later than three (3) months after the Effectiveness Date or such later date as agreed by the Association, the Recipient shall purchase an accounting software, under terms and conditions satisfactory to the Association.

Schedule 2, Section I.A.5(a): The Recipient shall establish no later than two (2) months after the Effective Date, or such later date as agreed by the Association, and thereafter maintain, throughout Project implementation, Prefecture-level Project coordination units in each Selected Prefecture (“Prefecture-level Project Coordination Units” or “CPPs”) and shall determine their composition, terms of reference and roles and responsibilities acceptable to the Association and set forth in the PIM, including inter alia, a prefecture-level coordinator, a local monitoring and evaluation assistant, and a community mobilization assistant.

Schedule 2, Section I.D: No later than six (6) months after the Effectiveness Date or such later date as agreed by the Association, the Recipient shall maintain a Memorandum of Understanding with the Central African Institute for Statistics and Economic and Social Studies (“ICASEES”) under terms and conditions satisfactory to the Association.

Schedule 2, Section I.F: No later than three (3 months) from Effectiveness Date, the Recipient shall establish, publicize, maintain at all times during Project implementation, and operate an accessible grievance mechanism (“Grievance Redress Mechanism” or “GRM”) for the purpose of receiving grievances on alleged harm, or any occurrences of gender-based violence, sexual exploitation and abuse, sexual harassment, and violence against children associated with the Project activities. To this end, the Recipient shall establish appropriate guidelines and policies, including a reasonable timeline for said GRM to ensure adequate, effective and timely redress of any grievance, alleged harm, or misconduct that may be presented for such GRM.

**Conditions**

Type	Citation	Description	Financing Source
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Effectiveness	Article 4.01(a)	The Recipient has prepared and adopted the Project Implementation Manual and Project Procedure Manual, in form and manner satisfactory to the Association.	IBRD/IDA
Effectiveness	Article 4.01(b)	The Recipient has prepared, adopted and disclosed, as appropriate, the SMP, in accordance with the ESCP, in form and substance satisfactory to the Association	IBRD/IDA
Effectiveness	Article 4.01(c)	The Recipient has established within the Ministry of Humanitarian Action, Solidarity and National Reconciliation a Project Implementation Support Unit (PISU), with adequate staff hired pursuant to terms of reference satisfactory to the Association (including key staff: a deputy Project coordinator, a procurement specialist, and a financial management specialist), and resources satisfactory to the Association	IBRD/IDA
Disbursement	Schedule 2, Section III.B.1.(b)	Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made under Category (2), unless and until (i) the Recipient has signed at least one (1) Payment Agreements with two respective Payment Service Providers, in accordance with the provisions of Section I.C of	IBRD/IDA



		Schedule 2 to this Agreement; and (ii) the Association is satisfied (and has notified the Recipient that it is satisfied) that a list of Safety Net Transfers as further detailed in the PIM has been adopted in accordance with Section I.C of Schedule 2 to this Agreement.	
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## I. STRATEGIC CONTEXT

### A. 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\$2.12 per day,<sup>1</sup> and cyclical violence over the past 40 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 (59 percent), followed by health (55 percent), household income (38 percent), food prices (29 percent), and climate (28 percent).<sup>2</sup>

**2. CAR is also facing multiple constraints, including limited resource mobilization, uneven growth, and decreased productivity in a context of weak governance and low state capacity.** Specific challenges include (a) inability to fully capitalize on its resources (gold, diamonds, and timber), leading to resource mobilization of less than 10 percent of gross domestic product (GDP); (b) reduced productivity of its majority informal sector (mostly in agriculture) over the past 30 years<sup>3</sup> even though it contributes to half of the country's GDP; (c) uneven growth that has led to a significant lack of economic opportunities, with 11.5 percent of 15–24-year-olds being unemployed in 2018;<sup>4</sup> (d) limited access to credit and weak private sector environment curtailing economic opportunities and access to productive and well-paid jobs; and (e) accessibility challenges due to dilapidated roads undermine the movement of goods and people. These factors, coupled with decreased donor support, have undermined the government's ability to mobilize sufficient resources to fund public services or pay salaries, which led to unrests in early 2023.

**3. Despite several peace agreements, the country continues to suffer from insecurity and violence, while the civil war in Sudan is increasing the influx of refugees in the eastern part of the country.** Until recently, security incidents have caused several civil and military casualties, negatively affecting populations and causing internal involuntarily displacements. CAR also experiences a new influx of refugees fleeing the outbreak of civil war in nearby Sudan. According to the United Nations High Commissioner for Refugees (UNHCR), there were 520,060 internally displaced people and 34,441 refugees at the end of February 2024, of which 68 percent were from Sudan.<sup>5</sup>

**4. 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 world.**<sup>6</sup> On the other hand, CAR's carbon dioxide emissions are negligible compared to the Sub-Saharan average (nearly 0 metric ton/capita versus 0.7 metric ton/capita).<sup>7</sup> Extreme temperatures and longer-lasting heat waves are expected to occur more frequently and coincide with the planting season, negatively affecting crops and further exacerbating food insecurity<sup>8</sup> particularly given that 72 percent of the country's population work in the agricultural sector. Furthermore, rainfall is expected to increase by as much as 19 percent yearly, mainly during the rainy season, amplifying already heavy precipitation and the risk of flooding. The Notre-Dame Global Adaptation

<sup>1</sup> CAR Poverty Assessment, World Bank, 2023.

<sup>2</sup> CAR Poverty Assessment, World Bank, 2023.

<sup>3</sup> IFAD (International Fund for Agricultural Development). "Central African Republic." <https://www.ifad.org/en/web/operations/w/country/central-african-republic>.

<sup>4</sup> Country Economic Memorandum, World Bank, 2022.

<sup>5</sup> UNHCR in CAR, 2024. <https://data.unhcr.org/en/country/caf>.

<sup>6</sup> 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.

<sup>7</sup> <https://countryeconomy.com/energy-and-environment/co2-emissions/central-african-republic>.

<sup>8</sup> Climate Risk Profile: Central African Republic (2021): The World Bank Group.



Initiative Index ranks CAR 180 out of 181, indicating the high level of vulnerability to climate change shocks. Increased scarcity in natural resources, such as water and cattle grazing ground, could exacerbate competition over land and fuel intercommunal tensions and conflict between herders and farmers, creating a vicious cycle of climate change, conflict, and deteriorating living conditions for the already vulnerable population. With 60 percent of the population expected to live in urban centers by 2050<sup>9</sup> and CAR having a high urban flooding risk rating,<sup>10</sup> such extreme weather events could be devastating for urban populations. Climate change is likely to exacerbate food insecurity, where CAR already ranks 120 of 121 countries on the Global Hunger Index. According to the World Food Programme (WFP), in November 2022, 2.7 million people (or almost half the population) faced high acute food insecurity, including 642,000 people at an emergency level. In addition, one in ten children will not survive their fifth birthday due to several factors including malnutrition.<sup>11</sup> The absence of pre-positioned resources and agreed procedures to support people in times of climate shocks, mean that affected populations (of which most are poor and/or vulnerable) are largely unprotected.

**5. CAR has one of the lowest Human Capital Indexes (HCIs) in the world.** With a score of 0.29 on the 2020 HCI,<sup>12</sup> a child born in CAR today will only be 29 percent as productive when s/he grows up as s/he could be if s/he enjoyed complete education and full health. CAR has one of the highest maternal, infant, and child mortality rates in the world:<sup>13</sup> 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 five years are underweight and 39.8 percent are stunted<sup>14</sup>. Only one-third of the 60 percent of enrolled primary school children complete the full cycle, and only 20 percent enroll in secondary school.<sup>15</sup> Repetition and dropout rates across all education levels are alarmingly high and 52.6 percent of men and 75.1 percent of women are illiterate.<sup>16</sup>

**6. 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 Index.<sup>17</sup> Gender gaps exist across all development indicators. Only 9.7 percent of women own a financial account compared to 18.1 percent of men.<sup>18</sup> 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.<sup>19</sup>

## B. Sectoral and Institutional Context

**7. 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. For example, only 46 percent of the US\$533.3 million needed for the implementation of the 2023 Humanitarian Response Plan were

<sup>9</sup> <https://climateknowledgeportal.worldbank.org/country/central-african-republic>.

<sup>10</sup> <https://thinkhazard.org/en/report/49-central-african-republic/UF>.

<sup>11</sup> WFP. [https://www.wfp.org/operations/annual-country-report?operation\\_id=CF01&year=2022#/23832](https://www.wfp.org/operations/annual-country-report?operation_id=CF01&year=2022#/23832).

<sup>12</sup> <https://thedocs.worldbank.org/en/doc/64e578cbeaa522631f08f0cafba8960e-0140062023/related/HCI-AM23-CAR.pdf>.

<sup>13</sup> World Bank, World Development Indicators 2021. Central African Republic Country Profile. <https://data.worldbank.org/country/central-african-republic>.

<sup>14</sup> Central African Institute for Statistics and Economic and Social Studies (*Institut Centrafricain de la Statistique et des Etudes Economiques et Sociales*, ICASEES). 2021. *MICS6-RCA Enquête par grappes à indicateurs multiples 2018-2019, Rapport final des résultats de l'enquête*. Bangui, République Centrafricaine : ICASEES.

<sup>15</sup> 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.

<sup>16</sup> In rural areas, the situation is even more dramatic, as 69.6 percent of men and 92.4 percent of women are illiterate.

<sup>17</sup> UNDP Human Development Reports. "Gender Inequality Index" <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>.

<sup>18</sup> World Bank Gender Data Portal. "Central African Republic." <https://genderdata.worldbank.org/countries/central-african-republic>.

<sup>19</sup> Statistics of the Gender-based Violence Information Management System (collected at dedicated services covering only 52 percent of the country's sub-prefectures. See United Nations Office for the Coordination of Humanitarian Affairs. "Central African Republic Gender-based Violence: A Surge with Devastating Consequences." <https://reports.unocha.org/en/country/car/card/3wnXz0h5EQ>.



mobilized as of November 2023.<sup>20</sup> During successive crises, the international community supported individuals affected by conflict and forced displacement through humanitarian agencies. The main actors are WFP, the Food and Agriculture Organization, United Nations Children’s Fund (UNICEF), and international nongovernmental organizations (NGOs) supported by bilateral (such as the United States Agency for International Development, USAID) or multilateral donors (such as the European Union). Overall, CAR has spent on average 0.76 percent of its GDP on social safety nets between 2017 and 2022, mostly from donors funding, against an average of 1.5 percent for Sub-Saharan Africa.

**8. Yet, the government has made some progress in recent years in developing a more sustainable and government-led social protection system.** 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, Employment, Vocational Training, and Social Protection (MLEVTSP). 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.” While the preparation of the PNPS is still ongoing, it identifies political, social, and economic development objectives, with an aim to unite the country, reduce the impacts of shocks, and promote resilience for its citizens, including the most vulnerable. To achieve this aim, the PNPS proposes three strategic pillars: (a) strengthening of non-contributory systems: social transfers; (b) support for risks prevention and crisis/disaster management and assistance to the most vulnerable people and households; and (c) consolidating the contributory system.

**9. The World Bank-financed Service Delivery and Support to Communities Affected by Displacement Project (*Projet d’Appui aux Communautés Affectées par le Déplacement*, 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 49,000 households in five urban areas affected by displacement, floods, and COVID-19. PACAD tested all aspects of the delivery chain of a safety net transfer intervention and was the first project to utilize a combination of community-based approach and proxy-means testing (PMT) to select beneficiaries and successfully introduce digital payments in CAR. 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). PACAD will close in June 2024.

**10. The government has also 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 technical capacity, limited resources, recurrent crises, and changes to the RSU’s institutional anchorage. MAHSRN is part of the coordination committee to support the RSU’s development and utilization and will use its experience from PACAD in the targeting and implementation of safety net transfers.

**11. The proposed project builds on the government’s renewed commitment in the National Recovery and Peace Consolidation Plan (2017–2023) to restore its social contract and expand the achievements under PACAD.** PACAD provided proof of concept for foundational social assistance services and delivery systems (including digital payments) and improved the capacity of the government to oversee safety net implementation. Moving forward, there will be an increased focus on alleviating extreme poverty and increasing resilience to climate change through social safety nets. The project also responds to the government’s goals to support poor and vulnerable populations by (a) meeting their basic

<sup>20</sup> <https://reliefweb.int/report/central-african-republic/republique-centrafricaine-tableau-de-bord-humanitaire-janvier-septembre-2023>.



consumption needs through safety nets and (b) restoring livelihoods, including after devastating effects of successive crises.<sup>21</sup> The project also aims to strengthen the government’s capacity to respond to climate-related and other shocks.

### C. Relevance to Higher Level Objectives

**12. The proposed operation is aligned with the World Bank Group’s Country Partnership Framework (CPF) for CAR for FY21–25 (Report No. 150618-CF) and the Performance and Learning Review for the CPF (Report No. 187647-CF).** It will support the following strategic objectives: 1.4: Put in Place Sustainable Safety Nets and 2.1: Improve Core government Functions and Institutions for Effective Service Delivery. In addition, it contributes to Focus Area 1: Human Capital and Connectivity to Boost Stabilization, Inclusion and Resilience. It also (a) supports the 2021–2025 Western and Central African Region strategic framework on three main goals (stronger human capital, more climate resilience, and a new social contract) and (b) is aligned with the Green, Resilient, and Inclusive Development (GRID) approach to build the foundation for a strong and durable recovery in a world transformed by the pandemic. Finally, the project is aligned with CAR’s climate strategies (particularly Nationally Determined Contribution [NDC] and the National Adaption Plan), specifically with (a) the country’s low-carbon emission development goals to improve living conditions and the environment in which people live and (b) improvement of the resilience of communities and ecosystems by 2030 in the socioeconomic sectors most vulnerable to the adverse effects of climate change.

**13. The operation contributes to the government’s strategic objectives for social protection and to building the key elements of a national social safety nets system in CAR.** The operation will directly contribute to the Strategic Pillars: ‘Strengthening of non-contributory systems: social transfers’ and ‘Support for risks prevention and crisis/disaster management and assistance to the most vulnerable people and households’, of the draft PNPS, which is expected to be validated in the first semester of 2024. By establishing a national social safety net program, as well as the unified social registry, the operation will contribute to strategic objectives and building foundational systems that will be used beyond the World Bank intervention.

**14. More broadly, the operation is aligned with the evolution priorities and the World Bank’s new mission to end extreme poverty and boost shared prosperity on a livable planet and supports three of the six global challenge programs.** The operation supports specifically the climate adaptation part of the Fast-track Water Security and Climate Adaptation Program, the Accelerating Digitalization Program by facilitating access to phone to beneficiaries, and the Food and Nutrition Security Program by providing safety net transfers that will help smooth food consumption of households.

**15. Finally, the operation supports the United Nations 2030 Agenda for Sustainable Development.** Specifically, the operation supports several Sustainable Development Goals (SDG), including: SDG1: Ending Poverty in all its forms everywhere; SDG2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture; SDG 5: Achieve gender equality and empower all women and girls; SDG10: Reduce inequality among and within countries; SDG13: Take urgent action to combat climate change and its impacts.

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<sup>21</sup> Ministry of Economy, Planning and International Cooperation (*Ministère de l’Économie, du Plan et de la Coopération Internationale*, MEPCI). 2017. *Plan de Relèvement et de la Consolidation de la Paix en Centrafrique - RCPCA (2017-2023)*, Pillier 2.





## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

**16. The Project Development Objective (PDO) 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.**

**17. For the context of this project, the following definitions are used:**

- (a) Poor households mean households living below the national poverty line of XAF 263,485 (US\$433 equivalent) per adult per year. Vulnerable households are defined as poor or quasi-poor households at risk of falling into deeper deprivation in the wake of covariate or idiosyncratic shocks.
- (b) Strengthening the shock-responsiveness of delivery systems refers to the establishment of (i) a social registry which allows accurate targeting of beneficiaries of safety nets and other social assistance programs and (ii) a shock response framework consisting of a coordination mechanism, which allows rapid and cost-effective delivery of benefits to eligible households and individuals and ensuring that the delivery system is able to expand the coverage of the existing safety net in an efficient manner, following a covariate shock, such as a climate- or conflict-related shock—either vertically by increasing the support to existing beneficiaries, or horizontally, by expanding to newly affected beneficiaries.

#### PDO Level Indicators

**18. Progress toward meeting the PDO would be measured through the following results indicators:**

*Outcome 1: Expanded access to social safety nets:*

- Beneficiaries of social safety net programs (Corporate Scorecard Indicator) (number), of which female (number), youth (number), and people with disability (number).
- People with enhanced resilience to climate risks (Corporate Scorecard Indicator) (number), of which female (number), and youth (number).

*Outcome 2: Strengthened shock-responsiveness of delivery systems:*

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

### B. Project Components

**19. The project will be implemented in two regions characterized by high levels of poverty and vulnerability to climate change, where it will contribute to increased coverage of social safety nets.** 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 78.60 and 84.65 percent poverty incidence, respectively. The two regions are also known to be exposed to climatic shocks. 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.<sup>22</sup> In those two regions, five prefectures out of

<sup>22</sup> Climate Risk Profile: Central African Republic (2021): The World Bank, p.14.



six will be covered: Kemo and Ouaka in the Kagas Region and Basse-Kotto, Mbomou, and Haut-Mbomou in the Haut-Oubangui Region, where the incidence of poverty is above 80 percent. The project is expected to increase coverage of safety nets by three to four percent per year during its implementation, from currently less than 10 percent. Implementation will start in communes and communities that are most accessible within the selected prefectures. By so doing, the operation will contribute to stabilizing intervention areas and avoid conflicts from spreading further. See Annex 2 for a map of CAR.

**20. Sequentially, implementation will start in one region and one prefecture, to be determined in consultation with government authorities.** The Project Implementation Team will learn from the experience in that prefecture to speed up implementation in the others. In terms of components, given that delivery of safety net transfers depends on the delivery system, implementation would ideally start with Component 2 and Subcomponent 2.1 ‘Development and roll-out of the RSU’ and Subcomponent 2.2 ‘Development of a digital management information system (MIS), and payment platform for safety net interventions.’ However, if the policy dialogue on the RSU might delay the delivery of services under Component 1, a beneficiary operations management system (BOMS) will be built, with the beneficiaries’ registry developed, using the RSU questionnaire. This will allow the transfer of beneficiary data into the RSU once the latter is ready.

**21. Capacity building will be mainstreamed across the two operational components.** Given the limited capacities available in CAR for the implementation of the project, capacity building of all direct stakeholders of the project will be supported across Components 1 and 2. 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 technical assistance will be provided based on comprehensive capacity assessments. The implementing agencies to be supported include (a) MAHSRN, including the existing Technical Unit (TU) for PACAD and the Inter-ministerial Safety Nets Coordination Unit, which are expected to remain in place after the closing of PACAD; (b) the network of community workers (*Relais Communautaires*, ReCos) tested under PACAD and who play a critical role in the implementation of activities at the grassroots level; and (c) other ministries and government agencies, including the MLEVTSP.

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

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

**22. Safety net transfers under this subcomponent 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 (US\$41 equivalent) per quarter for two years, after which they will be reassessed for eligibility. The transfer value will be assessed on an annual level and potentially increased to maintain its value against inflation.<sup>23</sup>

**23. Communities and households will be targeted based on extreme poverty and vulnerability to climate shocks.** Within the two regions targeted and prefectures, 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 primary beneficiaries of safety net transfers, promoting their economic empowerment and financial inclusion. While the unified social registry is under development, and in a context of widespread poverty, community-based targeting will be used. Once the eligibility list is established, program enrollment agents will electronically enroll each household and collect socioeconomic and demographic, as well as climate vulnerability data, to constitute the BOMS. The socioeconomic data collected for the BOMS will be fed into the RSU that will be developed under Subcomponent 2.1. Community outreach

<sup>23</sup> 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.



and communications campaigns on eligibility criteria, targeting, and registration and enrollment, delivered under this subcomponent, will increase community engagement in the targeted areas.

**24. Payments will be made electronically, unless local conditions, such as the availability of mobile networks do not allow it.** The project will negotiate with the mobile money operators available in the country to issue the mobile payments and deploy the service points as close as possible to the beneficiaries, as was the case under PACAD. Payment service provider fees will also be supported under this subcomponent. The project will also provide all beneficiaries with a phone and a SIM card. CAR has one of the lowest cellular phone penetration rates in the world, and access to a phone for women stands at 20.6 percent against 36.9 percent for men. And as previously mentioned, only 9.7 percent of women owned a financial account compared to 18.1 percent of men.<sup>24</sup> 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 equivalent)*

**25. 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 subcomponent 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 Contingent Emergency Response Component (CERC) which would address any national emergency, this subcomponent 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). The possibility of using resources under Subcomponent 1.2 for emergency response outside of the two regions and five targeted prefectures will be agreed upon with the government, when the case arises and will be formalized in a project restructuring.

**26. Based on the recent emergencies experienced in the country, it is estimated that approximately 25,000 households will be eligible to receive these transfers during the project.** Emergency safety net transfers would be implemented for localized emergencies occurring within the two targeted regions. Vertical expansion for existing beneficiaries affected by the emergency will be done by providing them with a top-up payment equivalent to five percent of the poverty line for a household of five members. Horizontal expansion would also take place through the selection of other emergency-affected poor and vulnerable beneficiaries within the two targeted regions, based on rapid approaches for pull registration and verification, suitable for an emergency. To avoid any duplication of assistance, the response would be closely coordinated with humanitarian agencies, under the leadership of the MAHSRN.

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

**27. First, the BCC and 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 enrollment of school-age children in UNICEF's essential family practices<sup>25</sup> and improved nutrition of pregnant women and children ages 0–2. In areas where nurseries or preschool services exist, the project will also encourage the enrollment of younger children.

<sup>24</sup> World Bank Gender Data Portal. "Central African Republic." <https://genderdata.worldbank.org/countries/central-african-republic>.

<sup>25</sup> 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: (a) child feeding, growth, and development; (b) disease/illness prevention; (c) appropriate home care; and (d) care seeking and compliance and response to illnesses.



Community workshops will be reinforced by radio and social media messaging. The project's unique access to the poorest and most vulnerable households will be utilized to promote improved outcomes in key human development areas.

**28. Second, the BCC and training for climate adaptation and resilience will provide critical information to beneficiaries and communities on climate change and mitigation and adaptation strategies.** As most beneficiaries derive their livelihoods from agriculture, training will include modules on climate-smart agriculture and livelihood diversification. Financial literacy and livelihood diversification trainings will also be provided to increase the impact of safety net transfers on the ability of the household to build its resilience. The project will deliver training materials and other aids on savings groups, entrepreneurship, climate change, and the implementation of training and mentoring.

**29. 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, to maximize impact on human capital.** This subcomponent will leverage the behavior change strategy for the empowerment of women and girls (*Stratégie Nationale de Communication pour un Changement de Comportement*, SNCC) developed by CAR Human Capital And Women And Girls' Empowerment (Maingo) project (P171158)<sup>26</sup> and the lessons learned from the implementation of accompanying measures under PACAD. The project will build on the structures put in place by the SNCC interventions by reinforcing (a) the child-rearing sections, based on a recent evaluation of the 'Playful Parenting' program which showed the importance of reducing parental stress and increasing self-confidence, leading to better parent-child interactions and more positive outcomes for children; (b) messages on nutrition and access to health care, particularly for pregnant women and mothers, through pre- and post-natal consultations, exclusive breastfeeding for the child's first 1,000 days, and so on; and (c) communication on the importance and benefits of education and schooling for children and the country. The CAR Emergency Food Crisis Response Project (P176754),<sup>27</sup> which supports its beneficiaries interested in investing in agriculture as livelihoods, by providing seeds and grants for agricultural entrepreneurship, could also be an opportunity for beneficiaries of this project to capture additional support to develop their livelihoods.

**30. BCC 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 enrollment for girls (of all ages).** Specific activities will be proposed, through innovative approaches such as street theatre or plays, to disseminate messages across the targeted communities. To be effective, the BCC program will prioritize at the community level, through the facilitation of the ReCos, the most relevant of the menu of available training and sensitization materials. However, themes related to climate change, gender, nutrition, and livelihoods development will be cross-cutting, across all beneficiary communities.

**31. Finally, the subcomponent will support a one-time safety net transfer in the amount of regular quarterly transfers** to those beneficiaries who have the highest attendance during training and awareness-raising sessions. Active participation in these training and awareness activities will be highly encouraged but will not be a prerequisite for the receipt of regular safety net transfers. The ReCos will be equipped with phones and dedicated apps, such as Geo-Enabling Initiative for Monitoring and Supervision (GEMS) tool and trained to record and assess attendance. 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.

<sup>26</sup> The Maingo Project is a multisectoral project with the main aim of enhancing human capital in implementation areas. It aims at enhancing access to health services, education, and employment opportunities that empower women and adolescent girls in targeted areas.

<sup>27</sup> The CAR Emergency Food Crisis Response Project aims at increasing food production and improving the resilience of targeted smallholder farmers and food-insecure households in affected areas.



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

**32. This component will strengthen the efficiency and shock-responsiveness of the social safety nets delivery systems** by supporting (a) the establishment of the RSU; (b) the development of a digital payment platform for safety net programs; and (c) the establishment and piloting of shock response mechanisms. This represents an investment with benefits that will last beyond the project’s lifespan and contribute to the strengthening of a sustainable and adaptive social protection system in CAR.

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

**33. 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 (a) the design, testing, and deployment of the information system that will support the collection, consolidation, storage, and management of socioeconomic data; (b) the collection of household-level socioeconomic data; (c) the procurement of required software and hardware; (d) technical assistance to develop and prepare the required institutional framework and finalize the methodology and data collection tools; and (e) citizen engagement through the development and implementation of communication campaigns. Subcomponent 2.1 will support recruitment and training of dedicated staff for the management of the RSU.

**34. 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.** Socioeconomic 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. To keep costs low, while achieving national coverage, the project will explore synergies with the national statistics office which is planning a general population and household census in 2024, which represents a unique opportunity to collect socioeconomic data on all households across the country. Finally, protocols will be put in place to facilitate more dynamic data updates on the poor and vulnerable in the future, including data sharing with humanitarian agencies and the use of pull registration during emergencies.

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

**35. 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 learned 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 learned from CAR as well as other countries such as Zambia. Activities under this subcomponent will also be coordinated with other initiatives, especially under the World Bank-financed Public Sector Digital Governance Project (PSDGP).<sup>28</sup> The PSDGP is supporting the digitization of selected public services, including social protection services.

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<sup>28</sup> P174620.



**36. Specifically, the subcomponent will deliver** (a) consultancies for the design and implementation (development, prototyping, and deployment) of the MIS and multi-modal payment platform with testing before adoption and scale-up; (b) software, hardware, as needed for the payment platform and the MIS; (c) communication campaigns to enable beneficiaries to utilize available services; and (d) training and capacity building of relevant stakeholders.

**37. 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.** Digital transfers can reach people within days despite climate-induced interruptions in service delivery (for instance in cases of floods), and optimization of cash delivery will offer potential for mitigation through decreased needs for travel to offer over-the-counter cash delivery.

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

**38. 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, under the leadership of the MAHSRN, to effectively coordinate and manage responses to shocks and post-disaster relief activities. To date, the shock response has been on an ad hoc basic and depended on humanitarian agencies. Responses have often been delayed, with detrimental consequences for affected people. 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 under Component 1 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 toward better linking safety nets with early warning systems and develop a disaster-risk financing strategy to support the government’s response. These procedures and frameworks will be piloted in the event of a localized emergency, such as regular flooding, through Subcomponent 1.2. 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 equivalent)**

**39. This component will facilitate project implementation, administration, management, monitoring and evaluation (M&E), environment and social standards, and maintenance of a Grievance Redress Mechanism (GRM).** 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 of Component 1 activities will be financed, 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)**

**40. 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 the Environmental and Social Commitment Plan (ESCP).



C. Project Beneficiaries

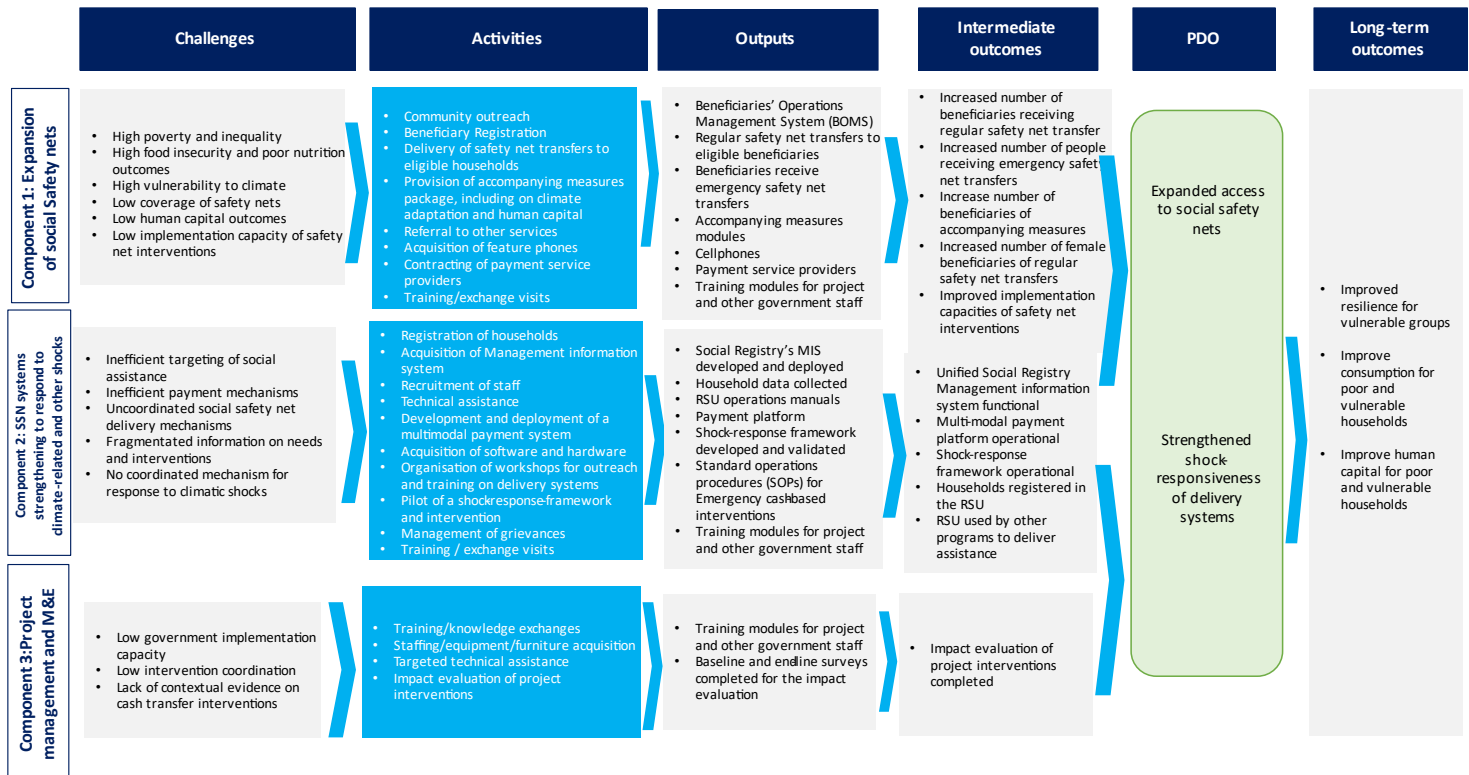
41. Primary beneficiaries of the project are poor and vulnerable people in the Kagas and Haut-Oubangui Regions of CAR. About 45,000 households or 225,000 individuals are expected to be reached with regular safety net transfers and BCC and training measures on climate resilience and human capital; while 25,000 beneficiary households will receive emergency safety net transfers in the event of a localized climate-related or other shock.

D. Results Chain

42. Critical assumptions related to the Theory of Change and achievement of the intended results are the following:

- (a) Continued high commitment of government to the social protection sector, especially social safety nets and the RSU.
- (b) Political stability and improved security conditions in project implementation areas.
- (c) Strong collaboration between the different government entities involved in the delivery of the project results and among development partners.

Figure 1: Theory of Change





## E. Rationale for World Bank Involvement and Role of Partners

**43. Public sector intervention is justified for several reasons.** First, poverty and inequality remain major concerns and justify public interventions for equity purposes and to ensure minimum living conditions for all. Second, the safety net program and BCC and training measures will be key in supporting government efforts to enhance social cohesion and reduce fragility. Through Subcomponent 1.3, the project will facilitate access to information about other services for which beneficiaries might be eligible, hence bridging the information gap and improving access to services offered by other projects and programs. Finally, the project is a major opportunity to move from a humanitarian approach in dealing with poverty and vulnerability to a more sustainable, timely, and cost-effective safety net. Evidence from other countries shows that early response and resilience is more cost-effective than responding to shocks when they occur.<sup>29</sup>

**44. The World Bank is the largest donor in the social protection sphere and is uniquely positioned to continue to accompany the government in its efforts to support the poorest and most vulnerable households.** The World Bank's extensive global knowledge and experience in social safety nets and accompanying measures provides relevant lessons as the government embarks on a more ambitious agenda to cover more households and increase safety net interventions. PACAD's experience in providing mobile safety net transfers has been groundbreaking and will be built upon in the proposed interventions. The World Bank has worked closely with UNICEF and WFP among other donors to support the development of the CAR social registry. The three organizations have efficiently coordinated their support and plan to continue doing so for the coming years, in the framework of Component 2 of this project, for the strengthening of delivery systems and the harmonization of approaches to crises and shock response. Finally, the World Bank's convening power would be an instrumental contribution to the establishment of a national safety nets system, ensuring a harmonized and coherent approach supported by all stakeholders intervening in this space.

## F. Lessons Learned and Reflected in the Project Design

**45. The project draws lessons from significant analytical work carried out by the World Bank and other donors in the context of its engagement in the sector over the years and across countries.** An impact evaluation carried out between 2008 and 2010 showed that cash transfers improved children's education and health, as well as household socioeconomic conditions.<sup>30</sup> Giving the transfer to mothers, while not unequivocally increasing impact on children's health and education outcomes, showed some education benefits, informing in part the decision to provide transfers to women in the context of the current project. A subsequent impact evaluation in the context of the social safety net project confirmed findings of the positive impact of cash transfers on education outcomes and highlighted the additional impact of the provision of information through accompanying measures, particularly through home visits.<sup>31</sup> These findings inform the project's implementation on accompanying human capital measures (although the security situation affects the ability of the operation to provide accompanying measures in person). An impact evaluation<sup>32</sup> undertaken by UNICEF in Zambia indicated that cash transfers can help households avoid negative coping strategies and increase food consumption in the face of weather shocks. Likewise, cash transfers can also (a) help the poor respond to climate-related shocks; (b) help vulnerable households manage risk and consider investment innovations that increase their adaptive capacity; (c) help in

<sup>29</sup> For example, social protection for 15 million people in Kenya, Ethiopia, and Somalia is estimated to have saved US\$4.3 billion over the previous 15 years or an average of US\$287 million people per year as a result of having strengthened early response capacity and resilience of poor and vulnerable people. Cabot Venton. 2018. *Economics of Resilience to Drought in Ethiopia, Kenya and Somalia*. USAID.

<sup>30</sup> De Walque, Damien ; B. C. M. Akresh ; Richard, Kazianga ,Harounan. 2016. "Evidence from a Randomized Evaluation of the Household Welfare Impacts of Conditional and Unconditional Cash Transfers Given to Mothers or Fathers." World Bank Policy Research Working Paper 7730.

<sup>31</sup> Akresh, R., De Walque, D., & Kazianga, H. 2024. "Impact Evaluation of Safety Net and Early Childhood Development in Burkina Faso. Forthcoming.

<sup>32</sup> Lawlor, K., S. Handa, D. Seidenfeld, and the Zambia Cash Transfer Evaluation Team. 2015. "Cash Transfers and Climate-Resilient Development: Evidence from Zambia's Child Grant Programme." Innocenti Working Paper No. 2015-03, UNICEF Office of Research, Florence [https://www.unicef-irc.org/publications/pdf/Zambia%20shocks\\_layout.pdf](https://www.unicef-irc.org/publications/pdf/Zambia%20shocks_layout.pdf).





transferring money for investment in long-term adaptive capacity development; and (d) facilitate mobility and livelihood transitions.<sup>33</sup>

**46. Community-based approach to targeting of project beneficiaries can be effective.** In countries such as CAR, where poverty incidence can reach 100 percent in some communities, the PMT approach to targeting households, which was tested under PACAD, would not be well suited to targeting beneficiaries. The proposed community-based approach for the targeting of project beneficiaries will significantly cut down the time and cost of selecting beneficiaries and starting disbursement of benefits to eligible households. However, to ensure transparency and limit complaints, clear messages on targeting criteria and project processes will be needed together with an accessible GRM.

**47. Transparency and accountability need to be strongly embedded and supported in a fragile and low-capacity environment such as CAR.** Communications to improve transparency and accountability will be integral to the success of the project. Lessons learned from other projects such as the Yemen Emergency Recovery Project (P133811), and the South Sudan Safety Nets and Skills Project (P143915) reveal that strong and continuous communication with beneficiaries is important and facilitates project implementation, particularly in an emergency context. It is important that beneficiaries understand the project's scope, eligibility, and program criteria. The use of objective criteria for beneficiary selection and transparent procedures for payments will help build confidence in the program and ensure its success in an already fragile context. A robust GRM, in which grievances are recorded and processed in a timely manner, while maintaining strict confidentiality, can also help build confidence in the program.

**48. Investing in internal government capacity is important to lower costs and ensure sustainability.** Implementing safety nets through government ministry structures is the most cost-effective and sustainable approach, where capacities have been sufficiently built. Under PACAD, project implementation was outsourced to UNOPS, due to capacity limitations within ministries and other constraints. The involvement of the TU under the MAHSRN has, nonetheless, offered the opportunity to create in-house capacities. Choosing to further invest in developing national capacities, including through the recruitment of consultants for the implementation of this project, will ensure that capacities created last after the project.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

**49. The project will be anchored at the MAHSRN, under the supervision of the Minister's Office.** Through PACAD, the MAHSRN has built implementation capacity and created the TU attached to the Minister's Office, which has worked alongside UNOPS to oversee and implement some of the project's activities on the ground, particularly those related to safety net transfers and accompanying measures. However, the agreed objective of creating sufficient implementation capacity within the MAHSRN, so that the ministry could implement the project autonomously after two years, was not achieved. As a result, the MAHSRN's fiduciary, M&E, and environmental and social management capacities remain low, requiring targeted capacity building and technical assistance to ensure smooth implementation at central and regional levels.

**50. The TU will therefore be strengthened into a Project Implementation Support Unit (PISU)<sup>34</sup>, to be created by Ministerial Order (*Arrêté Ministériel*) by the MAHSRN, under the supervision of the Minister's Chief of Staff.** The PISU, led by the MAHSRN's Chief of Staff, will be supported—for the day-to-day management of project activities—by a deputy

<sup>33</sup> Godfrey Wood, R. 2011. "Is there a Role for Cash Transfers in Climate Change Adaptation?" *IDS Bulletin* 42 (6): 79–85.

<sup>34</sup> Unlike a Project Implementation Unit (PIU), which usually functions in parallel to the Ministry's own structures, the PISU is built on those structures and is strengthened by individual consultants that are competitively hired. This is a way to ensure stronger ownership and absorption of capacities by the Ministry, but also sustainability of project impacts, in terms of capacity building.



coordinator to be competitively recruited. The composition of the PISU will include specialists at the TU, namely (a) the safety net transfers specialist; (b) the community mobilization and accompanying measures specialist; and (c) the other regional coordinators of PACAD. The Directorate of Resources (DR) will ensure the fiduciary management of the project and will benefit from technical assistance (including the recruitment of consultants) and capacity building, as needed. For safeguards aspects where the MAHSRN does not have expertise, a social development specialist and a GBV specialist will be competitively recruited. Other specialists within the PISU include a database manager, a social registry coordinator, an M&E specialist, and so on. For each consultant position, the MAHSRN will designate a counterpart within the ministry. For the proposed arrangement to produce the expected results, the MAHSRN will set up (a) an incentive mechanism to keep counterparts motivated along the implementation of the project and (b) a performance contract for all experts recruited as consultants, with clear performance indicators for capacity-building objectives. A targeted capacity-building plan to address knowledge and skills gaps of MAHSRN counterparts will be developed and funded under the project. The midterm review of the project will assess progress in capacity building and the decision made on whether to continue project implementation with the PISU in its entirety.

**51. The PISU will be supported on the ground by the Prefecture-level Project Coordination Units (*Coordination Préfectorale de Projet, CPP*) established in each of the five prefectures of the project and housed in the Prefectural Directorates of the MAHSRN.** The CPP staff will include a prefectural coordinator, a community mobilization assistant, and a local M&E assistant. The MAHSRN will staff the five CPPs and, through the PISU, will be responsible for the adequate functioning of each CPP to carry out the day-to-day operation of the project in its respective jurisdictions as well as ensure the liaison between the beneficiaries and the PISU at the central level. For field activities, building on the successful experience of PACAD, the ReCos will be recruited to support the implementation of Component 1 at the local level. Given their essential role in the implementation of Component 1 of the project, the ReCos will be trained and provided with adequate equipment to carry out their tasks, including supporting community mobilization activities, before targeting activities, but also the implementation of most BCC activities in their communities.

**52. To build on the experience of PACAD, the Inter-ministerial Safety Nets Coordination Unit (*Cellule Interministérielle de Coordination des Filets Sociaux, CIFS*) will be strengthened to play the role of Steering Committee for the project.** The CIFS was created in 2018 through a Ministerial order (*Arrêté*)<sup>35</sup> of the Prime Minister, who chairs it, with the MAHSRN as Technical Secretariat. The CIFS's mandate under this order includes the design, implementation, and promotion of a national monitoring mechanism for safety nets programs, which would lead to the development of the RSU. Part of that mandate includes the development and implementation of (a) a harmonized mechanism for the targeting, identification, and enrollment of beneficiaries of social safety nets; (b) a harmonized payment system for beneficiaries of safety nets programs; (c) a national M&E system for safety nets programs; (d) a national grievance redress mechanism (GRM) for safety nets programs; (e) pilot safety nets initiatives, including unconditional safety net transfers and labor-intensive public works initiatives; and (f) an advisory mechanism for public agencies and development partners to promote their safety nets programs. While the mandate is still mostly relevant for this operation, it would be important to broaden the composition of the CIFS to include other ministries such as the MLEVTSP, which are and approve annual stakeholders of the different parts of the CIFS's mandate. Besides that, the CIFS mission would be broadened to include the role of Steering Committee for this project. This will allow the CIFS to ensure a high level of oversight of the project as well as participation from other ministries. The CIFS will provide strategic guidance to the project's work plans and budgets. The details on the roles of different stakeholders will be provided in the PIM.

<sup>35</sup> Arrêté No.25/PM.18 of October 5, 2018.



## B. Results Monitoring and Evaluation Arrangements

**53. The project M&E system will build on the experiences of PACAD.** The Project Implementation Support Unit (PISU) at the MAHSRN will be responsible for the planning, coordination, and general supervision of the project's activities in the field and will rely on an M&E specialist, who will be responsible for the overall M&E of project operations. CPPs, especially the regional M&E staff, will be responsible for carrying out close monitoring of project activities in each of the targeted regions and communes. The project will also rely on the ReCos who will be equipped with adequate devices to collect some of the data needed for M&E purposes. A proper M&E manual will be prepared before project implementation starts, laying out each stage and step of the project M&E processes. Periodic project monitoring reports will be prepared and shared with the World Bank by the PISU. Given the challenging logistical conditions in CAR, it is envisaged that the implementation team will rely heavily on remote M&E techniques, especially in hard-to-reach areas of the project. The use of GEMS will enable remote monitoring of project activities. Also, the BOMS developed under Component 1 will provide a complete and structured database of project beneficiary households. Several indicators in the Results Framework will be monitored through the BOMS, while the GEMS tools, complemented with the IBM tool will help monitor beneficiaries' engagement and collect feedback that will be used to strengthen project implementation.

**54. A process evaluation and an impact evaluation will be carried out during the implementation of the project.** Despite extensive international evidence on the positive impacts that project interventions such as cash transfers can have on beneficiaries, there is little context-specific evidence of the impact of cash transfers or similar interventions in CAR. The government will work with the World Bank DIME Department to conduct a randomized control trial impact evaluation to document the specific impacts of the project. Additional resources will be mobilized through trust funds to support the implementation of the impact evaluation. The process evaluation will help collect important information on the rollout of the registry, the payment platform, and the shock response pilot, which will be used to strengthen project implementation.

## C. Sustainability

**55. Implementation by the government will strengthen institutional sustainability beyond the project.** The direct implementation of PACAD through a United Nations agency, namely UNOPS, limited the ability to invest in national government institutions for capacity building, creating a gap in sustaining the efforts to develop the social protection sector. However, the shift back to government-led implementation under this project provides an important opportunity to continue strengthening institutional capacity and delivery systems to enable the government to gradually take over the full management and implementation of a nationally owned safety net program in a phased approach. This will not only ensure sustained investment in predictable and reliable safety net provision for human capital accumulation but will also support increased citizen confidence in national institutions by signaling the government's commitment to supporting the welfare of its people.

**56. The sustainability of this project hinges also on the ability of investments in safety net transfer programs to build resilience in recipient communities and beneficiary households.** On the one hand, safety net transfers under the project offer immediate relief by injecting capital into struggling communities, boosting consumption, and fostering economic activity. Studies show positive impacts on health, education, and even entrepreneurship. Social safety net programs like this, encouraging participation in accompanying measures programs, can improve human capital and break intergenerational poverty cycles.

**57. Foundational social protection delivery systems are likely to be sustained by the government.** Investment in the delivery system such as the social registry and payment platform, as well as in institutional and financing frameworks for response to climate-related and other shocks, has importance beyond this project. It is expected that critical investments



in structural elements of the country's adaptive social protection system, will better prepare the government and other development partners for future climatic or other shock with negative impacts on households' welfare.

#### IV. PROJECT APPRAISAL SUMMARY

##### A. Technical, Economic and Financial Analysis

###### Technical Analysis

**58. Appropriateness of the design.** The design reflects the capacity of the government of CAR and is aligned to country needs and follows best practices by carrying out the following activities:

- (a) **Providing regular cash transfer for selected poor families** facing shocks with a view to help them meet their basic needs, resist the negative impact on their well-being, and strengthen their own capacity and build their resilience.
- (b) **Delivering a package of accompanying measures and training** which complement the cash transfer, encourage human capital investments (education, health, nutrition, and early childhood development) as well as women's empowerment and productive inclusion, and promote resilience for long-term results. Accompanying measures include sensitization and training related to climate-smart activities, enabling people to cope with climate change and improving agricultural activity, the main livelihood of poor households.
- (c) **Addressing climate vulnerabilities and enhancing resilience at the community level.** In the context of this project, poverty and exposure to climate shocks are closely linked. The project will target vulnerable areas that are the most exposed to poverty, food security, and climate shocks. Project activities are designed to achieve short-term mitigation of climatic shock effects and contribute to climate resilience for vulnerable population in the medium to long term.
- (d) **Providing exit strategy** which will prepare households for the end of the project support, to maintain and improve their resilience to shocks that they would have developed through the safety net program. The global evidence highlights the importance of exit strategies, especially in preparing household beneficiaries for the end of the program. The design of the exit strategy is built on the experience of PACAD as well as international experience with safety nets and accompanying measures,
- (e) **Strengthening social protection systems.** The project contributes directly to the overall goal of strengthening the country's ability to support the poorest and respond to shocks in the future. The project will build on the World Bank's engagement for the past decade to support the establishment of an adaptive social protection system in CAR. Capacity building will also include enhancement of delivery systems and establishment of a unified social registry.

**59. The project design is built on international and CAR experience to improve project efficiency and impact.** The technical design also includes (a) a targeting process found to be effective using independent and effective targeting assessment; (b) MIS for tracking data on beneficiaries; (c) third-party payment provider to introduce transparency and accountability in the payment process; and (d) citizen engagement and social accountability by continuing the existing social accountability mechanisms established under PACAD such as community participation in targeting, registration, and enrollment; a GRM with enhanced community engagement to resolve problems; and community monitoring of service provision. These elements have evolved through lessons learned and drawing on further national and international social safety nets and are still considered good practices when implementing social safety net programs.



**60. Phased approach.** To ensure effective implementation of the safety net transfers and accompanying measures, the rollout of project activities and the geographical expansion of the project will be carried out in two phases. Project activities will start in a first group of communities (selected according to procedures defined in the project implementation manual) and then will be gradually scaled up to the remaining communities. In terms of prioritization of activities, the cash transfers and accompanying measures on human development and productive inclusion will be implemented first, followed by the exit strategy.

### Economic Analysis

**61. There is a wealth of international evidence on the positive impacts of safety net transfers on increased consumption, food security, and human capital outcomes.** For example, a rigorous review of the impacts of safety net transfers on individuals and households, covering literature spanning 15 years (2000–2015) indicates that safety net transfers (a) reduce monetary poverty; (b) raise school attendance; (c) stimulate health service use and improve dietary diversity; (d) can help foster beneficiaries' economic autonomy; (e) are associated with a reduction in child labor; and (f) increase women's decision-making power and choices.<sup>36</sup> The evidence on the impact of similar unconditional safety net transfer programs on reducing stunting and fertility, delayed marriage, and less risky sexual behaviors is also well documented.<sup>37</sup> For example, Malawi's Unconditional Cash Transfers program (P133620) showed a seven percentage point reduction in pregnancy rates. Similarly, there is evidence from Africa of an improvement in educational outcomes such as enrollment, attendance, and cognitive skills among secondary school students.<sup>38</sup>

**62. Regular and emergency safety net transfers have a proven track record of fostering household resilience to climate-related and other shocks.** Adequate and predictable transfers can reduce negative coping mechanisms; rebuild asset stocks; reduce debt burdens; and have greater impacts on nutrition, investments, and productivity as well as economywide multipliers, with long-term consequences, and potentially better value for money overall.<sup>39</sup> Also, more proactive response scenarios lower the costs of humanitarian interventions by reducing the humanitarian caseload and avoiding income and asset losses by households who, in the absence of early interventions, resort to negative coping strategies.<sup>40</sup>

**63. The economic analysis conducted for this project focuses mainly on the potential impact of the safety net transfer program on beneficiary households.** The analysis uses a combination of ex ante simulation based on data from the latest harmonized household living conditions survey (*Enquête harmonisée sur les conditions de vie des ménages*, EHCVM, 2021) and information and data from the impact evaluation findings of similar programs.<sup>41</sup> The indicative analysis also makes the following assumptions: (a) targeting is perfect; (b) each beneficiary household receives all safety net transfers; (c) transfers received by households are used by the household; and (d) the socio-demographic characteristics of households and their activities and their income do not change before and after the transfer.

<sup>36</sup> Francesca Bastagli, Jessica Hagen-Zanker, Georgina Sturge. 2016. *Cash Transfers: What Does the Evidence Say? A Rigorous Review of Impacts and the Role of Design and Implementation Features*. Overseas Development Institute with Oxford Policy Management.

<sup>37</sup> Francesca Bastagli, Jessica Hagen-Zanker, Georgina Sturge. 2016. [Cash Transfer: What Does the Evidence Say? A Rigorous Review of Programme Impact and of the Role of Design and Implementation Features](#). Overseas Development Institute with Oxford Policy Management.

<sup>38</sup> Beegle, Kathleen; Monsalve, Emma. 2018. [Realizing the Full Potential of Social Safety Nets in Africa](#); World Bank. 2013. [Cash Transfers and Child Schooling: Evidence from a Randomized Evaluation of the Role of Conditionality](#). Working Paper from Burkina Faso; Miller, Candace, and Maxton Tsoka. 2012. [Cash Transfers and Children's Education and Labour among Malawi's Poor](#). Development Policy Review from Malawi; Handa et al. 2014. [Livelihood Empowerment Against Poverty Program Impact Evaluation](#). Carolina Population Center, University of North Carolina from Ghana.

<sup>39</sup> Vinton, Cabot. 2020. *SPACE Economics of Early Response and Resilience to COVID-19: Ethiopia*.

<sup>40</sup> Wylde, et al. 2020. *SPACE Value for Money of Social Protection and Humanitarian Cash Transfers in the Context of COVID-19*.

<sup>41</sup> Evaluations of safety net programs in Madagascar and Comoros (list to be provided).



**64. Level of transfers compared to basic food needs and poverty lines.** With a quarterly transfer of XAF 25,000 (US\$41 equivalent), the amount transferred to a poor household is XAF 200,000 (US\$329 equivalent). Considering the exit funds, the total amount transferred is XAF 225,000 (US\$370 equivalent). The safety net transfer, however, represents a larger share—about 27 percent—of the first quintile household’s consumption. Importantly, the transfer amount represents about 35 percent of the consumption per capita of the extremely poor households (decile 1) and 54 percent of their food consumption per capita. The potential labor market distortions effects are limited: the safety net transfer represents 38 percent of the minimum wage (the daily minimum wage in agriculture is XAF 1,000 [US\$1.6 equivalent]), which makes it unlikely for workers to reduce their labor market participation.

**65. Despite limited impact on national poverty reduction, the safety net transfers will improve consumption and reduce negative coping strategies by households.** Simulations indicate that after two years, the project would increase the aggregate consumption of household beneficiaries by at least 50 percent, assuming that beneficiaries are among the poorest, and all transfers are allocated to consumption. Those affected by climate-related shocks and emergencies will receive a top-up, making a total transfer of XAF 290,000 (US\$477 equivalent), which represents 21 percent of the poverty line (7 percent for the basic transfer) and an increase of over 70 percent of the consumption.

**66. Safety net transfers also have an impact at the community level.** Beyond the impact at the individual or household level, investments in safety net transfer programs have a multiplier effect on the economy. Safety net transfers largely benefit recipients as well as non-recipients and the local economy.<sup>42</sup> Evidence is accumulating on the positive spillovers of safety net transfers on local economic activity. Thus, evaluations find sizeable consumption effects among non-beneficiaries.<sup>43</sup> Evidence shows that every US\$1 spent on social protection and resilience programming in Ethiopia, Kenya, and Somalia results in a multiplier effect of between US\$2.30 and US\$3.30 in local economies—as recipients tend to spend safety net transfers they receive on local goods and services.<sup>44</sup>

## Corporate Priorities

**67. Paris alignment.** The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation.

(a) **Assessment of adaptation risks.** The climate and disaster risk screening highlighted a medium to high exposure of project sites to climate and disaster risks, such as high temperatures and river floods, but with low risk to the project’s ability to achieve its outcomes. Indeed, the project activities and intended outcomes are generally expected to enhance resilience to climate and disaster risks, as outlined in paragraph 68 below. Adaptation risks are therefore assessed to be limited and acceptable.

(b) **Assessment of mitigation risks.** The project is expected to have low impact on GHG emissions and align with the country’s transition to low GHG emissions pathways. Indeed, most activities financed through the operation feature on the list of universally aligned activities. These activities include safety net transfers, safety net delivery systems, digital management information systems, strengthening institutional capacity, and training and capacity building. Therefore, the project poses no to low mitigation risks.

**68. Climate change.** Climate change provides a particular challenge to the poor and risks pushing additional individuals below the poverty line. Extreme climate events can have detrimental effects on the poorest households and their livelihoods. According to the recent climate profile, CAR presents high vulnerability to climate while also presenting poor adaption mechanisms. For that reason, this operation specifically targets the two poorest regions, which are also the

<sup>42</sup> <https://www.fao.org/3/I5157E/i5157e.pdf>.

<sup>43</sup> Beegle, Kathleen; Monsalve, Emma. 2018. *Realizing the Full Potential of Social Safety Nets in Africa*. <https://openknowledge.worldbank.org/handle/10986/29789>.

<sup>44</sup> Cabo Venton. 2018. *The Economics of Resilience to Drought*. USAID.



most vulnerable to climate change in the country. The operation's activities contribute directly to climate change adaptation in CAR. Safety net transfers (both regular and shock-responsive) are furthermore likely to hold climate change mitigation by potentially leading households to refrain from climate-hazardous livelihood practices such as logging. Regular safety net transfers (Subcomponent 1.1) intend to build household resilience to climate-related shocks and worsening livelihood conditions by promoting a diversification of livelihoods, building of assets, and the avoidance of negative coping strategies (including reducing health and education expenditures). Shock-responsive safety net transfers and Subcomponent 1.2 specifically target households affected by climate change-related shocks. Shock-responsive safety net transfers are expected to reduce otherwise harmful coping strategies and safeguard productive assets for longer-term resilience. Safety net transfers and BCC and training for climate resilience are expected to help beneficiaries cope with and adapt to climate change. Activities under Subcomponent 1.3 will specifically include climate change awareness and preparedness, which will directly increase households' ability to adapt to the potential effects of climate change. This is expected to enable households to avoid negative coping mechanisms that have detrimental effects in the long term. Investments in a shock-responsive safety net delivery system and direct support to people affected by climate-related emergencies are expected to help the government adapt to covariate shocks induced by climate change and mitigate harmful coping mechanisms.

**69. Gender.** Women will be the main recipients of the safety net transfers and will be provided with a free mobile phone and SIM card as well as a digital mobile money account. The project is therefore expected to contribute to narrowing the gender gap related to digital access as well as owning an account at a financial institution. Evidence across different countries has shown that increasing access to mobile financial services and ownership of financial accounts, including mobile money accounts, has positive impacts on women's well-being<sup>45</sup> and even poverty reduction.<sup>46</sup> Through the accompanying measures activities, women will be a key component of program implementation.

## B. Fiduciary

### (i) Financial Management

**70. The overall financial management (FM) risk after mitigation measures is considered substantial.** An FM Action Plan is summarized in the risk assessment table in Annex A. Subject to the successful completion of the actions recommended in the Action Plan to address the risks identified, the proposed FM arrangements are considered acceptable to the World Bank.

**71. FM arrangements.** The project will be implemented by a PISU to be established under the overall coordination of MAHSRN. The PISU will be staffed with (a) an FM specialist; (b) an accountant; and (c) an internal auditor, within three months after effectiveness based on terms of reference (TOR) acceptable to the World Bank. Transaction-based disbursements will apply. An initial advance in XAF will be made into the project's Designated Account (DA). The internal control procedures will be documented in the PIM and the General Inspectorate of Finance (*Inspection Générale des Finances*, IGF) supported by the General Inspectorate of the Ministry (*Inspection Générale du Ministère*, IGM) will include the project in its annual audit program in the medium term. A multiproject and multisite financial and accounting management software will be set up in a manner satisfactory to the World Bank.

### (ii) Procurement

**72. Procurement under the Project will be governed by the 'World Bank Procurement Regulations for IPF Borrowers,' dated September 2023.** The project is also subject to the World Bank's 'Guidelines on Preventing and Combating Fraud

<sup>45</sup> <https://www.science.org/doi/10.1126/science.aah5309>.

<sup>46</sup> <https://blogs.worldbank.org/voices/empowering-women-send-social-assistance-payments-directly-her>.



and Corruption in Projects Financed by International Bank for Reconstruction and Development (IBRD) Loans and International Development Association (IDA) Credits and Grants’, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016. The procuring entity as well as bidders and service providers, that is, suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations. The Systematic Tracking of Exchanges in Procurement (STEP) tool will be used to plan, record, and track procurement transactions.

**73. Implementation arrangements.** The MAHSRN will ensure the fiduciary role of the project through the DR established under the Cabinet of the Minister. Some of the attributes of the DR are to conduct procurement activities of the ministry using the rules and procedures as defined in the National Procurement Law. However, the DR does not have experience implementing World Bank-financed projects. The DR is staffed with a procurement specialist with no knowledge and experience of the World Bank’s procurement procedures. For a smooth implementation of the procurement activities, the DR will be supported by a procurement specialist (consultant) with the relevant background and experience in World Bank’s procurement procedures. Part of the tasks of the procurement specialist will be to strengthen the capacities of the DR’s staff on procurement as per the Procurement Regulations. The procurement specialist will be assisted by an assistant procurement specialist who will help in the recording and updating of procurement documents in STEP. The procurement specialist as well as the other staff of the PISU will benefit from World Bank support and training during the implementation of the project activities.

**74. Project procurement risk.** The risk associated to the project is assessed as ‘High’ given the lack of experience of the DR implementing World Bank-financed projects but reduced to a residual risk rating of ‘Substantial’ in view of the articulated risk mitigation measures as provided in Annex 1.

**75. A Project Procurement Strategy for Development (PPSD)** along with a Procurement Plan for the first 18 months were prepared and finalized. The PPSD will be updated when needed during project implementation. The PPSD concludes that overall, the legal framework and operational context in the CAR is favorable to the execution of public contracts and that, provided the recommendations of the fiduciary assessment are implemented, the MAHSRN is best placed to implement the project, with interventions at both the central and local levels. The DR will receive continuous support from the World Bank to manage risks.

**C. Legal Operational Policies**

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

**D. Environmental and Social**

**76. The environmental risk is rated moderate mainly due to minor potential environmental risks and impacts linked to the nature of activities funded under the project.** The project will not finance physical infrastructure and therefore the project will have no construction-related impacts or large-scale or significant environmental footprint. There could be minor environmental impacts resulting from the income-generating activities and an environmental and social screening will be carried out to ensure activities that could have significant risks will be excluded. If the project will finance activities that can have an environmental impact, an Environmental and Social Management Plan will be developed that will define





the exclusion list and mitigation measures associated with minor environmental risks and impacts. A Stakeholder engagement Plan (SEP) has been prepared and disclosed in-country on February 29, 2024, and on the World Bank website on March 1, 2024; along with an ESCP, disclosed in-country on February 29, 2024, and on the World Bank website on April 5, 2024. Likewise, a Labor Management Plan was prepared and disclosed in-country on February 29, 2024<sup>47</sup>.

**77. The social risk is rated substantial, mainly due to security concerns, the risk of exclusion of marginalized groups, the risk of an increase in domestic violence, and the risk of sexual exploitation and abuse (SEA)/ sexual harassment (SH)—particularly when the list of beneficiaries is being developed—and also during training activities.** There is also a risk of increased social tension in the communities or between communities if selection criteria are not easily understood or seen as being 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. Due to the low coverage of banks and mobile payment arrangements, the project will sometimes have to distribute the transfer in cash, which increases the security risk. Finally, there is 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. The capacity of the MAHSRN to implement the Environmental and Social Framework is low, and it is important that the PISU hires experienced safeguard people (a social safeguard specialist, a gender and GBV/SEA/SH expert, and a security officer) to support project implementation.

**78. The project incorporates measures to prevent, mitigate, and respond to GBV, SEA, and SH via multiple channels along the delivery chain.** Safety net transfers provided to female beneficiaries can constitute a key instrument to reduce GBV, as they contribute to their economic empowerment, financial security, and independence. A review of the results of 22 studies conducted in low- and middle-income countries found that most safety net transfer interventions resulted in a reduction in intimate partner violence.<sup>48</sup> However, based on the experience from the PACAD project, transferring funding to the women can increase the risk of GBV. Hence it is important that awareness raising work is carried out in the communities explaining the purpose of the transfers and why the transfer is made to the woman in the household. To mitigate identified risks of SEA/SH, the project has developed and disclosed in-country a GBV/SEA/SH Action Plan on February 29, 2024<sup>49</sup>. The Action Plan includes key mitigation strategies such as (but not limited to) (a) the integration of GBV expertise as part of the PISU; (b) the strengthening of the project's Accountability and Response Framework through the development and signing of a code of conduct by all project staff and direct service providers; (c) the rollout of training and sensitization under Component 2 of the project as mentioned above; (d) the mapping of GBV service providers; and (e) a grievance mechanism adapted to handle SEA/SH complaints with multiple, safe, and accessible entry channels identified by women, girls, and vulnerable groups.

**79. Citizen engagement and consultations.** Given the proposed approach to the selection of beneficiaries, citizen engagement and consultations are planned. During project preparation, several consultations have been held both in Bangui and outside, with stakeholders from different civil society organizations and other stakeholders. Separate sessions have been held with people with disability. Engagement in each of the two targeted regions will start with consultations and outreach to explain the project objectives, approaches, and intervention areas. Specific citizen engagement and consultation activities have been laid out in the SEP. The SEP also includes a GRM. Finally, it proposed to conduct regular post-payment surveys, to measure beneficiaries' satisfaction in relation to the project interventions. Results of those surveys and critical grievances collected from the GRM will be discussed during biannual meetings with all project staff (eventually service providers, as needed), both from national and prefecture levels, to discuss implications for project

<sup>47</sup> Followed by the disclosure on the World Bank website.

<sup>48</sup> <https://elibrary.worldbank.org/doi/epdf/10.1093/wbro/lky002>.

<sup>49</sup> Followed by the disclosure on the World Bank website.



implementation. Adjustments to project implementation will be decided upon as part of the recommendations from those meetings.

**80. GRM.** A GRM will be established for the project, to allow for safe and confidential reporting of grievances/complaints, with response management protocols and processes for addressing these in a timely manner and escalating cases if needed. The importance and key processes of the GRM are stressed in the SEP prepared by the government. The GRM will build on the successes and lessons learned under PACAD and have specific channels for complaints related to GBV or sexual abuse and exploitation or sexual harassment. A specific indicator is included in the Results Framework to track the effectiveness of the GRM.

**81. Disability inclusion.** In CAR, households with persons with disabilities are among the most vulnerable. In a situation of security emergency like those the country experienced in recent years, persons with disability are the most likely to be harmed. According to the latest EHCVM, persons with disability represented approximately 19 percent of the total population. Persons with disabilities tend to be excluded from the economic and social life of the country and struggle to fully access such fundamental rights as education, vocational training, social protection, and employment. However, when empowered, they can lead a fulfilled life, like any other individuals. Despite having passed legislation on the protection and promotion of people with disabilities, CAR has not yet been able to translate the said legislation in the different policies and programs. This project intends to close this gap by ensuring that people with disabilities are fully included in its design and implementation. To achieve that, the project has organized specific consultations during project preparation with the Central African Union of the Christian Brotherhood of the Sick and Physically Handicapped (*Union Centrafricaine de la Fraternité Chrétienne des Malades et des Handicapés Physiques*), an umbrella organization which represents all forms of disability. Consultation will continue during project implementation with specific disability-sensitive activities, to continue collecting their feedback and specific needs along the implementation of this project. To achieve the objective of making this project disability inclusive, the following actions will be undertaken: (a) dedicated outreach efforts to target persons with disabilities, including outreach through organizations of persons with disabilities to ensure that the access to information barrier is broken; (b) disability awareness training for project staff; and (c) adaptation of training facilities and training to the needs of persons with disabilities. The Results Framework includes several indicators measuring the proportion of persons with disabilities among the project's beneficiaries.

## V. GRIEVANCE REDRESS SERVICES

**82. Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, because of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of World Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank's AM, visit <https://accountability.worldbank.org>.

## VI. KEY RISKS



**83. The overall risk for this operation is rated substantial** for the following reasons.

**84. Political and governance risk is rated high.** Political instability could undermine support for the project. To mitigate this risk, the finalization of the PNPS would include communication to policy makers and the public on the role of the PNPS in mobilizing resources (including from donors) and strengthening social assistance coordination to improve service delivery to beneficiaries. In addition, identifying ministerial champions would also increase wider support within the government for the project. Nevertheless, the risk remains high. Also, CAR has significant fiscal constraints, which have worsened following donor suspension of budget support in 2021 and the ongoing food and fuel crisis. As a result, concerns that project activities at the decentralized level could stall due to lack of funds is high. The International Monetary Fund's US\$191.4 million Extended Credit Facility-supported program will provide much-needed liquidity and thereby reduces the risk.

**85. Macroeconomic risk is rated high.** CAR is facing a looming fiscal cliff. The global ongoing fuel and food crisis, coupled with CAR's lack of budget transparency which has impeded the mobilization of budget support, has worsened its structural fiscal challenges. Since 2021, CAR has accumulated significant debt, leading to a heightened risk of debt distress. The government is facing difficulties in paying salaries and servicing its debt. These risks have the potential to delay the project's objectives by weakening government capacities. A significant concern is that the central government may be unable to transfer funds to local authorities, jeopardizing the implementation of local development plans unless alternative sources of income can be identified. Given the country's poverty levels, this presents a considerable challenge. While complete mitigation of macroeconomic risks is not possible, there is partial mitigation through the US\$191.4 million Extended Credit Facility-supported program, approved by the International Monetary Fund in April 2023. This program will help meet CAR's prolonged balance of payment need.

**86. Sector Strategies and Policies is rated substantial.** CAR has not yet finalized and approved the PNPS or established a proper social registry because of funding constraints for the sector. This could undermine project execution. To mitigate this risk, the project will support the finalization of the PNPS and facilitate its adoption by authorities. The project will support capacity building, strong ownership of the strategy, as well as the establishment of the social registry. The team will work to identify key sector reforms that could be incentivized.

**87. Institutional Capacity for Implementation and Sustainability is rated substantial.** Institutional capacity for service delivery in general in CAR is a challenge, particularly outside of Bangui, due to limited infrastructure (roads, digital, and so on), low capacity of civil servants, and challenges in deploying staff to conduct field activities. Mitigation measures include (a) institutional arrangements that foster collaboration with other government agencies/entities and external implementing partners; (b) short-term technical assistance to develop in-house capacity for stronger service delivery; (c) study tours to provide opportunities to learn from good practices in other countries; and (d) introduction of remote monitoring tools and technologies. In terms of fiduciary risks, the MAHSRN's capacity to handle fiduciary tasks remains weak, lacking key staff. Therefore, targeted capacity building and technical assistance would be provided to strengthen the MAHSRN's FM and procurement capacity.

**88. Fiduciary risk is rated substantial.** The overall fiduciary environment of the country is weak and fiduciary risk including fraud and corruption is high. The rating is mainly driven by nature of the activities involving a great number of stakeholders and beneficiaries in fragility, conflict, and violence environment, the weak internal controls, and funds flow challenges especially outside Bangui, and the overall weak fiduciary capacity of civil servants at both and decentralized level as well the consultants of the PISU. Mitigation measures include building public administration capacity and providing appropriate measures to strengthen project management and fiduciary controls. It is planned to competitively recruit individual consultants for key fiduciary functions such as procurement, FM, and internal audit. To limit fiduciary risks, there will be no responsibilities for CPPs, the decentralized implementation units.



**89. Environmental and social risk is rated substantial.** There are high levels of gender discrimination, GBV, and SEA/SH as well as significant risks of exclusion of vulnerable groups. GBV prevention measures, such as training of staff and communities, good practice papers, and strong GBV-sensitive GRMs will be developed, drawing on lessons from PACAD and other successful World Bank-funded projects to mitigate the risk.

**90. Other risk (Security) is rated substantial.** The presence of armed militia groups could have a negative impact on effective delivery of project activities in certain areas or expose beneficiaries to harm. Therefore, the government is developing a security risk assessment and a security management plan, which will be implemented throughout the project's life cycle. The project will also rely on local NGOs as feasible, remote delivery and monitoring mechanisms, and potentially third parties for implementation and M&E of activities.



VII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Period 1	Closing Period
<b>Expand access to social safety nets</b>		
<b>Beneficiaries of social safety net programs (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	75,000	225,000
➤Of which, Female (Number)		
0	39,000	117,000
➤Of which, People with disability (Number)		
Dec/2023	Jan/2027	Jun/2029
0	3,750	11,250
➤Of which, Youth (Number)		
Dec/2023	Jan/2027	Jun/2029
0	15,750	47,250
<b>People with enhanced resilience to climate risks (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	52,500	157,000
➤Of which female (Number)		
0	27,300	81,900
➤Of which, Youth (Number)		
Dec/2023	Jan/2027	Jun/2029
0	10,990	32,970
<b>Strengthened shock-responsiveness of delivery systems</b>		
<b>Households registered into the unified social registry (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	25,000	100,000
<b>Programs using the shock response framework (Number)</b>		
Dec/2023	Jan/2027	Jun/2029



0	1	2
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Intermediate Indicators by Components

Baseline	Period 1	Closing Period
<b>Component 1: Expansion of social safety nets to households in targeted areas</b>		
<b>Households receiving regular safety net transfers (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	15,000	45,000
➤Of which, Female recipient on behalf of the household (Number)		
Dec/2023	Jan/2027	Jun/2029
0	12,150	40,500
➤Of which, People with disability are recipients on behalf of the household (Number)		
Dec/2023	Jan/2027	Jun/2029
0	800	2500
<b>Beneficiaries satisfied with project interventions (Percentage)</b>		
Dec/2023	Jan/2027	Jun/2029
0	60	80
➤Of which, Female (Percentage)		
0	60	80
➤Of which, People with disability (Percentage)		
0	60	80
<b>People using digitally enabled services (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	15,000	45,000
➤Of which, Female (Number)		
Dec/2023	Jan/2027	Jun/2029
0	13,500	40,500
➤Of which, Youth (Number)		
Dec/2023	Jan/2027	Jun/2029
0	1,500	4,500
<b>Beneficiaries of accompanying measures (Number)</b>		
Dec/2023	Jan/2027	Jun/2029



0	15,000	45,000
➤Of which, Female (Number)		
Dec/2023	Jan/2027	Jun/2029
0	13,500	40,500
➤Of which, People with disabilities (Number)		
Dec/2023	Jan/2027	Jun/2029
0	1,000	4,500
<b>Complaints related to the project that are processed in a timely manner according to the Grievance Redress Mechanism Manual (Percentage)</b>		
Dec/2023	Jan/2027	Jun/2029
0	60	80
<b>Beneficiaries of emergency safety net transfers (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	62,500	125,000
➤Of which, Female (Number)		
Dec/2023	Jan/2027	Jun/2029
0	32,500	65,000
➤Of which, People with disability (Number)		
Dec/2023	Jan/2027	Jun/2029
0	9,375	18,750
<b>Women with mobile money accounts (Number)</b>		
Dec/2023	Jan/2027	Jun/2029
0	13,500	40000
<b>Component 2: Social safety nets systems strengthening to respond to climate-related and other shocks</b>		
<b>Unified Social Registry Management information system functional (Yes/No)</b>		
Dec/2023	Jan/2027	Jun/2029
No	Yes	Yes
<b>Shock-response framework operational (Yes/No)</b>		
Dec/2023	Jan/2027	Jun/2029
No	Yes	Yes
<b>Multi-modal payment platform operational (Yes/No)</b>		
Dec/2023	Jan/2027	Jun/2029
No	Yes	Yes
<b>Component 3: Project management, monitoring and evaluation</b>		
<b>Impact evaluation of project interventions completed (Yes/No)</b>		



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Dec/2023	Jan/2027	Jun/2029
No	No	Yes
<b>Component 4: Contingent Emergency Response Component (CERC)</b>		

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**Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes**

<b>Beneficiaries of safety nets programs (number) of which female (number), youth (number), and people with disability (number)</b>	
<b>Beneficiaries of social safety net programs (Number) <sup>CR1</sup></b>	
Description	The indicator measures the expansion of social safety nets to additional poor and vulnerable households in project implementation areas. It is calculated by aggregating the number of beneficiaries of regular safety net transfers financed by the project across implementation areas until the targeted number is reach. The indicator will be reported on quarterly by the PISU.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of social safety net programs - Youth (Number) <sup>CR1</sup></b>	
Description	This indicator measures youth (age 15-24) participation in social safety nets programs. It has the same definition as the "Beneficiaries of Safety Nets programs" but applies only to youth. This indicator will yield a measure of coverage of social safety nets project disaggregated by youth.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of social safety net programs - Female (Number) <sup>CR1</sup></b>	
Description	This indicator measures female participation in social safety nets programs. It has the same definition as the "Beneficiaries of Safety Nets programs" but applies only to female. This indicator will yield a measure of coverage of social safety nets project disaggregated by gender.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of social safety net programs – People with disability (Number) <sup>CR1</sup></b>	
Description	This indicator measures participation of people with disability in social safety nets programs. It has the same definition as the "Beneficiaries of Safety Nets programs" but applies only to people with disability. This indicator will yield a measure of coverage of social safety nets project disaggregated by people with disability.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>People with enhanced resilience to climate risks (number) <sup>CC</sup></b>	
<b>People with enhanced resilience to climate risks (number) <sup>CC</sup></b>	
Description	This indicator measure the number of people made more resilient to climate risks, through project interventions, either via safety net transfers in high climate-risk (river flood or wildfire) areas. The geographic coverage of the safety net transfer program will be cross-checked with the latest updates of climate risks map of CAR when calculating the value of



	this indicator. The target etc. could change depending on the finalization of the definition/methodology of this Corporate Scorecard Indicator.
Frequency	Quarterly
Data source	Project quarterly progress reports
Methodology for Data Collection	The geographic coverage of the safety net transfer program will be cross-checked with the latest updates of climate risks map of CAR when calculating the value of this indicator.
Responsibility for Data Collection	PISU
<b>People with enhanced resilience to climate risks (number), of which youth (number) <sup>cc</sup></b>	
Description	This indicator measures the number of youth (aged 15-24 years old) made more resilient to climate risks, through the project interventions, via safety net transfers, in high climate-risk areas.
Frequency	Quarterly
Data source	Project quarterly progress report
Methodology for Data Collection	The geographic coverage of the safety net transfer program will be cross-checked with the latest updates of climate risks map of CAR when calculating the value of this indicator for youth participation.
Responsibility for Data Collection	PISU
<b>People with enhanced resilience to climate risks (number), of which female (number) <sup>cc</sup></b>	
Description	This indicator measures the number of women made more resilient to climate risks, through the project interventions, via safety net transfers, in high climate-risk areas.
Frequency	Quarterly
Data source	Project quarterly progress report
Methodology for Data Collection	The geographic coverage of the safety net transfer program will be cross-checked with the latest updates of climate risks map of CAR when calculating the value of this indicator for women participation.
Responsibility for Data Collection	PISU
<b>Households registered in the Unified Social Registry (number)</b>	
<b>Households registered into the unified social registry (Number)</b>	
Description	Total number of poor or vulnerable households registered in the RSU management information system according to the data fields defined in the RSU operational manual.
Frequency	Quarterly
Data source	Social registry MIS data and Project quarterly progress reports
Methodology for Data Collection	Analysis of social registry MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Programs using the shock response framework (Number)</b>	
<b>Programs using the shock response framework (Number)</b>	
Description	This indicator measures the number of programs using the shock response framework, starting from a baseline of zero. These could be government programs or other development partners' programs.
Frequency	Quarterly
Data source	Social registry MIS data and Project quarterly progress reports
Methodology for Data Collection	Analysis of social registry MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU

**Monitoring & Evaluation Plan: Intermediate Results Indicators by Components**



<b>Component 1: Expansion of social safety nets and to households in targeted areas</b>	
<b>Households receiving regular safety net transfers (Number)</b>	
Description	This indicator tracks the number of households receiving regular safety net transfers provided by the Project.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Of which, Female recipient on behalf of the household (number)</b>	
Description	This indicator tracks the number of female recipient of regular safety net transfers, on behalf of the household.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Of which, People with disability are recipient, on behalf of the household (Number)</b>	
Description	This indicator tracks the number of individuals with disability who are direct beneficiaries of safety net transfers, on behalf of the household.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries satisfied with project interventions (Percentage)</b>	
Description	This indicator will help collect feedback from beneficiaries through regular surveys to adjust implementation.
Frequency	Quarterly
Data source	Bi-annual beneficiary satisfaction, and cash transfers post distribution surveys
Methodology for Data Collection	Analysis of beneficiary satisfaction, and cash transfers post distribution surveys data
Responsibility for Data Collection	PISU
<b>Beneficiaries satisfied with project interventions, of which, Female (Percentage)</b>	
Description	This indicator will help collect feedback from female beneficiaries through regular surveys to adjust implementation.
Frequency	Quarterly
Data source	Bi-annual beneficiary satisfaction, and cash transfers post distribution surveys
Methodology for Data Collection	Analysis of beneficiary satisfaction, and cash transfers post distribution surveys data
Responsibility for Data Collection	PISU
<b>Beneficiaries satisfied with project interventions, of which, People with disability (Percentage)</b>	
Description	This indicator will help collect feedback from beneficiaries with disability through regular surveys to adjust implementation.
Frequency	Quarterly
Data source	Bi-annual beneficiary satisfaction, and cash transfers post distribution surveys
Methodology for Data Collection	Analysis of beneficiary satisfaction, and cash transfers post distribution surveys data
Responsibility for Data Collection	PISU



Collection	
<b>People using digitally enabled services (Number)</b>	
Description	This indicator measures the number of people using digitally enabled services because of the project. This could be through the receipt of the digital payments or other digitally-enabled services, provided by the project from beneficiaries through regular surveys to adjust implementation. The target etc. could change depending on the finalization of the definition/methodology of this Corporate Scorecard Indicator.
Frequency	Quarterly
Data source	Project MIS and quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and review of project quarterly reports
Responsibility for Data Collection	PISU
<b>People using digitally enabled services, of which, Female (Number)</b>	
Description	This indicator measures the number of female beneficiaries using digitally enabled services because of the project. This could be through the receipt of the digital payments or other digitally-enabled services, provided by the project from beneficiaries through regular surveys to adjust implementation.
Frequency	Quarterly
Data source	Project MIS and quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and review of project quarterly reports
Responsibility for Data Collection	PISU
<b>People using digitally enabled services, of which, Youth (Number)</b>	
Description	This indicator measures the number of youth (age 18-24 given the minimum age eligible to open a bank account is 18) using digitally enabled services because of the project. This could be through the receipt of the digital payments or other digitally-enabled services, provided by the project from beneficiaries through regular surveys to adjust implementation.
Frequency	Quarterly
Data source	Project MIS and quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Women with mobile money accounts (number)</b>	
Description	This indicator tracks the number of female beneficiaries of safety net transfers who opened a mobile money account, allowing them to receive safety net transfer payments. This indicator measure empowerment of women through project activities, by reducing the digital divide, and reducing financial exclusion of women.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of accompanying measures (Number)</b>	
Description	This indicator measures the total number of beneficiaries of accompanying measures. This indicator supports the expansion of accompanying measures to new poor and vulnerable households.
Frequency	Quarterly
Data source	Project MIS, GEMS data collected on accompanying measures participation, and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports



Responsibility for Data Collection	PISU
<b>Beneficiaries of accompanying measures - Female (Number)</b>	
Description	This indicator measures female participation to the accompanying measures program.
Frequency	Quarterly
Data source	Project MIS, GEMS data collected on accompanying measures participation, and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of accompanying measures - Disability (Number)</b>	
Description	This indicator measures the participation of persons with disabilities in the accompanying measure program.
Frequency	Quarterly
Data source	Project MIS, GEMS data collected on accompanying measures participation, and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of emergency Safety net transfers (Number)</b>	
Description	This indicator measures the total number of households reached through emergency safety net transfers.
Frequency	Quarterly
Data source	Project MIS and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of emergency safety net transfers – Female (Number)</b>	
Description	This indicator supports the shock-responsiveness of the project, with an accent on inclusivity of women.
Frequency	Quarterly
Data source	Project Management Information System (MIS) and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Beneficiaries of emergency safety net transfers – Disability (Number)</b>	
Description	This indicator measures the inclusiveness of the emergency safety net transfer program to people with disabilities.
Frequency	Quarterly
Data source	Project Management Information System (MIS) and Quarterly Project progress reports
Methodology for Data Collection	Analysis of MIS data and Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Complaints related to the project that are processed in a timely manner according to the Grievance Redress Mechanism Manual</b>	
Description	This indicator tracks the functioning of the grievance redress mechanism.
Frequency	Quarterly
Data source	Project MIS and Quarterly Grievance Redress Mechanism reports
Methodology for Data Collection	Review of project quarterly GRM reports
Responsibility for Data Collection	PISU



<b>Component 2: Social safety nets systems strengthening to respond to climate-related and other shocks</b>	
<b>Unified Social Registry Management information system functional (Y/N)</b>	
Description	This indicator tracks progress on the completion of the Management information system of the RSU.
Frequency	Quarterly
Data source	Quarterly Project progress reports
Methodology for Data Collection	Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Shock-response framework operational (Y/N) <sup>cc</sup></b>	
Description	This indicator measures the completion of the development of a shock-response framework. This indicator would be achieve, one a framework would be conceptually defined, tested and validated by the government of CAR and development partners.
Frequency	Quarterly
Data source	Quarterly Project progress reports
Methodology for Data Collection	Review of project quarterly reports
Responsibility for Data Collection	PISU
<b>Multi-modal payment platform operational (Y/N)</b>	
Description	This indicator measures the completion (development, testing and deployment of a multi-modal government-to-Person payments platform, a critical element of adaptive social protection delivery systems.
Frequency	Quarterly
Data source	Quarterly Project progress reports
Methodology for Data Collection	Review of project quarterly reports
Responsibility for Data Collection	<b>PISU</b>
Data source	Quarterly progress reports
Methodology for Data Collection	Review of project quarterly progress report
Responsibility for Data Collection	PISU
<b>Component 3: Capacity building and project management, monitoring and evaluation</b>	
<b>Impact evaluation of project interventions completed (Yes/No)</b>	
Description	This indicator measures the completion of an impact evaluation of project interventions.
Frequency	Yearly
Data source	Proejct quarterly progress reports
Methodology for Data Collection	Review of project quarterly progress report
Responsibility for Data Collection	PISU



## ANNEX 1: Implementation Arrangements and Support Plan

### COUNTRY: Central African Republic Adaptive and Productive Social Safety Nets Project

#### Project Institutional Arrangements

**1. The project will be implemented by the MAHSRN, where a PISU will be set up under the Cabinet of Ministers.** Despite having implemented PACAD which was funded by the World Bank, the ministry does not have experience directly managing a World Bank-financed project, since UNOPS has assumed the function of sole implementing partner for the project. The proposed implementation arrangement moves away from the UNOPS implementing model, at the request of the government. While the UNOPS implementation model achieved results, it did not achieve the objective of building capacities within the ministry to take more implementation responsibility, as initially planned. The proposed PISU-based implementation model will entrust full fiduciary responsibility to the MAHSRN and is expected to yield more results in terms of capacity building. Composition of the PISU reflects, besides the fiduciary requirements, the technical competencies needed to deliver project results.

**2. The PISU at the central level will be supported by five CPPs, one in each intervention prefecture, with staff including a prefecture-level coordinator, an M&E assistant, and a community mobilization assistant.** Fiduciary responsibility and management of project activities will rest with the DR, which will be strengthened with consultants to help it deliver on its fiduciary responsibilities. CPPs will hold no fiduciary responsibilities, which will rest with the DR at the central level. CPPs will organize and coordinate project implementation in each of the prefectures and communes targeted for project interventions, under their respective jurisdiction. The project will rely on the ReCos for implementation at the grassroots level. This approach was used under PACAD and found effective. The ReCos will play a critical role in the implementation of Component 1, as community facilitators for the community targeting, but also for the delivery of most BCC activities.

- (a) Implementation of Component 1 will also rely on partnership with the National Statistics Office (*Institut Centrafricain de la Statistique et des Etudes Economiques et Sociales, ICASEES*) for the registration of beneficiaries of regular safety net transfers. ICASEES could also be relied upon for rapid registration of beneficiaries of emergency safety net transfers. The two mobile operators in the country will be contracted to deliver the safety net transfers to beneficiaries.
- (b) The ReCos will be critical for the implementation of Subcomponent 1.3, while external services providers will be contracted for the development of training materials.
- (c) Under Component 2, in the first months of its implementation, the project will hire a social registry coordinator who will be responsible for the day-to-day work leading to the development, testing, and deployment of the RSU. The registry coordinator will develop a road map summarizing each step leading to the registry and will be held accountable for its implementation. S/he will play a key role in ensuring that all stakeholders are brought together to build an inclusive registry. The work on the RSU will be coordinated with the MLEVTSP. Additional technical assistance will be mobilized to support the government on all technical aspects of the development of the registry. As much as possible, the RSU technology will rely on open-source solutions to lower costs. The project will partner here again with the ICASEES for the registration of households into the registry. While not using the census data, the project will leverage the work of the ICASEES on the foreseen general population census in 2024 to reduce costs.



- (d) Regarding the development, testing, and implementation of the payment platform (Subcomponent 2.2), the project will recruit a specialized firm and will work closely with the World Bank-financed PSDGP to build synergies. Subcomponent 2.3 will be implemented in close collaboration with the humanitarian community, as well as other government agencies, such as the Ministry of Agriculture, leveraging tools and approaches already developed by them. The shock response pilot will be implemented by the PISU, as a way to test its ability to implement government response to a shock.
- (e) The CERC will also be implemented by the PISU, if an eligible emergency requires the triggering of the component.

**3. Steering Committee.** The composition of the CIFS, which was set up to support the implementation of PACAD, will be broadened to include other stakeholders, such as the MLEVTSP and will serve as a Steering Committee to oversee the project. It will be presided over by the Minister of Humanitarian Affairs, Solidarity, and National Reconciliation or her/his duly designated representative. Each year the CIFS will approve an annual work plan and budget for project implementation.

#### Financial Management and Disbursements Arrangements

**4. An FM assessment was undertaken to evaluate the adequacy of the project FM arrangements.** The objective of this assessment was to determine whether the project implementing agency has acceptable FM arrangements for the project's implementation. The project will be implemented by a PISU to be established under the overall coordination of the MAHSRN. The FM assessment was carried out in accordance with the FM Manual for World Bank IPF Operations that became effective on March 1, 2010, and revised on September 7, 2021.

**5. The overall FM risk before the mitigation measures was considered High.** The proposed FM risk mitigation measures are considered adequate to reduce the residual risk to Substantial. An FM Action Plan is summarized in the risk assessment Table A.1. Subject to the successful completion of the actions recommended in the Action Plan to address the risks identified, the proposed FM arrangements are considered acceptable to the World Bank.

**6. An assessment of the DR established at the MAHSRN was carried out to assess whether this entity could manage the project's FM aspects.** The assessment revealed the following weaknesses: (a) lack of experience in managing donor funds; (b) noncompliance of the accounting system; (c) the absence of a financial reporting system; and (d) lack of adequate management tools: accounting software, manuals of accounting procedures, and FM.

#### Country Public Finance Management

**7. The overall fiduciary environment of the country is weak and fiduciary risk including fraud and corruption is high.** According to the 2023 Transparency International Corruption Index, the country ranks 149 out of 180 countries. On public finance management (PFM), significant progress has been achieved toward the digitalization of government processes including with the launch of a new PFM information system and an online tax return system supported by the World Bank-financed Public Sector Digital Governance Project (P174620). CAR also adopted a new law, the Public Finance Organic Law in 2018 aligned with the Economic Community of Central African States directive; for treasury management, a Treasury Single Account (TSA) was set up and the Ministry of Finance and Budget (MFB) started using the Central Bank's settlement and clearing system for most government payments in 2020. A new law on the governance and accountability of state-owned enterprises was promulgated in January 2020, increasing the MFB's oversight powers. Despite notable achievements, CAR's PFM systems still exhibit overall weaknesses. Budget execution lags at 77 percent of the allocated primary expenditure (2020) due to cumbersome procedures, limited capacity in line ministries, and excessive





centralization of PFM functions, leading to bottlenecks and delays in transaction processing. The full operationalization of the TSA has yet to be realized. Quarterly budget execution reports provide limited information on ministry expenditures, and external audit functions are underdeveloped, with an ill-equipped Court of Accounts and unaudited reports. Reflecting these weaknesses, CAR received a score of 2.5 on both Quality of Budgetary and Financial Management and Transparency, Accountability, and Corruption in the Public Sector in the 2022 Country Policy and Institutional Assessment. Public procurement remains a concern, marked by the frequent use of single-source selection and a lack of transparency in government bidding and contract awards. The project will support the development of capacity to enable achievement of its objectives. During the project implementation, and with the progress expected because of the implementation of the PFM reforms, the project could consider gradual switch toward the reliance of part of some country PFM systems when they are assessed adequate for use and present limited risks to the project.

**Inherent Risk Assessment, Mitigation Measures and Residual Risks**

**Table A.1. FM Action Plan**

Action	Responsible Entity	Deadline and Conditionality
Staffing: <ul style="list-style-type: none"> <li>Appoint one FM specialist and one accountant within the PISU.</li> <li>Appoint an internal auditor within the PISU</li> </ul>	PISU	<ul style="list-style-type: none"> <li>No later than three months after the effectiveness date</li> <li>No later than three months after the effectiveness date</li> </ul>
Develop the PIM	PISU	Before the effectiveness date
Purchase an accounting software (multiple projects)	PISU	No later than three months after the effectiveness date
Recruit an independent external auditor in line with TORs approved by the World Bank	PISU	No later than three months after the effectiveness date

**Other Information about FM and Disbursements Arrangements**

**8. Staffing.** The FM function will be carried out by a team under PISU composed of a qualified FM specialist, in charge of the supervision of the overall FM activities of the project, a qualified accountant, and a qualified internal auditor to be recruited within three months after effectiveness based on TORs acceptable to the World Bank. The team will have the project overall FM responsibility including, budgeting, accounting, reporting, disbursement, internal control, and auditing. The FM specialist will provide strong FM technical assistance to the DR’s FM team dedicated to the project so that if such capacity is demonstrated and confirmed by World Bank FM specialists by the project midterm review, the DR will be allowed to take on the FM responsibility in a phased approach.

**9. Budgeting.** The PISU will prepare the project annual work program and budget. The budget execution will be monitored quarterly through the IFR and any variances will be explained and remedial measures indicated. The process to identify the activities to be undertaken and the role of the respective parties in the preparation, implementation, and monitoring of the budget will be developed in the manual of procedures.

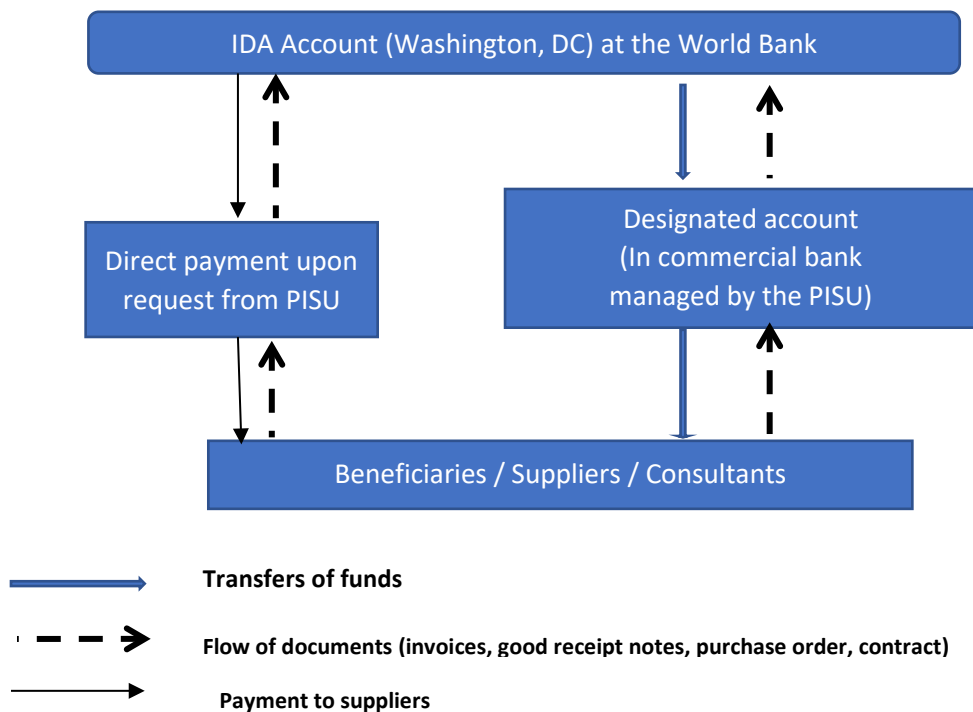
**Disbursement and Flow of Funds Arrangements**

**10. Disbursements will be made in accordance with the World Bank Disbursement Guidelines for Projects, dated February 1, 2017.** Transaction-based disbursements will apply. An initial advance in Central Africa CFA francs will be made



into the DA, and subsequent disbursements will be made against submission of statements of expenditures or records, as specified in the Disbursement and Financial Information Letter (DFIL). The other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available for the project. The processes for cash transfers to beneficiaries will be described in more details in the PIM and the DFIL.

**Figure A.1. Funds Flow Diagram**



**11. Eligible expenditures.** Table A.2 specifies the categories of eligible expenditures to be financed out of the proceeds of the grant, the amounts under each category, and the percentage of expenditures to be financed for eligible expenditures in each category.

**Figure A.2. Eligible Expenditures**

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services for the project	7,500,000	100%
(2) Regular Safety Net Transfers under Part 1.1(a) of the project	11,900,000	100%
(3) Emergency Safety Net Transfers under Part 1.2 of the project	2,100,000	100%



Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(4) BCC and Training for Beneficiaries of Regular Safety Net Transfers under Part 1.3 (b) of the project	1,200,000	100%
(5) Emergency Expenditures under Component 4 of the project	0	100%
<b>TOTAL AMOUNT</b>	22,700,000	

**12. Internal controls and internal audit.** The internal controls system and procedures will be detailed in the PIM. The process for the identification of households eligible for cash transfer payments will be subject to internal audit review. The objective of the review is to ensure that only eligible beneficiaries that meet some agreed eligibility criteria are selected. An internal auditor will be hired three months after effectiveness date of the project while waiting for capacity-building for IGF and IGM. It is foreseen that IGF, jointly with the IGM, will perform the internal audit function of the project in the medium term. The audit program as well as the audit reports will be submitted to the World Bank.

**13. Accounting policies and procedures.** CAR is a member of the Organization for the Harmonization of Business Law in Africa (*Organisation pour l'Harmonisation, en Afrique, du Droit des Affaires*, OHADA) and adheres to SYSCOHADA, the accounting standards in use in the OHADA country members. SYSCOHADA complies with the generally accepted international accounting standards. An accounting software with multiproject, multisite, and multidonor features and customized to generate its financial reports will be set up. This software must be installed within three months after project effectiveness. The project code and chart of accounts will reflect the specific needs of the project.

**14. Reporting.** The FM team of the PISU will be required to prepare an IFR on a quarterly basis. The IFR will include (a) sources and use of funds; (b) use of funds per activity; (c) Dedicated and Designated Accounts' activities statement; and (d) use of funds according to procurement methods and thresholds. The format and content of the IFRs were agreed upon with the Recipient. The IFRs will be submitted to the World Bank 45 days after the end of the quarter to which they are related.

**15. External financial audit.** An independent external auditor will be recruited as per ToR agreed with the World Bank to carry out the project's external audit. The short list will be reviewed by the World Bank. The audit will comply with the International Standards on Auditing. In line with the World Bank access to information policy, the audit reports will be disclosed. The external audit reports will be submitted to the World Bank no later than six months following the end of the fiscal year.

**16. Transparency, accountability, and anti-corruption efforts will be supported** via a complaint handling mechanism; a communication strategy to inform the public through the media on all aspects of the project; and the publication on the implementing entity or government websites of budgets, financial reports, and audited financial statements. The PISU will also have to deal with fraud and anti-corruption in accordance with the World Bank Anti-Corruption Guidelines referred to in the Financing Agreement. Furthermore, the PIM will include a specific safety mechanism that will enable citizens to denounce abuses or irregularities.



17. **Implementation support plan.** FM implementation support missions will be carried out twice a year based on the substantial FM residual risk rating. Afterwards, these FM implementation support missions will be conducted once per year as soon as the FM residual risk becomes Moderate. Implementation support will also include desk reviews such as the review of the IFRs and audit reports. In-depth reviews may be done where deemed necessary. The FM implementation support will include FM training missions for all implementing entities and will be an integrated part of the project’s implementation support plan.

Table A.3. FM Implementation Support

FM Activity	Frequency
<b>Desk reviews</b>	
IFR review	Quarterly
Audit report review of the project	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
<b>On site visits</b>	
Review of overall operation of the FM system	Twice per year (Implementation Support Mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
<b>Capacity-building support</b>	
FM training sessions	During implementation and as needed

18. **Fiduciary manuals.** An Administrative, Procurement, and Accounting Manual covering all aspects of project fiduciary implementation will be prepared. It will support the government agencies involved in the implementation of the proposed project to strengthen their implementation capacity, as well as fiduciary functions, and to adjust their Administrative, Procurement, and Accounting Manual to ensure World Bank procedures are adhered to. Similarly, the proposed project will follow the procedures established by the Ministry of Finance and Budget for financial arrangements and fund flows.

Procurement

19. **Procurement activities under the project will be carried out using the procedures** as stated in the (a) World Bank Procurement Regulations for IPF Borrowers dated September 2023 and (b) the ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,’ dated October 15, 2006, and revised in January 2011, and as of July 1, 2016, the IPF Anti-Corruption Guidelines.

20. **The STEP tool** remains the main transaction system for the procurement activities for PACAD and all procurement activities including post review contracts will be added in STEP.

21. **The capacity of the MAHSRN was reviewed during project preparation and was found limited for managing the procurement activities for the proposed project.** The MAHSRN has experience in implementing World Bank-financed projects, but the fiduciary role was played by UNOPS. The role of the MAHSRN was limited to the monitoring of the project implementation. A PISU will be set up within the MAHSRN and will be responsible for all procurement under the project. The procurement capacity of the MAHSRN will be strengthened through recruitment of dedicated procurement specialists with qualifications and experience satisfactory to the World Bank, who will be part of the key staff in the Project



Implementation Team. The procurement specialist will be supported by an assistant who will be in part dedicated to STEP. In addition, MAHSRN staff involved in project implementation as well as PISU staff will receive training on the World Bank Procurement Regulations, STEP, procurement, and contract management. Action plans to improve capacity of the MAHSRN will be put in place and continuously monitored during the project implementation to ensure adequate performance. The PIM will include a detailed section on procurement, elaborating agreed procurement arrangements under the proposed project before effectiveness.

**22. The PPSD and the initial Procurement Plan** for the first 18 months have been prepared and agreed with the MAHSRN. The plan does not include complex procurement activities and most of the items can be procured through the local market. The PPSD has identified a few activities that will be purchased using international competition, for example, the acquisition of mobile phones for beneficiaries and software. Mitigation measures are proposed in the PPSD for the risk related to the procurement including specific training for the PISU and the ministry’s staff involved in the implementation of the project.

**23. The procurement risk was high but is reduced to a residual risk rating of substantial in view of the articulated risk mitigation measures, in Table A.4.** The limited capacity of the MAHSRN in using the procurement rules and procedures of the World Bank may affect the duration of the procurement and the quality of procurement documents and lead to complaints and delays in the implementation of contracts. Given the risks identified, a contract management team will be established within the PISU. The team will be composed of different profiles including the procurement specialist, the M&E specialist, the FM specialist, and others. The PISU staff will also benefit from training on contract management training from the World Bank. In addition to this, monthly procurement clinics are organized by the World Bank’s procurement team in CAR where specific cases are discussed, including on contract administration.

**Table A.4. Procurement Risk and Mitigation Measures**

Risks	Mitigation Measures
Limited capacity of the MAHSRN using the World Bank’s procurement procedures	<ul style="list-style-type: none"> <li>Recruitment of an experienced procurement specialist with knowledge of the World Bank’s procurement procedures</li> </ul>
Slow procurement processing and potential delays, due to limited capacity to conduct complex procurement and heavy workload	<ul style="list-style-type: none"> <li>Training on procurement for works will be organized (monthly procurement clinics are organized for the portfolio by the World Bank’s procurement team).</li> <li>The PISU/DR will put in place mechanisms for regular follow-up and monitoring of procurement processes.</li> </ul>
Inadequate use of STEP resulting in many activities flagged as delayed or pending implementation	<ul style="list-style-type: none"> <li>The PISU/DR will ensure that STEP is adequately used, including timely uploading of required documentation once the stages of the processes are completed. An assistant will be recruited to assist the procurement specialist in STEP.</li> <li>Training on the use of STEP will be provided if needed, particularly on contract administration</li> </ul>
Delays and/or unsuccessful completion of contracts due to inadequate contract management capacity	<ul style="list-style-type: none"> <li>The PISU/DR will use the Contract Management Module recently introduced in STEP for efficient monitoring and tracking of milestones.</li> <li>Key staff who will be involved in project implementation will receive training on contract management to enhance their capacity.</li> <li>Establishment within the PISU/DR of a Contract Administration Team composed of different profiles (procurement specialists, M&amp;E specialist, FM specialist, engineers, and so on).</li> </ul>
Managing fraud and corruption and noncompliance	<ul style="list-style-type: none"> <li>Ex ante due diligence of firms selected will be attempted using databases available in country and externally.</li> <li>Post review of contracts will be scheduled immediately on award of contracts.</li> </ul>



Risks	Mitigation Measures
Loss and/or unauthorized access to procurement records due to poor record management	<ul style="list-style-type: none"> <li>The DR/PISU will maintain all procurement records and will put in place dedicated staff to manage the records.</li> </ul>

**Monitoring and Evaluation**

**24. The project will be monitored using the following sources and methodologies:** (a) data collected through MIS supported by the project (RSU, payments platform); (b) GEMS applications; (c) regular administrative data collection processes; (d) beneficiary surveys supported by the project and conducted by outsourced external firm(s), such as intermittent beneficiary monitoring surveys; (e) process evaluations of the social registry, the cash transfers, and the accompanying measures interventions supported by the project and conducted by outsourced external firms; (f) other M&E studies conducted by the Recipient; and (g) quarterly progress reports to be prepared by the PISU (especially the M&E specialist). In general, the project team would be responsible for gathering the relevant reports and information from other relevant parties involved in the project implementation to monitor the PDO and results and for communicating with the World Bank according to the frequency of reports described in the project’s Results Framework. The proposed project will also support continued capacity building of the PISU to better track implementation, monitor key safety net interventions, and evaluate policy and programs based on the systematic and organized feedback from beneficiaries and the use of MIS data.

**Implementation Support Plan**

**25. World Bank Implementation Support Plan.** The World Bank will continue to undertake two implementation support missions for social protection projects each fiscal year. These missions generally focus on review of implementation progress and progress toward achieving the PDO; identification of implementation risks, bottlenecks, and mitigation measures; review of FM, procurement, and Environmental and Social Action Plan implementation; and just-in-time support to implementing entities. In-depth field missions will also be carried out, focusing on specific risks or bottlenecks that come up during project implementation. Accompaniment and on-the-job support will also be provided by the World Bank to implementing agencies through regular monthly and quarterly technical meetings. This is in addition to joint hands-on field backstopping and support trips to implementing districts when necessary to fully understand the context under which implementation is taking place. Development partners supporting social protection will also be invited to participate in the six-monthly implementation support missions, quarterly technical meetings, and ad hoc field visits in support of government agencies.



ANNEX 2: Map of Central African Republic

COUNTRY: Central African Republic  
Adaptive and Productive Social Safety Nets Project

