PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: PIDA21550

Project Name	Mauritania Social Safety Net System (P150430)
Region	AFRICA
Country	Mauritania
Sector(s)	Other social services (100%)
Theme(s)	Social Safety Nets/Social Assistance & Social Care Services (100%)
Lending Instrument	Investment Project Financing
Project ID	P150430
Borrower(s)	ISLAMIC REPUBLIC OF MAURITANIA
Implementing Agency	AGENCE TADAMOUN
Environmental Category	C-Not Required
Date PID Prepared/Updated	06-Mar-2015
Date PID Approved/Disclosed	06-Mar-2015
Estimated Date of Appraisal Completion	12-Mar-2015
Estimated Date of Board Approval	14-May-2015
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

Mauritania has enjoyed strong growth in the years following the global crisis, registering 6.4 percent GDP growth in 2014. The Gross National Income per capita (PPP Atlas method) was estimated at US$1,160 in 2013, thus confirming Mauritania's new status as a lower-middle income country. Growth is bolstered by mining exports, which account for over 80 percent of total exports and a third of the country's revenue. Expansion plans in mineral production are expected to offset - at least partly - the recent slump in international prices for iron ore (Mauritania's main export commodity). More specifically, the effect of the recent price shocks on Mauritania’s macroeconomic performance will be mixed: the oil shock will affect the country positively, due to Mauritania being a net importer, while the iron shock coupled with a potential food price shock (due to a shortfall in agricultural production in the aftermaths of a pluviometric deficit in some of the most productive areas of the country at the end of 2014) will negatively weight on the national economy. Nevertheless, the outlook for the medium term remains cautiously optimistic, with an average of 5.6 percent real GDP annual growth between 2015 and 2017. The anticipated expansion in mining output will play the biggest role in maintaining the macroeconomic system sound.

Mostly a desert country, Mauritania has undergone a rapid transition from a largely rural and nomadic society towards sedentarization and urbanization. The capital Nouakchott has seen the second-highest urban expansion in Africa over the twentieth century, growing by 10.4 percent per year between 1950 and 2010, and now accounts for up to a quarter of the country's population of 3.5 million. The fertile zone along the Senegal River in the south is the other area of dense population, with the remainder of the country mostly arid and sparsely populated.

Despite its remarkable recent growth, Mauritania faces a number of serious challenges. Because it imports 70 percent of its food and most of its fuel, Mauritania is exposed to international price fluctuations. With its mostly arid, Sahelian topography, the country is also particularly vulnerable to climate shocks, to which it is regularly subjected. Finally, it faces a deteriorating regional security situation. In 2008, national poverty incidence stood at 42 percent, and was significantly higher in rural areas, where 59 percent of the population was poor. Overall attainment of the Millennium Development Goals (MDGs) has been varied, but important deficiencies persist, particularly with regard to health-related MDGs. The gross primary enrollment rate has reached 100 percent, and gender balance has been attained in primary and secondary schools. The MDG on extreme poverty seems to be still off track, but the results of the forthcoming household survey (due early 2015) will shed more light on this.

Since 2008, rising international food and fuel prices and droughts have exposed Mauritania's vulnerabilities on the external front, and therefore spurred the Government to put in place countermeasures. In particular, the 2011 drought caused a 75 percent (y-o-y) contraction in agricultural production and led Mauritania to invest massively in emergency social safety net programs. As a result, expenditure on subsidies and transfers (including emergency programs, energy subsidies and arrears repayments) increased from 2.6 percent of GDP in 2009 to 10.0 percent in 2012. The trend for this expenditure item is the one of a regular normalization over the medium term around 3.5 percent of GDP; while in 2014 it was equivalent to 5.7 percent of GDP. According to the recent Budget Law 2015, the expenditure on social protection in 2015 will be equivalent to 9.1 percent of the overall budget envelop (including external financing).

Sectoral and institutional Context

Mauritania ranks 155th out of 187 countries on the 2013 human development index. It has made progress on a number of Millennium Development Goals (MDG), including objectives in basic education, fighting HIV and malaria, and ensuring access to water (table 1). Mauritania has also made advances on gender equality, particularly by improving access to primary education and establishing minimum quotas on women's political participation. However, the 2015 MDG target on poverty reduction (28.3 percent) is likely beyond reach. If Mauritania were to maintain currently projected growth rates, it could conceivably halve extreme poverty by 2030, but this would require a more inclusive growth model and social safety nets to protect the poor and ensure some redistribution of resources.

Poverty

In 2008, an estimated 59.4 percent of rural inhabitants lived below the poverty line, against 20.8 percent in urban areas. Based on these rates and 2013 population estimates, an estimated 80 percent of Mauritania's poor are rural residents. The four most populated southern Wilayas account for 55 percent of total poor in Mauritania. Similarly, the poverty gap and poverty severity are greater in rural areas (22.3 and 11.1 percent respectfully) than in urban areas (4.9 and 1.7 percent respectfully). Nouakchott accounted for less than 8 percent of the country's poor in 2008, even though it is home to a third of its population.

Food insecurity and Malnutrition

Mauritania's vulnerability to environmental shocks and food insecurity exposes many households to transient poverty. In 2007, for example, rising oil and food prices directly affected the food security of about 30 percent of the population; and in 2011, the drought caused significant loss of cattle, with severe wealth and income loss for farmers and the rural economy in general. Food insecurity affects an estimated quarter of Mauritania's population, and while it remains most significant in rural areas, food insecurity seems to also be a growing concern in cities. Chronic malnutrition remains stubbornly high, affecting 40 percent of Mauritania's children. Acute malnutrition is on the rise, affecting about 15.6 percent of children.

Health and Education

Health indicators are improving but remain precarious, with discrepancies along economic and geographic lines. Assisted delivery progressed slightly, reaching 60.2 percent in 2008. But it is only 27.4 percent among the poorest quintile versus 92 percent among the wealthiest. In 2001, maternal and child mortality rates were 626 per 100,000 live births and 218 per 1,000 live births, respectively (Multiple Indicator Cluster Survey). Immunization recorded a decline, reaching only 58.4 percent among the poor in 2008 and only 40 percent in some Wilayas. Health outcomes are affected by a weak healthcare system, as well as multiple external factors, including hygiene (safe drinking water, removal of household waste and low awareness of correct behaviors among the population) and food and nutritional insecurity.

Progress has been made in education, particularly at the primary level, but significant discrepancies remain between rural and urban areas, across Wilayas, and across economic quintiles. Enrollment drops significantly at the lower secondary level, especially in rural areas. Overall, one child out of two does not complete the basic education cycle. The probability of completing primary school is higher for boys than for girls (42 versus 34 percent). Furthermore, significant issues have been identified in terms of quality.

Social safety net programs

As a response to recent shocks, Mauritania has invested massively in emergency responses. Two major programs were implemented: a universal subsidy on fuel products launched in response to the 2008 crisis in world energy prices and a national emergency program – the Emel program – in response to the 2010-2011 droughts. The peak in spending was reached in 2012, when spending on social safety nets climbed to 5.4 percent of GDP (18.1 percent of Government spending, including fuel subsidies). Figure 1 shows social safety nets expenditure between 2008 and 2013.

The Emel program (Arabic for hope), the largest safety net program, is structured around two components. A 'human' component with three interventions: emergency food distribution, restocking of cereal banks and the Boutiques Emel, a network of over 1,200 shops selling basic food items at subsidized prices (wheat, rice, oil, sugar, and pasta). The Boutiques account for 80 percent of total expenditures for this component, and two-thirds of the entire 'food transfer' category from 2012 in figure 1. The second component is a large livestock support program, geared towards the pastoral population.

A recent review of social safety net programs in Mauritania found that the overwhelming majority of safety net expenditure was divided between subsidies and the Emel program, largely geared towards crisis response and structured around food aid. While Mauritania has a number of other programs that fall under the social safety net classification (for example, donor-supported school feeding and nutrition programs and a few small-scale programs for particular vulnerable groups), such interventions have not received significant increases in funding since 2008. Between 2008 and 2013 food transfers represented, on average, 82 percent of total spending on social safety nets (fuel subsidies excluded). Overall, 90 percent of social safety net spending was connected to crisis response in 2013

Mauritania also has recently had experiences with small cash transfer programs. Financed by the European Union, these were designed to respond to crises and promote food security the limited nature of payments – three payments over the lean season – mark these programs as crisis response. As such, most crisis response programs do not focus on reducing chronic poverty or improving vulnerable households' resilience, and do not constitute a sufficient social safety net.

To meet its long-term poverty reduction goals, the Social Safety net assessment recommends that Mauritania should progressively shift its focus from emergency response to building effective medium- and long-term programs. It should also progressively move away from food-based support to a broader set of instruments, including monetary transfers. Finally, to increase the efficiency of its expenditure and its impact on poverty, Mauritania should replace some of its universal programs with targeted interventions.

Core elements are in place for this transformational change. Mauritania adopted its National Social Protection Strategy (SNPS) in 2014 and created an institutional anchoring for its implementation. The strategy offers a long-term vision and roadmap for creating an integrated social protection system. The strategy has five pillars: (i) food security and nutrition, (ii) access to health and education, (iii) social security and employment, (iv) improving the environment, and (v) social assistance and support to vulnerable populations. Also, the country's favorable growth outlook gives it the means of its ambition in providing support to its most vulnerable households.

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II. Proposed Development Objectives

The objectives of the proposed Project are to support the establishment of key building blocks of the national social safety net system and to provide targeted cash transfers to extreme poor households.

III. Project Description

Component Name

Component 1: Support to National Social Safety Net System

Comments (optional)

The objective of this component is to support the central governments capacity for the establishment and coordination of the national social safety net system. The component has 2 subcomponents:
- Subcomponent 1.1: Implementation of the National Social Registry (US$2.7m: US$1.7 IDA credit and US$1.0m ASP grant)

- Subcomponent 1.2: Support to the implementation of the National Social Protection Strategy (US $0.8m: US$0.3 IDA credit and US$0.5m ASP grant)

Component Name

Component 2: Support to Social Transfer Program

Comments (optional)

The objective of this component is to support the design and implementation of the Social Transfer Program. It has 3 subcomponents:
- Subcomponent 2.1: Program tools and processes, monitoring and evaluation (US$2.5m: US$2.0 IDA credit, US$0.5m ASP Grant)
- Subcomponent 2.2: Payment of transfers to beneficiaries (US$9.5m: US$7.5 IDA credit and US $2.0 ASP Grant)
- Subcomponent 2.3: Promotion of investment in human capital and resilience (US$2.0m: US$1.5 IDA credit and US$0.5 DFID grant)

Component Name

Component 3: Project Management

Comments (optional)

This component will support activities related to the management of the proposed Project. It will ensure that the project operational team within the Tadamoun Agency is operational and that it successfully and efficiently implements the project in conformity with the Financing Agreement, project document and the implementation manual.

IV. Financing *(in USD Million)*

Total Project Cost:	29.00	Total Bank Financing:	15.00
Financing Gap:	0.00		
For Loans/Credits/Others			**Amount**
BORROWER/RECIPIENT			10.00
International Development Association (IDA)			15.00
Free-standing TFs AFR Human Development			4.00
Total			29.00

V. Implementation

Institutional and Implementation Arrangements

The overall implementation arrangements for the proposed Project includes the following:

- The Committee for Piloting the National Social Protection Strategy and its Technical Committee are responsible for providing strategic guidance for the Project implementation;
- The Project Steering and Monitoring Committee is responsible for the regular steering, operational planning and monitoring of Project activities,
- The Social Protection Cell located within the Ministry of Economic Affairs and Development is responsible for the technical coordination of the Project, and
- The Tadamoun Agency is responsible for the implementation of the Project, under the coordination of the Operational Coordinator.

Results Monitoring and Evaluation

Monitoring and evaluation is a key element of the Project, because it provides the regular assessment of the Project's performance to the government, the World Bank and other development partners. In this Project, one of the core focuses of both Component 1 and Component 2 is to build the capacity within the Government of Mauritania to monitor its programs. In particular, the proposed Project supports the development of MISs for both the Social Registry and the Social Transfer Program that will allow the implementing institutions to manage and monitor the implementation of their programs.

In addition, the proposed Project includes a series of monitoring and evaluation activities for the Social Registry and the Social Transfer Program. These include: a process evaluation; regular spot checks and beneficiary surveys and an impact evaluation. The Tadamoun Agency will also undertake continuous monitoring of the payment of transfers to beneficiary households. Finally, the implementing agency will organize annual financial audits for the Project, annual reviews of progress, and a mid-term evaluation to guide the Project implementation. The mid-term review will involve Project's stakeholders and civil society in the review of performance, intermediary results, and outcomes.

Sustainability

The Government of Mauritania has shown its commitment to the implementation of this strategy – by setting up a special Social Protection Unit (Cellule de Protection Sociale) in the Ministry of Economic Affairs and Development, putting in place an Inter-Ministerial Committee to supervise the strategy implementation presided by the MAED and MASEF, and selecting the Tadamoun Agency to implement the national Social Transfer Program. The Government has also committed to finance the expansion of the program to all extreme poor households, to complement the support provided by the IDA project.

The donors have gathered around the National Social Protection Strategy and committed to support its implementation. They have provided coordinated technical support to the definition of the methodology for the Social Registry and the Social Transfer Program, and have committed to using the Social Registry to target their own interventions.

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VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	**Yes**	**No**
Environmental Assessment OP/BP 4.01		✗
Natural Habitats OP/BP 4.04		✗
Forests OP/BP 4.36		✗
Pest Management OP 4.09		✗
Physical Cultural Resources OP/BP 4.11		✗
Indigenous Peoples OP/BP 4.10		✗
Involuntary Resettlement OP/BP 4.12		✗
Safety of Dams OP/BP 4.37		✗
Projects on International Waterways OP/BP 7.50		✗
Projects in Disputed Areas OP/BP 7.60		✗

Comments (optional)

The project has been categorized as category C and does not trigger any safeguards

VII. Contact point

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