



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 09-Dec-2020 | Report No: PIDISDSA31025



**BASIC INFORMATION**

**A. Basic Project Data**

Country Cabo Verde	Project ID P175946	Project Name Additional Financing for COVID-19 response to the Social Inclusion Project	Parent Project ID (if any) P165267
Parent Project Name Social Inclusion Project	Region AFRICA WEST	Estimated Appraisal Date 21-Dec-2020	Estimated Board Date 18-Feb-2021
Practice Area (Lead) Social Protection & Jobs	Financing Instrument Investment Project Financing	Borrower(s) Republic of Cabo Verde	Implementing Agency Ministerio da Familia e Inclusao Social - Ministry of Family and Social Inclusion

Proposed Development Objective(s) Parent

To support the Recipient's efforts in building an effective social protection system that promotes social and productive inclusion.

Components

Strengthening the Recipient's Social Protection Systems  
Expansion of the RSI Program  
Support Project Management

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	10.00
<b>Total Financing</b>	10.00
<b>of which IBRD/IDA</b>	10.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	10.00
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IDA Credit	10.00
Environmental Assessment Category	
C-Not Required	
Decision	
The review did authorize the team to appraise and negotiate	

## B. Introduction and Context

### Country Context

1. **The persistence of the COVID-19 crisis continues unleashing unprecedented threats to social and economic progress in Cabo Verde, particularly affecting the poor and most vulnerable.** Since March, the pandemic has brought to a standstill the tourism sector in Cabo Verde, responsible for about 40 percent of overall economic activity. Previous outlook anticipated a re-launch of the tourism sector in November, however with the recent lock down in the main tourism source markets such as the UK, France and Belgium, the crisis is expected to continue much longer than expected, with tourism revenues not anticipated before June 2021. Disruptions in Foreign Direct Investment, a critical source of external finance, put additional pressure on external accounts. As a result of the unfolding crisis, the Cabo Verdean economy is projected to contract by 11 percent in 2020, a twofold downward revision from projections in July and the largest reduction on record. The COVID-19 pandemic will have short, medium and long-term impacts on people's lives, especially of the poorest and most vulnerable. Because women are the majority among informal and domestic workers and workers in the tourism sector, and social distancing measures put in place considerably reduced the demand for these services, they are disproportionately affected by the economic impact of the pandemic. In addition to the risk posed by COVID-19, the country is also exposed to other types of shocks, such as floods and drought, further negatively affecting livelihoods and food security.

2. **A large proportion of those adversely affected by COVID-19, particularly women, remain without support, but the Government has exhausted its own funds and funds from other development partners to provide safety net support to the most vulnerable population.** The social registry contains data from over 18,800 households belonging to the poorest quintile, but only around 58 percent are currently receiving support. In addition, it contains data of households in the second poorest quintile of which 10,352 are households with a child under the age of 15 and who are not currently receiving cash transfer support. To support households most affected by the crisis, the Government wants to provide support to everyone belonging to the poorest quintile, as well as all households in the second poorest quintile who have children under the age of 15. To finance this further expansion of the eRSI, and to extend support to the households already receiving support, the Government has requested support from the World Bank. Without provision of rapid economic relief to affected households, they may resort to negative coping strategies that could have serious long-term impacts. Negative coping mechanisms could include reducing the amount and quality of food, not seeking medical treatment even if sick, selling off assets, sending children to work, or not adhering to potential future lockdowns and social distancing measures and increasing exposure to becoming infected with COVID-19. These negative coping strategies would result in worsening human capital conditions and may have profound and irreversible long-term negative impacts on the population.



3. **The proposed AF is aligned with and complements other interventions under the overall Government's response to COVID-19, including those financed by the World Bank.** The World Bank responded swiftly to the crisis through an emergency operation and the repurposing of existing operations. Priority areas agreed with the Government under the CPF however remain, including accelerating human capital development and strengthening the environment for a more diversified economy. The US\$5 million IDA credit for the Cabo Verde COVID-19 Emergency Response Project (P173857) aims to support the Government to prepare a health response to the COVID-19 pandemic in Cabo Verde and funds under the Education and the Skills Development Enhancement Project (P164294) were repurposed to support distance learning. Further, economic response to the crisis will be provided through an additional US\$25 million to Cabo Verde from the Crisis Response Window to the Cabo Verde First Equitable and Sustainable Recovery DPF operation (P174754). The DPF aims at strengthening policies for an equitable, resilient, and a green economy recovery in the aftermath of the pandemic and includes a pillar dedicated to social protection, focusing on the expansion of the social registry and the strengthening of the shock-responsiveness of the sector.

### Sectoral and Institutional Context

4. **Compared to other African countries, Cabo Verde has an advanced social protection system, including a social registry to better target and coordinate social protection interventions.** The three pillars of social protection (social assistance, insurance and labor market policies) are all well developed and have been improving continuously through reforms in the past three decades. Cabo Verde has a robust legal framework for social protection and a relatively large number of programs trying to tackle the country's vulnerability, although the coverage of social protection programs remains low in comparison to the extent of need in the country.<sup>1</sup> The MFIS is in charge of the coordination of all social assistance interventions and relies on different institutions such as the National Social Pensions Center and the municipal councils for the implementation of programs. The MFIS recently established the social registry containing socio-economic data from households across the country, ranking them according to their estimate welfare status (using a proxy-means test). The social registry is being used to target the safety net program as well as other services (for example electricity subsidies and a school grant for professional training).

5. **Through the existing safety net program (RSI) the Government has put in place key delivery systems to provide regular income support to poor and vulnerable households.** As mentioned above, with support from the parent Project, the RSI was expanded in April 2020 and increased the coverage of households from the poorest quintile more than six times the pilot coverage. The selection of beneficiaries was done using the welfare ranking approach of the social registry and 98 percent of cash transfers are paid using bank accounts, while the ones who do not have bank accounts (2 percent) are temporarily paid through the post offices.<sup>2</sup> A program MIS has been put in place and implementation is done following detailed operational procedures spelled out in the operations manual. Ongoing technical assistance is being provided by the ILO to further strengthen the social registry and the MIS and a comprehensive review of these systems will be undertaken during the first half of 2021 to identify strengths and weaknesses of the system and prepare a road map for future investments to ensure adequate continued investments for the future.<sup>3</sup> Due to the continued negative economic effects and challenges faced by some of the poorest and most

<sup>1</sup> According to a social protection sector review in 2017, the social protection system covered around half of the total population.

<sup>2</sup> Emergency RSI payments were temporarily made for households which did not have a bank account using Correios do Cabo Verde until a bank account has been opened.

<sup>3</sup> Technical assistance from the World Bank is being provided for this review under the ASA – SP systems and Women Empowerment through Productive Inclusion (P174602).



vulnerable, the Government is committed to extend existing eRSI support and further expand the coverage to an additional approximately 18,000 households for the next six months.

### **C. Proposed Development Objective(s)**

#### **Original PDO**

6. To support the Recipient's efforts in building an effective social protection system that promotes social and productive inclusion.

#### **Current PDO**

7. The PDO would remain the same as the original PDO.

#### **Key Results**

8. All, except one PDO indicator remain the same as follows:

- Beneficiaries of social safety net programs (CRI, Number) - unchanged
- Beneficiaries of social safety net programs - Female (CRI, Number) – unchanged
- Beneficiaries of Safety Nets programs - Unconditional cash transfers (number) (CRI, Number) – unchanged
- Beneficiary households of RSI in Q1 and Q2 of the income distribution (Percentage) – revised to include “Q2”
- Number of RSI beneficiary households benefitting from productive inclusion activities (Number) – unchanged
- Beneficiaries of the RSI registered in the Unified Social Registry (Percentage) - unchanged

9. The targets for the first four PDO indicators would also be revised to reflect the expanded coverage of the program. A new intermediate indicator would be introduced to measure progress towards support for eRSI households and some targets in the results framework would be revised in line with the expansion of the coverage of the cash transfers to respond to COVID-19. In addition, two intermediate indicators would be removed, due to the cancellation of those activities to reorient funds towards emergency cash transfers responding to the negative economic effects caused by containment measures due to the COVID-19 pandemic.

### **D. Project Description**

10. The proposed AF would enable further support to existing and additional cash transfer beneficiary households negatively affected by the COVID-19 crisis. In addition, through a restructuring, some of the unused funds under the Project would be reoriented to support the eRSI expansion.

11. Components. The existing components would be retained. Modifications as outlined in the following paragraphs describe the expansion of the eRSI and the removal of some activities to accommodate the rapid expansion. Component 1 would be maintained, but some of the uncommitted funds under this component, not considered critical for achievement of the PDO, would be reallocated to component 2 to respond to the more immediate need of the cash



transfers, as per the request of the Government. Component 2 would be expanded to finance cash transfers for the existing 5,450 eRSI beneficiary households for another six months and to finance cash transfers for an additional approximately 18,000 households, more than tripling the current coverage of the emergency cash transfers. Targeted beneficiaries would be the remaining households in the social registry who belong to the poorest quintile and households from the second poorest quintile with children under the age of 15. Component 3 would remain unchanged.

**E. Implementation**

**Institutional and Implementation Arrangements**

12. The institutional and Implementation Arrangements for the Project would remain unchanged with UGPE and the MFIS as key implementing agencies in collaboration with the municipalities.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The Project will be implemented in all inhabited islands of Cabo Verde. Cabo Verde is a small archipelago of 4.033 sq km located 550 km off the West African coast. The local population (537,661 people), is scattered over nine islands and approximately 85 percent of the population currently lives on four islands: Santiago (56 percent), São Vicente (15 percent), Santo Antão (7 percent) and Fogo (7 percent). The population of Cabo Verde lives mostly in cities. About 66 percent of the population lives in urban areas.

**G. Environmental and Social Safeguards Specialists on the Team**

Fabienne Anne Claire Prost, Environmental Specialist  
Nadia Henriqueta Gabriel Tembe Bilale, Environmental Specialist  
Mamadou Moustapha Ndoye, Social Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	



Pest Management OP 4.09	No
Physical Cultural Resources OP/BP 4.11	No
Indigenous Peoples OP/BP 4.10	No
Involuntary Resettlement OP/BP 4.12	No
Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The potential risks and impacts of the AF activities, whose main operational activity remains cash transfers, would not be significant as described under OP/BP 4.01, and as a Category C project, the category would not be raised for the AF activities. The Project does not include civil works or any physical investments that would require land acquisition or cause displacement or impact on people’s livelihood. The World Bank policy OP 4.12 on Involuntary Resettlement will therefore remain untriggered. The risks and impacts of original Project activities as assessed against the COVID-19 Specific Risk Considerations are also not significant. No further Environmental Assessment (EA) has been required and no Safeguards Policies have been added since approval.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No potential serious indirect or long term impacts are expected in Project areas due to project activities. The main Environmental and Social risk related to the Project is that of potential inclusion/exclusion errors. The Project has developed and put in place structures for assessing and managing such risks and impacts through clear processes and procedures for implementation. There are also risks related to COVID-19 which have been identified as part of the preparation of the additional financing and the operations manual will be revised to include clear mitigation measures for preventing or minimizing COVID-19 spread during implementation.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The main Environmental and Social risk related to the Project is that of potential inclusion/exclusion errors. The Project has developed and put in place structures for assessing and managing such risks and impacts. For the registration of households in the social registry, community associations and civil society organizations were involved to help with the outreach and communication at community level. Every two years the data in the social registry will be updated to ensure adequate and up to date information. The MFIS is currently planning to undertake the first such data update process from early 2021. At any time, any household who is not already registered in the social registry



can register on demand at the municipal office. In addition, technical officers visit communities on a regular basis, including for collecting missing information of households already registered. In that process, households who have not been registered, but want to, can also register with these officers. There is a robust and transparent system in place for the targeting of beneficiaries which ensures that only the most vulnerable households are targeted, using a proxy-means test formula to rank households according to their estimate welfare status. The MFIS is using a comprehensive manual for the registration of households in the social registry and a project operation manual (POM) that provides a systematic and step-by-step approach to implementation.

In addition, since inception of the Project, the MFIS has managed a manual GRM system where beneficiaries have been able to submit complaints through the municipal offices or directly to the central team in MFIS. Before the enrollment of any households into the RSI, a toll-free hotline was put in place, enabling potential beneficiaries to get answers to questions and queries on the social registry and the RSI. The PIU has also put in place a comprehensive and multi-channel GRM. The GRM is managed by the PIU in collaboration with all the relevant stakeholders under the various projects, at the central and local levels. This GRM is integrating and automating the manual project specific GRM. The GRM makes provision for complaints to be made through six different channels, making it widely accessible to communities, including the toll free line, e-mail, online complaint form, walk-ins and registering a complaint on grievance logbook at the PIU or with any of the key stakeholders in project implementation; walk-ins and communicating a complaint to the grievance focal points in PIU or with any of the key stakeholders of the Project, and by letter to any of the key stakeholders of the Project. The PIU developed a platform to register, categorize and supervise complaints received. Once a complaint has been received, it is recorded in the online GRM platform and each World Bank financed project has a GRM focal point.

The PIU hired a social specialist to develop and monitor the implementation of the social safeguard aspects, namely, social communication, GRM, Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA) and Sexual Harassment (SH) management and has put in place a central GRM for all World Bank financed projects in Cabo Verde. The GRM takes into account GBV/SEA/SH claims which are immediately channeled to the Cabo Verdean Institute for Gender Equality and Equity (ICIEG) in a confidential manner. The Institute for Children and Youth (ICCA) is engaged for any aspects related to children and youth care. In addition, trainings are being planned for 2021 related to ESF and gender-based violence (GBV) aspects. The training will review all the ESS and will particularly focus on ESS 2: Labor and Working Conditions (i) to provide project workers with accessible and effective means to raise and address workplace concerns and complaints, including handling complaints related to GBV/SEA/SH, (ii) to mitigate Child labor and forced labor; and ESS 4: Community Health and Safety also focusing on GBV/SEA/SH. The GBV training will particularly focus on the GBV risk assessment tool for identifying risks; raising awareness of the UGPE about the risks, the importance of addressing the risks of GBV in the Project, the identification of potential actors/partners at the local level in the fight against GBV, the mapping of actors active in the prevention and response to GBV in the project's area of influence. Further, as part of the prevention and mitigation measures, the team will work with the Government on the establishment of workers' GBV code of conduct for project staff/consultants that interact with beneficiaries.

To prevent and mitigate the potential environmental and social risks and impacts related to the implementation of the AF activities, and those of the original Project in relation to COVID-19 risks, the Project's communication strategy would be reviewed and alternate mechanisms explored to prevent or reduce face-to-face contact in order to prevent or limit the transmission of the disease.. The following measures would be implemented: (1) minimizing of face-to-face contact at all points of service provision; (2) wearing of masks by implementing agency staff at all points of interaction with beneficiaries; (3) avoidance of large gatherings of implementation staff and beneficiaries; (4) the enforcement of spacing (2 meters) between beneficiaries and project staff during enrollment and payment; (5) innovative technologies including social media as relevant; and (6) payments of cash transfer payments through bank





accounts whenever possible.

Risks of discrimination against beneficiaries during implementation is addressed through the thorough registration process into the social registry and targeting of the poorest households, particularly female headed, through a proxy-means test process, identifying the poorest quintiles. Through this process the level of vulnerability of these households are assessed to ensure that the poorest two quintiles are targeted.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

As part of the process of registering households in the social registry, the MFIS, in partnership with the City Councils, worked closely with community associations and community organizations to help with the outreach and communication at community level to inform them about the objective of the social registry and process of registration and answer questions and queries. The registration into the social registry is the entry point to receive a variety of different services, including electricity subsidies and access to health care. The MFIS in collaboration with the City Councils have also implemented a communication campaign informing communities about the objective of the program, eligibility criteria and conditions for participation. The campaign includes radio and television spots and information brochures etc. This type of communication campaign would continue for the cash transfers under the AF.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**CONTACT POINT**

**World Bank**

Emma S. Mistiaen  
Senior Social Protection Specialist

**Borrower/Client/Recipient**



Republic of Cabo Verde

**Implementing Agencies**

Ministerio da Familia e Inclusao Social - Ministry of Family and Social Inclusion

Monica Furtado

National Director of Social Inclusion

mfurtadocv@gmail.com

**FOR MORE INFORMATION CONTACT**

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 473-1000

Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Emma S. Mistiaen
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**Approved By**

Safeguards Advisor:	Nathalie S. Munzberg	09-Dec-2020
Practice Manager/Manager:	Jehan Arulpragasam	09-Dec-2020
Country Director:	Eneida Herrera Fernandes	10-Dec-2020