

# INTEGRATED SAFEGUARDS DATA SHEET

## CONCEPT STAGE

**Report No.:** ISDSC12298

**Date ISDS Prepared/Updated:** 28-Oct-2015

**Date ISDS Approved/Disclosed:** 29-Oct-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

Country:	Nepal	Project ID:	P154548
Project Name:	Strengthening Systems for Social Protection Project (P154548)		
Task Team Leader(s):	Yasuhiko Matsuda,Jasmine Rajbhandary		
Estimated Appraisal Date:	02-May-2016	Estimated Board Date:	13-Sep-2016
Managing Unit:	GSP06	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (70%), Public administration- Other social services (30%)		
Theme(s):	Other social protection and risk management (70%), e-Government (30%)		
Financing (In USD Million)			
Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			50.00
Total			50.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

#### B. Project Objectives

The proposed Project Development Objective (PDO) is to improve efficiency and coverage in the delivery of social security allowances and civil registration services by the Government of Nepal.

#### C. Project Description

The proposed Strengthening Systems for Social Protection (SSSP) Project includes tentative components: (i) Improving civil registration; (ii) Modernizing social security allowance delivery; and (iii) Institutional strengthening.

## Component 1: Improving Civil Registration

This component aims to improve the civil registration and social protection databases to increase overall efficiency and management capacity of the MOFALD and its nationwide roll-out.

### Sub-component 1.1: Development and Roll-out of the Computerized Civil Registration System

The subcomponent will support MOFALD's effort to improve civil registration and social protection beneficiary databases. The component will finance data collection (field data collection, digitalization, data entry, etc.) to generate a larger computerized database for civil registration and social security programs which can be synchronized through unique identifiers to be generated by the MIS.

### Sub-component 1.2: Outreach Information Campaign

This sub-component will involve a well-designed and carefully executed program of outreach regarding the importance of registering vital events that will also include behavioral change campaigns for the population as well as the service providers (e.g., VDC officials).

## Component 2: Modernizing Social Security Allowance Delivery

This component will modernize and improve the efficiency of the social security allowance delivery through improving the coverage of beneficiaries and shifting to electronic payments.

### Sub-Component 2.1: Improving Beneficiary Coverage

This sub-component will build on the establishment of a comprehensive civil registry database (Component 1) to properly identify and reach out to eligible beneficiaries.

In addition, this sub-component may also support efforts to enhance the impact of the disability grant and the child grant, two components of the social security allowances that are explicitly targeted to vulnerable segments of the population. The eligibility setting and identification of disability falls under the mandate of the Ministry of Women, Children and Social Welfare (MoWCSW), and as such, if inclusion of this item is confirmed, the sub-component would work with MoWCSW to improve coverage.

### Sub-Component 2.2: Shifting to Electronic Payments

This sub-component will support phased roll-out of the electronic payment systems through private payment service providers (PSPs), already piloted in three districts during the implementation of the recently closed Social Safety Nets Project (SSNP). Besides, the Government has decided to use payments through the banking system as the primary means to deliver the emergency cash grants to support reconstruction of private homes damaged by the recent earthquakes.

The electronic payments will likely cover up to one-third of the country (15 to 25 districts), using a phased approach over the project period. For the remaining areas, the challenging geographic and infrastructure conditions would mean that they may not be serviceable by PSPs which require use of modern technology such as point-of-sale (POS) machines or mobile banking methods and may

therefore need to continue relying on the traditional method of payment distribution through VDCs. Therefore, the sub-component will also support process improvement in non-electronic payments of social security allowances (e.g., integration of the use of the MIS in the benefit payment process by VDCs).

### Component 3: Institutional Strengthening

MOFALD is responsible for overseeing the nationwide network of local bodies composed of 75 District Development Committees (DDCs), 191 municipalities, and 3,246 Village Development Committees (VDCs). Until the recent creation of the Department of Civil Registration (DOCR), both civil registration and social security functions were handled by relatively small units in MOFALD. The creation of DOCR signifies the government's commitment to strengthen its capacity to manage both civil registration and social security. The component will support institutional strengthening of the entire chain of service delivery from the Ministry and the Department to selected local bodies.

#### Sub-component 3.1: Organizational Development of DOCR

The sub-component will provide comprehensive support to strengthen DOCR as an organization. Specifically, it will support DOCR's efforts to review guidelines and procedures for its core business processes, strengthening of monitoring and evaluation capacity, and necessary investments in equipment. The component may also support construction or repair of DOCR's office building, if an appropriate site is identified before appraisal and no major safeguard issue is raised.

#### Sub-component 3.2: Capacity Development of Local Bodies

Each local body is headed by an official appointed by MOFALD, though some are also staffed with personnel that the local body hires with its own resources. This sub-component will support required investments in terms of both physical set-up and human capacity development to make the new institutional arrangement for civil registration and social security operate effectively at the local level.

#### Sub-component 3.3: Service Centers

An institutional option MOFALD is considering, given the practical challenge of equipping all the VDCs with the necessary physical assets (e.g., computer-based MIS) and human resources (e.g., staff capable of managing a large database), is to designate some of the existing local bodies as "service centers" nationwide to serve clusters of VDCs. The component will support set-up of roughly around one thousand of these centers, at least on a pilot basis.

#### Sub-component 3.4: Management Information System

The management information system (MIS) as the backbone of an integrated civil and beneficiary registries has already been developed under recently-closed Bank projects and is being used by MOFALD on a pilot basis in a total of 14 districts. Roll-out in an additional 10 districts, under an ADB funded project, is also under way. The component will support DOCR's effort to refine and roll out this MIS to the other districts and also support further development/refinement of the MIS and capacity building for its ongoing use and maintenance by DOCR/MOFALD staff.

#### Sub-component 3.5: Project Management, Monitoring and Evaluation

The sub-component will support standard project management requirements such as procurement and financial management as well as support to strengthen DOCR's own M&E capacity.

DOCR will be the primary implementing agency. DOCR is a new organization but some of its key staff have experience working with projects supported by WB and/or other development partners. However, the capacity of DOCR to manage a large-scale reform project such as this proposed operation is thin and will pose a major source of implementation risks. Each component will be headed by a designated mid-level manager (i.e., Undersecretary) with a dedicated team of DOCR officials.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Although the project does not directly support major infrastructure works to meet its objectives, the possible support under sub-component 3.1 to construct or repair DOCR's office building, may involve land acquisition and support to civil works related activities. Further, the project seeks to strengthen the efficiency of the MOFALD/Local Bodies through support and investments in physical set-up and human capacity development.

While increasing coverage of the civil registration and social security systems is a major objective of this operation, there is a risk that some of the hitherto marginalized groups, possibly including some IPs, may continue to be left out.

As of now, some of the project related activities including the expansion of the civil registration coverage will potentially be carried out across all the 75 districts of Nepal. The project triggers OP 4.01, OP 4.10 and OP 4.12 and is a category "B" project. Considering that whether IDA will indeed finance civil works, let alone the exact location for the physical investments/activities of the interventions, is not yet identified and assessed, an Environmental Social Management Framework (ESMF) is required. But if IDA financing of civil works is confirmed and if the site is identified for construction of DOCR building before the appraisal, an Environmental Assessment (EA) needs to be carried out.

To address the issue of Indigenous People and other vulnerable communities, a Vulnerable Community Development Framework (which complies with the requirements of OP 4.10 and is commensurate with a Indigenous Peoples Planning Framework) needs to be prepared as part of the ESMF. However, if the project districts are identified prior to appraisal then a Vulnerable Community Development Plan (that is consistent with the requirements of an Indigenous Peoples Plan) will have to be prepared. The ESMF will also include a Resettlement Policy Framework as a precautionary measure, and if the site for the construction of DOCR building is identified and involves land acquisition then a specific Resettlement Action Plan will be required. This ESMF will also need to ensure due diligence in the implementation of safeguard documents and operational manual of National Housing and Reconstruction of Project (NHRP) as there is a link between this project and NHRP under sub-component 2.2.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

MOFALD which is the primary implementing agency has a dedicated Environmental Management Section headed by an Under Secretary. This unit was established about a decade and half ago with the objective of streamlining environmental consideration in local level government projects. This department consists of two section officers and an environmental specialist (ES) technical assistance

for whom has been supported by the multi-donor funded Local Governance and Community Development Programme. The main mandate of the ES is to review the IEE/EIA reports, assist in budgeting funds for the environmental and social measures, monitoring, developing policy/manual/guidelines, coordinating with development partners and designing/delivering training/awareness program related to environment/social issues at the central and local level.

Although, the current set up of the Environmental Management Section has the requisite capacity to oversee/monitor issues regarding safeguards, the project, nevertheless needs to further focus on strengthening the capacity (human resource/ logistics) to reduce the associated risk and ensure accountability.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Annu Rajbhandari (GENDR)

Bandita Sijapati (GSURR)

Drona Raj Ghimire (GENDR)

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## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Efficiency of the MOFALD/Local Bodies will be strengthened through support and investments in hardware and software aspects of delivery of social security assistance. In addition, as part of sub-component 3.1, the project may possibly support construction or repair of DOCR's office building, if an appropriate site is identified before appraisal. The project triggers OP 4.01 and is a category "B" project. But an EA has to be carried out if the site is identified before the appraisal.  Considering that whether the project will indeed finance civil works, let alone the exact location/activities of the interventions, is not yet determined, an Environmental and Social Management Framework (ESMF) will be prepared to enhance project benefits and mitigate any potential environmental and social risks.
Natural Habitats OP/BP 4.04	No	No natural habitats will be impacted
Forests OP/BP 4.36	No	Forest will not be impacted.
Pest Management OP 4.09	No	The project will not finance the purchase of pesticides nor promote the use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	There is no foreseeable impact on Physical Cultural Resources.
Indigenous Peoples OP/BP	Yes	This policy has been triggered mainly to ensure

4.10		outreach, inclusion, effective targeting, and monitoring of hitherto marginalized groups, including IPs, during the implementation of various sub-components designed to strengthen social protection programs and civil registration. The ESMF will include a Vulnerable Community Development Framework that will detail the steps that will be taken to mitigate against any risks of exclusion, and also provide measures for enhancing project benefits. The VCDF will be consistent with the Bank's policy on indigenous peoples and the specific guidelines for Indigenous Peoples Planning Framework (IPPF). However, if prior to appraisal, the project districts are identified then a Vulnerable Community Development Plan (that is consistent with the requirements for Indigenous Peoples Plan) will be prepared.
Involuntary Resettlement OP/ BP 4.12	Yes	This policy has been triggered as a precautionary measure. Presently, the precise nature of activities that would be supported to enhance the effectiveness of social protection programs and civil registration, and to construct DOCR's office building, is not yet known. Also, it is not clear what the land requirements would be for the construction/repair of DOCR's building. The EA, if applicable, will help identify land requirements and its impacts, and the RFP which will be prepared as part of the ESMF will detail the steps that will be taken to ensure minimal risks associated with land acquisition, and also to mitigate against them. However, if the site for the office building is known prior to appraisal then a site-specific Resettlement Action Plan will be prepared.
Safety of Dams OP/BP 4.37	No	The project will not finance dams.
Projects on International Waterways OP/BP 7.50	No	The project is not situated in international waterways.
Projects in Disputed Areas OP/ BP 7.60	No	No disputed areas are involved.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS: 08-Apr-2016**

**B. Time frame for launching and completing the safeguard-related studies that may be needed.  
The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

The required safeguards documents - Environmental and Social Management Framework (ESMF) including Vulnerable Community Development Framework and Resettlement Policy Framework will be prepared by January 2016. If the site of DOCR's office building is identified before the appraisal and the Bank considers financing it, an EA has to be carried out upon the site identification, and a Resettlement Action Plan will be prepared accordingly.

#### IV. APPROVALS

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<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 29-Oct-2015
Practice Manager/ Manager:	Name: Pablo Gottret (PMGR)	Date: 29-Oct-2015