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Report No: PAD1195

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 4.2 MILLION
(US\$6 MILLION EQUIVALENT)

TO THE

UNION OF COMOROS

FOR A

COMOROS SOCIAL SAFETY NET PROJECT

February 24, 2015

GSPDR
Southern Africa Country Department 2 (AFCS2)
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2014)

Currency Unit = Comorian Franc (KMF)
US\$1 = 404
US\$ 1.448810 = SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACTP	Productive Cash for Work Program
AfD	French Development Agency (<i>Agence française de Développement</i>)
ASMF	Environmental and Social Management Framework
BRAC	Bangladesh's Rural Advancement Committee
CBO	Community-Based Organizations
CCC	Central Coordination Committee
CHW	Community Health Workers
CNP	Community Nutrition Promoters
CPS	Country Partnership Strategy
CQ	Consultant's Qualifications
CQS	Cost Quality Selection
CRENA	Ambulatory Nutrition Recovery Centers
CRENI	Intensive Nutritional Recovery Centers (<i>Centres de Récupération Nutritionnelle Intensive</i>)
DGSC	General Directorate for Civil Security (<i>Direction Générale de la Sécurité Civile</i>)
DRM	Disaster Risk Management
DRS	Regional Directorates of Health
DSF	Family Health Directory (<i>Direction de la Santé Familiale</i>)
EDS-MICS	Demographic and Health Survey-Multiple Indicator Cluster Survey
ECF	Extended Credit Facility
ECRP	Emergency Crisis Response Project
EIM	Complete Household Survey
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESSF	Environmental and Social Screening Form
FADC	Community Development Support Fund (<i>Fonds d'Appui au Développement Communautaire</i>)
FBS	Fixed Budget Selection
FM	Financial Management
GDP	Gross Domestic Product
GPN	General Procurement Notices
HIPC	Heavily Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome

IBRD	International Bank For Reconstruction And Development
ICB	International Competitive Bidding
ICS	International Competitive Selection
ICT	Information Communication and Technology
IDA	International Development Association
IDB	Basic Infrastructure (<i>Infrastructure de Base</i>)
IEC	Information, Education, and Communication
IMF	International Monetary Fund
INS	National Institute of Statistics
INT	Department of Institutional Integrity (World Bank)
IYCF	Infant and Young Child Feeding
JICA	Japan International Cooperation Agency
KMF	Comorian Franc
LCS	Least Cost Selection
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey
MIS	Management Information System
MoF	Ministry of Finance, Budget, Economy, International Trade, Investments, and Privatization
MoH&S	Ministry of Health and Solidarity
MTR	Mid-Term Review
MUAC	Mid-upper Arm Circumference Measurements
NCB	National Competitive Bidding
NDGs	Millennium Development Goals
NGO	Non-governmental Organization
ONN	Madagascar National Nutrition Program
ORAF	Operational Risk Assessment Framework
PAD	Project Appraisal Document
PDL	Local Development Plan (<i>Plan de Développement Local</i>)
PDO	Project Development Objectives
PIU	Project Implementation Unit
PMT	Proxy Means Test
PPR	Post Procurement Reviews
PSNP	Productive Safety Net Program
PS	Strategic Partner (<i>Partenaire Strategique</i>)
PRGSP	Poverty Reduction and Growth Strategy Paper
QCBS	Quality and Cost Based Selection
QER	Quality Enhancement Review
RGPH	Population Census (<i>Recensement Général de la Population</i>)
RPF	Resettlement Policy Framework
RSR	Rapid Social Response
SCA2D	Accelerated Growth and Development Strategy
SEC	Social and Environmental Clauses

SECAP	Project Social Accountability Manual
SEN	<i>Secrétariat National</i>
SER	<i>Secrétariat Régional</i>
SFC	Systemic Fraud and Corruption
SP	Social Protection
SFP	Standard Request Proposal
SPN	Specific Procurement Notices
SSN	Social Safety Net
SSS	Single Source Selection
SUN	Scaling Up Nutrition
TA	Technical Assistance
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UoC	Union of Comoros
WHO	World Health Organization

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COMOROS
Social Safety Net Project

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PAD DATA SHEET

Comoros

Comoros Social Safety Net Project (P150754)

PROJECT APPRAISAL DOCUMENT

AFRICA

Report No.: PAD1195

Basic Information				
Project ID P150754	EA Category B - Partial Assessment	Team Leader(s) Andrea Vermehren		
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [X]			
	<div style="display: flex; justify-content: space-between;"> - Small States - Fragile within a non fragile country </div>			
	- Natural or man made disaster			
	Financial Intermediaries []			
Project Implementation Start Date 17-Mar-2015	Series of Projects []			
	Project Implementation End Date 30-Jun-2019			
Expected Effectiveness Date 01-Jul-2015	Expected Closing Date 30-Jun-2019			
Joint IFC No				
Practice Manager/Manager Manuel Salazar	Senior Global Practice Director Arup Banerji	Country Director Mark R. Lundell	Regional President Makhtar Diop	Vice
Borrower: Union of Comoros				
Responsible Agency: FADC				
Contact: Telephone No.:	Mme Doulfat Dhilkamal 2697732882	Title: Email:	Executive Director fadc@comorestelecom.km	
Project Financing Data(in USD Million)				

<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> IDA Grant	<input type="checkbox"/> Guarantee			
<input type="checkbox"/> Credit	<input type="checkbox"/> Grant	<input type="checkbox"/> Other			
Total Project Cost:	6.00	Total Bank Financing:		6.00	
Financing Gap:	0.00				
.					
Financing Source			Amount		
BORROWER/RECIPIENT			0.00		
IDA Grant			6.00		
Total			6.00		
.					
Expected Disbursements (in USD Million)					
Fiscal Year	2015	2016	2017	2018	2019
Annual	1.00	1.50	1.50	1.50	0.50
Cumulative	1.00	2.50	4.00	5.50	6.00
.					
Institutional Data					
Practice Area (Lead)					
Social Protection & Labor					
Contributing Practice Areas					
Cross Cutting Areas					
<input checked="" type="checkbox"/> Climate Change					
<input checked="" type="checkbox"/> Fragile, Conflict & Violence					
<input checked="" type="checkbox"/> Gender					
<input checked="" type="checkbox"/> Jobs					
<input type="checkbox"/> Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Health and other social services	Other social services	80			
Health and other social services	Health	20			

Total	100
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.	
Themes	
Theme (Maximum 5 and total % must equal 100)	
Major theme	Theme %
Social protection and risk management	Natural disaster management 10
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services 60
Human development	Nutrition and food security 20
Rural development	Other rural development 10
Total	100
Proposed Development Objective(s)	
The Project Development Objective is to increase poor communities' access to safety net and nutrition services.	
Components	
Component Name	Cost (USD Millions)
Component 1: Establishing a Productive and Disaster Responsive Safety Net	4.00
Component 2: Improving the Nutrition of Young Children and Mothers from Poor Communities	1.00
Component 3: Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation	1.00
Systematic Operations Risk- Rating Tool (SORT)	
Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial

6. Fiduciary	Moderate		
7. Environment and Social	Low		
8. Stakeholders	Moderate		
9. Other			
OVERALL	Substantial		
Compliance			
Policy			
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []	
Safeguard Policies Triggered by the Project	Yes	No	
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12	X		
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Description of Covenant			

Conditions			
Source Of Fund	Name		Type
IDAT	Signature of contract with UNICEF		Disbursement
Description of Condition			
No withdrawal shall be made under Category (2) unless the Service Agreement has been executed on behalf of the Project Implementing Entity and UNICEF, in form and substance acceptable to the Association.			
Source Of Fund	Name		Type
IDAT	Subsidiary Agreement signed between the Government and FADC		Effectiveness
Description of Condition			
The Subsidiary Agreement has been executed on behalf of the Recipient and the PIE (FADC).			
Team Composition			
Bank Staff			
Name	Role	Title	Unit
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Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants will be required					

I. STRATEGIC CONTEXT

A. Country Context

1. **The Union of Comoros (UoC) is a small nation made up of three islands (Grande Comore, Anjouan, and Mohéli) with an estimated population of 760,000.** A fourth island, Mayotte, remained part of France after independence in 1975. Like other small island nations, the UoC is characterized by geographical isolation, limited resources, a small domestic market, a narrow export base, and a considerable dependence on food imports and remittances. Since independence, the UoC has experienced recurrent political crises and conflict between the islands. Political instability has contributed to a long-term declining trend in real per capita income and has taken a severe toll on the government's ability to deliver quality basic services.

2. **Comoros remains vulnerable to macroeconomic volatility caused primarily by weak fiscal policy and a lack of fiscal space for investment in infrastructure and social sectors.** Economic growth has consistently exceeded 2 percent since 2009 and reached an eight-year high growth of 3.5 percent in 2013, benefiting from stronger agricultural exports (for example, vanilla and ylang ylang), increased construction activities, increased foreign aid, some direct investment, and resilient levels of remittances. However, in 2014 economic activity slightly decelerated to 3.3 percent as structural reforms in key infrastructure sectors like electricity and telecom continued to be delayed. Macroeconomic management has improved, and an Extended Credit Facility program with the International Monetary Fund (IMF) has been maintained for three years, which has supported key structural reforms under a more stable power sharing agreement across the islands. While monetary policies continue to be prudent and have remained in conformity with the Comorian Franc Zone monetary arrangement, the major source of macroeconomic vulnerability remains fiscal policy. The low level of domestic revenues along with a small tax base, the dependency on volatile foreign grants, the increasing expenditures on the wage bill and subsidies (for example, energy), and the accumulated arrears have all reduced the fiscal space available to the Government of the Union of Comoros. This has severely constrained much-needed public spending on infrastructure and on social sectors such as health, education, and social safety nets.

3. **Poverty remains widespread, especially in rural and remote areas.** With population growth estimated at 2.9 percent a year, the population of the UoC is projected to reach one million in twelve years and to more than double by the year 2050. Much faster economic growth sustained over a long period will be needed to combat poverty in this scenario. According to the most recent Complete Household Survey of 2004 (EIM 2004) the poverty incidence at the household level was 36.9 percent in 2004 and the share of the population with incomes below US\$1.25 per day was estimated at 48 percent. Poverty was mostly a rural phenomenon, with four out of five rural households classified as poor; in urban areas, only one in four was poor. Development indicators for rural areas lagged behind those for urban areas, with a higher poverty rate, more prevalent stunting among children, a greater fertility rate among women of childbearing age, more widespread adult illiteracy, and a greater share of the population lacking access to improved sanitation services. With a Gini coefficient of 0.557, inequality in Comoros is high.

4. **The Comorian population is also very exposed to natural disasters** such as geophysical disasters (such as volcanic eruptions, earthquakes, and landslides) and hydro

meteorological hazards (such as tropical storms, torrential rains, floods, rising sea levels, erosion, and tidal waves). A 2005 World Bank Report on natural disaster "hotspots" estimated that 54.2 percent of the population is living in areas at risk of such disasters, the number of which have sharply increased in Comoros. After they occur, the incomes of many households drop as a result of losing all or part of their crops and/or assets. The density of the coastal population and urbanization are two of the factors that make the Union of Comoros vulnerable to the effects of climate change. Threats such as rising sea levels, coastal erosion, and the salinization of drinking water have the potential to negatively affect the future of the three islands' populations.

5. **Because of the weak socioeconomic and unstable political situation in the country, many Comorians have migrated elsewhere.** According to United Nations (UN) statistics, in 2012 there were 108,986 Comorians living abroad. The Comorian diaspora is mostly concentrated in France and in Mayotte. The Union benefits from large and growing remittances from the Comorian diaspora, which are crucial for the economy. Over 90 percent of remittances are estimated to go to the island of Grande Comore, which is home to about half of the country's population and to the country's capital, Moroni. By raising income levels in Grande Comore, remittances explain the majority of the difference in living standards between the islands. Internationally, Comoros has a high ranking in terms of its dependence on remittances for its economy.

6. **While Comoros is on track to achieve several of the Millennium Development Goals (MDG), it is lagging behind on other key MDGs such as halving malnutrition and reducing child mortality by two-thirds.** Comoros is likely to achieve several of the MDGs by 2015, including universal primary education, reducing maternal mortality by three-quarters, and halting and beginning to reverse the spread of HIV/AIDS. However, it is unlikely to achieve the MDG goals of halving the proportion of the undernourished population, achieving gender parity in schooling, and reducing child mortality. Progress in halving the proportion of the population earning less than US\$1.25 per day cannot yet be assessed given a lack of data. Child mortality at birth (49 per 1,000 live births) and maternal mortality (380 per 100,000 live births) have only slowly declined over the last decade. Access to health and education services is particularly limited in rural areas, thus making these outcomes even worse.

7. **Women are particularly affected by migration, unemployment, and poor social services.** Comoros has a large number of female-headed households because of the high rate of migration, among others. Female-headed single-parent households represented 22 percent of the total population in 2004 according to the 2004 Complete Household Survey (EIM), and there tend to be higher than average numbers of dependents in female-headed households. Although remittances benefit female-headed households in particular, they create economic dependency and act as a disincentive to economic participation by women. Female labor force participation was comparatively low in 2004 at 32 percent as opposed to approximately 43 percent for men. This rate was higher for women between 30 and 50 years of age (50 to 60 percent) than for men of the same age (80 to 89 percent), and there were more unemployed women than men in 2004. Women's employment is also more likely to be precarious. There are very few women in wage-earning non-agricultural work (13.7 percent), and there are more self-employed women than men. Approximately two-thirds of women work in the informal agricultural (rural) sector. Thus, any poverty-oriented program would need to pay special attention to women.

8. **Malnutrition among children under the age of 5 is widespread.** About one-third of all children under 5 years of age suffered from chronic malnutrition in 2008, which negatively affected their physical and cognitive development. More specifically, 15.3 percent of children were underweight (4.4 percent of whom were severely underweight) and 30 percent were stunted (of whom 14.5 percent were severely stunted). The rate of stunting increased significantly with age, from 18 percent for those aged less than 6 months and peaking at a very high prevalence rate of 43 percent among children aged between 18 to 23 months old. Malnutrition remained mostly concentrated in rural areas and among children with mothers who lacked education. According to the 2012 Demographic and Health Survey-Multiple Indicator Cluster Survey (EDS-MICS II), 16 percent of children had low birth weight in 2012. Contraception use (at 14 percent of women of childbearing age) and early breastfeeding (at 12 percent of the same age group) are very low, with breastfeeding even having decreased in the last previous years. Critical services such as nutrition counselling and family planning are largely non-existent.

9. **The implementation of effective safety net and nutrition programs will directly support the achievement of the MDGs and the World Bank's global twin goals.** Given Comoros' track record of instability, weak economic growth and slow progress towards reducing poverty and achieving the MDGs, it will be crucial to change the country's development trajectory towards transparent governance, effective private sector development, and decisive poverty reduction policies and programs. Social protection policies and programs including nutrition interventions are of crucial importance for the country's development. By extending access to cash transfers and nutrition education and by increasing the productive assets of communities and households, the proposed project will help the government to achieve the goals of eliminating extreme poverty and boosting shared prosperity for the bottom 40 percent of the population.

B. Sectoral and Institutional Context

10. **Many of the Comorian population do not have access to essential social services.** A recent Social Protection Assessment carried out by the World Bank analyzed access to social services according to different phases of the lifecycle and identified significant shortcomings that hamper the country's development: (i) *for young children aged between 0 and 5 years old*, programs against malnutrition are geographically limited and only target acute malnutrition and children do not have free-of-charge access to basic health care including services for infectious and diarrheal diseases, which are the main diseases that affect poor children; (ii) *for children between 6 and 14 years old*, there is very little support to fight malnutrition while rates of school repetition and dropout are high and initiatives against child labor have limited coverage and unknown effectiveness; (iii) *for young people aged between 15 and 24 years old*, there is high unemployment and underemployment; (iv) *among adults*, women of childbearing age receive some support in the health sector but accessing health services is difficult, particularly for the poor, (all services are fee-paying and are not necessarily located near poor and vulnerable populations), and, while a few cash-for-work programs exist, they are limited in scope and coverage and do not cover the urban poor; and (v) *for the elderly*, only 10 percent receive retirement pensions, mostly from public pensions.

11. **Despite these needs, Comoros has no effective social protection system capable of addressing these challenges.** The Bank's recent assessment of social protection policies and

systems found that social protection programs cover only a small part of the population despite the high rates of poverty and vulnerability in the country. Social insurance is only available to those who work in the formal sector (the public sector and the military) and private health insurance only covers about 3 percent of the population. While the government, supported by the World Bank and other partners including the French Development Agency (AfD) and the Japanese government, have supported temporary cash-for-work programs after multiple crises, it has not yet developed a longer-term safety net approach. Social services such as health and education services are out of reach for most of the rural population, not only because of distance but also because of the high out-of-pocket expenditures that have to be incurred to access them. Virtually no government services are available for special needs groups such as the disabled or the elderly. Moreover, the study highlighted the lack of coordination in the sector as well as a lack of available data and program information, while the study's budget analysis revealed the predominance of external financing in the sector. Based on these observations, the analysis concluded that the Government of Comoros needed to develop a strategic framework for its social protection system and improve coordination and information exchanges between its social protection programs (see Box 1 below).

Box 1: Comoros Draft Social Protection Policy

The government is currently preparing a draft social protection policy, which highlights the importance of developing a social safety net consisting of the provision of labor-intensive public works and cash transfers to rural households, and initiatives to reduce malnutrition among young children and pregnant mothers. The policy also highlights the importance of creating employment, particularly for youths and women, as well as increasing access to basic health and education services. To this end, the policy also suggests giving the Office of the President the responsibility for social protection and focusing strongly on capacity building and coordination, for example, by developing a common beneficiary registry and enhanced the monitoring and evaluation of social protection programs and related policies.

12. **Despite high malnutrition rates, nutrition services are very limited.** With support from UNICEF, the government has set up therapeutic feeding centers (known as Ambulatory Nutrition Recovery Centers or CRENA) at health facilities across the country for the treatment of severely malnourished children. Nevertheless, access to these centers is limited as there is no organized referral system from doctors to the CRENA nor has there been any attempt to provide communities with preventive information and education on nutrition.

13. **The Ministry of Health, Solidarity, Social Cohesion, and Gender Promotion (MoH&S) has already developed a nutrition policy with support from multiple donors.** The National Nutrition and Food Policy aims to secure the achievement of the right to adequate food and nutrition in order to increase child survival rates, to ensure the optimal development of their physical and intellectual potential, and to promote the health and well-being of vulnerable groups and of the entire population. This policy has 10 strategic areas of intervention including the food security of households, nutrition within health services, and community nutrition and early childhood development. Furthermore, Comoros joined the Scaling Up Nutrition (SUN) Movement in 2013. The Minister of Health appointed the Director of Family Health of the MoH&S to be the National Coordinator for SUN. A multi-sector interim committee on nutrition governance was established with two key objectives – to set up a multi-sector platform and to launch the SUN movement in Comoros. However, neither the National Nutrition and Food Policy

nor the SUN activities have yet been implemented because of institutional constraints and a lack of financing.

14. Recently, the MoH&S engaged in a participatory process to develop a social protection policy in collaboration with the Ministry of Labor. The Bank supported the development of this policy in 2014 in response to a request from the MoH&S that emerged from the Bank's social protection policy dialogue. The draft document outlining a comprehensive national social protection policy has recently been validated and endorsed by a broad set of stakeholders including the government, civil society, development partners, and representatives of all of the islands, but it has not yet been approved by the Cabinet. This document calls for, *inter alia*, better coordination and monitoring of social protection initiatives, the development of a common beneficiary registry, and effective safety net programs to protect the poorest and most vulnerable population, as well as better integration of social protection and disaster risk management (DRM) initiatives. The social protection and nutrition policies are designed to feed into the country's new Accelerated Growth and Development Strategy (SCA2D), which is currently being prepared and is intended to guide public spending in the 2015 to 2019 period.

15. Despite these efforts, the scope for social protection and nutrition services remains extremely restricted because of the limited resources available to the government. The public sector budget for social protection (excluding social security funds) was nearly 3 billion Comorian Francs (KMF) (equivalent to approximately US\$8 million) in 2011 and 5.2 billion KMF (US\$13million) in 2012. The big increase between 2011 and 2012 was primarily due to the financing of cash-for-work programs through the Community Development Support Fund (*Fonds d'Appui au Developpement Comunautaire* or FADC), which is provided by the World Bank, the AfD and the Japanese government and will be finished by June 2015. The budget for social protection represented 5.3 percent of total government expenditure and 1.9 percent of gross domestic product (GDP) on average for the 2011 to 2012 period. Only a few development partners are supporting the nutrition agenda in Comoros. The AfD is supporting performance-based financing for improving the quality and increasing the accessibility of care, particularly of reproductive health care in Anjouan and Moheli. In 2012, the United Nations Children's Fund (UNICEF) financed a pilot community-based nutrition program in Anjouan and Grande Comores in collaboration with two non-governmental organizations (NGOs) (Cap Afrique and Caritas). However, these interventions have not been expanded because of a lack of funds.

16. The Bank has been supporting Comoros' social protection agenda since 1993. Specifically, it has promoted community development by financing the construction of basic infrastructure investments (for example, schools, health centers, rural roads, and water/sanitation sub-projects) and, more recently, by funding cash-for-work activities to create short-term employment. The main implementing agency for Bank-supported programs has been the FADC. This agency is attached to the Ministry of Finance, Budget, Economy, International Trade, Investments, and Privatization (MoF) and is governed by a Board of Directors. The most recent Bank support to the country has been for the ongoing Comoros Emergency Crisis Response Project. This project is financed by the International Development Association (IDA) and supports: (i) community development through small infrastructure projects and (ii) short-term cash-for-work activities. The project has been rated "satisfactory" by the World Bank and is expected to close on June 30, 2015. While the community infrastructure was much needed in the

past, Comoros has come to a point where most communities do have access to basic amenities, and the challenge lies in finding skilled professional staff to ensure these facilities provide quality services. Meanwhile, poverty rates are not declining fast enough, which means that there is a need for policymakers to take a more direct approach to poverty reduction such as providing the poor with income support through safety nets. Furthermore, the initial cash-for-work activities were designed to provide short-term employment but not to reduce poverty by stimulating the productive capacity of participating households. The Comoros Social Safety Net Project will build on these lessons and support the government in turning cash-for-work programs a productive safety net intervention that increases household incomes while at the same time strengthening their productive asset base and developing community nutrition activities.

17. UNICEF has been supporting the MoH&S in leading the nutrition agenda in the country. The majority of its support has been in the form of providing the MoH&S with technical and financial assistance to carry out community screening for severe and moderate acute malnutrition among children under the age of 5 and to develop a system for referring these children to public or private health facilities or to hospitals for treatment. UNICEF has funded the purchase of commodities for treating acute malnutrition such as ready-to-use therapeutic food and anthropometric equipment and has helped to build the capacity of health providers to provide such treatment. The Japanese International Cooperation Agency (JICA) has financed the procurement of some of these commodities in collaboration with UNICEF. To complement these initiatives, the Project will fund the provision at the community level of a preventive nutritional package and reproductive health counseling with the aim of reducing chronic malnutrition and breaking the intergenerational cycle of growth failure (early pregnancy, low birth weight, child growth failure, low weight and height in teenagers, etc.).

18. The proposed Safety Net Project will support the recent efforts of the Government of Comoros to take a more development-focused approach as evidenced by its work on the SCA2D. The Project will support this effort by laying the foundations of a productive safety net paired with community nutrition services, both of which will yield positive short- and long-term effects for the development of the poorest population. The productive safety net approach taken by the Project will involve a combination of: (i) cash-for-work activities (providing temporary income to selected poor families over a three-year period) and (ii) productive public works (such as supporting terracing, water management, reforestation, and other climate change activities). The Project will also enable the government to react quickly to support families during the early recovery phase of disasters by giving them temporary income support to quickly rebuild or rehabilitate essential small-scale infrastructure. The nutrition component of the Project will operate in the same communities as the other two elements of the Project and will provide information, education, and practical advice to families with young children on how to use their scarce resources to improve development outcomes for children and mothers. Finally, the proposed Project will strengthen the institutional capacity of the government by developing key operational processes such as targeting and payments systems and productive sub-projects (for the cash-for work safety net) and nutrition-related information and counselling, culinary presentations, nutrition supplements, and other health-related materials (for the nutrition component). These activities are aimed to benefit not only the participating families but also the communities in which they live.

19. **The implementation of the Project will be accompanied by additional Bank support in the form of a recently approved Rapid Social Response (RSR) Trust Fund.** This fund will support further development, coordination, and data analysis for the country's Social Protection Policy, as well as providing the technical support needed to establish the key elements of a productive safety net approach with nutrition services.

C. Higher-level Objectives to which the Project Contributes

20. **The Project will directly contribute to the two pillars of the World Bank's global strategy of reducing absolute poverty and promoting shared prosperity** by providing targeted, direct support to the most vulnerable population, supporting productive and nutrition activities, and building the capacity of key institutions. This will increase the resilience and equity of households living in the poorest communities as well as their opportunities. The Bank's recent Country Partnership Strategy (CPS) for the Union of the Comoros, discussed by the Board in April 2014, supports the government's objectives to strengthen governance and promote private sector growth and job creation. The CPS has two pillars: (i) increased public sector capacity and (ii) shared growth and increased employment. These strategic priorities are aligned with those set out in the government's Poverty Reduction and Growth Strategy Paper (PRGSP) and contribute directly to the objectives of reducing extreme poverty and increasing shared prosperity in Comoros. The Project will contribute directly to the achievement of Pillar I of the CPS, which seeks to strengthen service delivery and reduce poverty. It will do so by increasing the access of the poor population to productive safety net and nutrition services that promote short-term income creation, medium-term productive asset building, and better nutrition for long-term human development. It will also enable the government to quickly provide disaster-affected families with short-term employment opportunities to reconstruct their lives and to rehabilitate basic infrastructure affected by a disaster. Hence, the operation will be fully aligned with the CPS, with the government's PRGSP, and the national nutrition and social protection policies.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

21. The Project Development Objective (PDO) is to increase poor communities' access to safety net and nutrition services. The project will operate for four years from March 2015 to June 2019.

B. Project Beneficiaries

22. **Project beneficiaries will be selected from among the population living in the poorest communities of the country across the three islands (except in the case of the disaster management component, which will benefit the populations of communities hit by natural disasters).** These communities have been identified by the Planning Commission based on the Household Survey and Census data from 2004. The list will be updated once the data from the most recent (2012/13) household survey is available (early 2015). Beneficiaries will be selected by a combination of geographic targeting and community selection. Who will benefit from the disaster management component is unknown in advance as this will depend on where the disasters hit. The disaster management interventions will not be confined only to the poorest

communities in Comoros but their coverage will be determined by the actual location of any eventual disaster.

- The safety net component aims to cover about 4,000 poor households or about 26,000 people under the productive safety net sub-component and about 2,600 households (about 15,000 family members) under the disaster management sub-component. Together, this will benefit about 5 percent of Comorian households, albeit with different modalities and thus different results. These numbers are only indicative as the scope and intensity of disasters cannot be known *ex-ante* and tend to vary from year to year.
- The nutrition component will cover an estimated 2,800 children under the age of 2 and about 6,400 children between the ages of 2 and 5 in the same communities targeted by the safety net activities.
- Women are expected to benefit particularly from the safety net and nutrition activities and are expected to comprise at least 50 percent of the Project's beneficiaries.

C. PDO Results Indicators

23. Progress towards the attainment of the PDO will be measured by the following key performance indicators:

1. Poor communities that have access to safety nets and nutrition services (number).
2. Beneficiaries of Safety Nets programs – Cash-for-work, (number) (core indicator).
3. Beneficiaries of Safety Nets programs - Female (number) (core indicator)
4. Pregnant/lactating women, adolescent girls and/or children under age five-reached by basic nutrition services (number) (core indicator).
5. Children under 24 months benefitting from improved Infant and Young Child Feeding (IYCF) practices (number) (core indicator).

24. Intermediary indicators will be:

For Component 1:

1. The number of rehabilitated, reconstructed, or constructed infrastructure sub-projects
2. The number of person/days of employment created
3. The number of households benefiting from post-disaster activities.

For Component 2:

1. The number of children under 5 years old enrolled in the growth monitoring program
2. The number of community health workers (CHW) trained to provide IYCF services.

For Component 3:

1. Operational costs of the FADC as a percentage of the budgets of Components 1 and 3
2. The number of operational audits implemented

3. The percentage of beneficiary households of the productive safety net activities registered in the FADC's management information system (MIS).

III. PROJECT DESCRIPTION

A. Project Components

25. **The proposed project will address three essential elements of a social safety net system.** It will: (i) support the establishment of a productive safety net that will provide selected poor households with cash-for-work opportunities with a view to strengthening their productive capacity while improving the productive infrastructure in their communities; and it will support households and communities affected by disasters by providing them with emergency cash-for-work programs and rehabilitating and reconstructing damaged community infrastructure; (ii) improve the nutrition of children under 5 years of age; and (iii) strengthen the institutional capacity for safety net management, coordination, and monitoring and evaluation.

26. **The project will be governed by the country's social protection and nutrition policies and its community health strategy.** The country's social protection policy is currently being developed by the MoH&S in collaboration with the Ministry of Labor. The nutrition policy was developed by the MoH&S in March 2012 but has yet to be implemented. The Project is aligned with the strategic priorities of the nutrition policy and, specifically, with its strategic pillars on behavior change, communication, and social mobilization. In addition, the Project will establish an explicit link between social protection instruments (such as cash-for-work activities and community development and infrastructure building) and use them both in the country's DRM framework. Sub-projects will be guided by local development plans with the objective of enhancing the economic and environmental resilience of communities (for example, through reforestation, terracing, and water and soil conservation). This shift towards an integrated social protection and DRM system marks an important step towards better coordination of more effective service delivery – thus rectifying a significant deficiency in the country as was outlined in the 2014 CPS.

27. **The Project will consolidate various existing synergies between various sectors and interventions.** One important innovation is that this operation will provide cash-for-work opportunities to selected families over a longer period of time (three years) than in the past and that this will be accompanied by sensitization, training, and practical support to help these households to develop their productive capacity over the long term. This productive safety net approach will need to be coordinated with agencies such as the Ministry of Agriculture, micro-finance institutions (where available and reliable), and NGOs that offer complementary services. Finally, the Project aims to reduce malnutrition through simultaneous demand- and supply-side interventions. While the cash-for-work activities will provide the poorest families with cash income, the community nutrition activities will teach families the knowledge and practices necessary to reduce child malnutrition.

Component 1: Establishing a Productive and Disaster Responsive Safety Net (US\$4 million)

28. The component will support the implementation of two key elements of an effective safety net. It will (i) build the institutional and operational foundations for a longer-term safety net for

the poorest households in selected communities through productive cash-for-work activities over a three-year period after which the households will continue to enjoy the benefits of the productive activities and (ii) make available an immediate short-term safety net for disaster-affected households and communities.

Sub-component 1.1: Establishing a Productive Safety Net (US\$3.2 million)

29. **This sub-component will provide cash to targeted poor families in exchange for their participation in cash-for-work activities.** It will build on the FADC's experience in implementing cash-for-work activities. The "productive" safety net modality will offer periodic cash-for-work opportunities to the poorest families and to labor-constrained households (approximately 10 percent of the caseload) in selected communities over a three-year period with the aim of smoothing their consumption and supporting them in developing productive activities. The poorest households will be targeted using a combination of geographical and community targeting. This will be enhanced by self-targeting through a daily wage rate of KMF 1,000 (approximately US\$2.7) per day for five hours of work, though this wage rate may be adjusted from time to time in accordance with the economic development of the country. This daily wage rate is expected to lead to self-targeting since it is below the lowest wage rate paid in Comoros (see Section VI A: Economic and Financial Analysis). The geographical targeting will be based on a distribution formula that has been agreed between the island governments for the national budget. According to this formula, Grande Comore will receive 45 percent of the safety net funds, while Anjouan will receive 42 percent and Mohéli 12 percent. The program will offer 60 days of work per year and will be planned during the lean season in accordance with the agriculture calendar.

30. **The cash-for-work sub-projects will focus on activities that increase the productive capacity of communities and households and will increase the country's resilience to natural and climatic events through, for example, reforestation, water management, and terracing.** Sub-projects will be selected based on a participatory process for area development planning modeled after the watershed management planning process used, for example, in Ethiopia's Productive Safety Net Program. At most 75 percent of the costs will be accounted for by the cash benefits paid to the participating workers while the remaining 25 percent will be accounted for by supervision costs and the purchase of small equipment and materials. Local NGOs will be contracted to manage and supervise the activities. Specifically, they will ensure the quality of the works, monitor the attendance and effective participation of the workers, carry out the procurement of small equipment and materials, ensure compliance with work safety rules and environmental and social safeguards, and deliver or coordinate the training sessions for the selected households.

31. **Training and capacity building activities for beneficiaries will be included as part of the work days.** These activities will focus on families' productive capacity and means and will range from financial literacy to guidance on how to develop productive activities. These activities will be delivered by the NGOs in charge of implementing the cash-for-work activities in each area. The Project proposals will spell out the skills that will be needed to manage the cash-for-work and capacity-building training so that NGOs can either join together to apply for these contracts or can sub-contract the delivery of these complementary activities. The training and

capacity building will be complemented by the information, education, and communication (IEC) activities of the community nutrition program in Component 2.

32. **The sub-component will also finance small community infrastructure sub-projects to complement the cash-for-work activities with the aim of increasing the community's productive resources.** These will be more complex and capital-intensive than the cash-for-work activities and will need more skilled labor and more materials. These sub-projects are likely to involve small-scale water supply and sanitation, water retention systems, and feeder roads, which are the kinds of infrastructure needed to support the implementation of community-based development.¹ The sub-projects will be nominated by the communities themselves and will be prioritized by FADC based on their potential impact with regard to the overall area development plan. In order to qualify for Project financing (including sub-grants for community-implemented infrastructure), sub-projects must cost less than US\$85,000 and must be implemented in accordance with the FADC's Infrastructure Sub-project Manual. Sub-project planning/design, construction, and supervision will each be contracted out. The FADC will provide training to community members in how to maintain the infrastructure created by the sub-projects following the recommendations of a recent technical audit carried out on these types of sub-projects.

Sub-component 1.2: Ensuring an Early Recovery Response to Natural Disasters (US\$0.8 million)

33. **This sub-component will finance activities to support communities and households in the immediate aftermath of natural disasters.** To this end, the sub-component will finance post-disaster cash-for-work activities, which may vary depending on the impact of the disaster but will mostly focus on restoring village services and productive capacity, including clearing debris, removing sand, and clearing roads. The daily wage rate will be the same as for the productive cash-for-work activities, but the number of working days will be limited to 25 per household. The selected households will be allowed to participate in the activities only once per disaster. The activities will be implemented by the FADC in close collaboration with the General Directorate for Civil Security (*Direction Générale de la Sécurité Civile*, or DGSC), the government agency in charge of disaster risk management (DRM) in cases where a national emergency is declared. The DGSC will be in charge of identifying the disaster areas, the activities to be carried out for early recovery, and the affected population eligible to participate in project activities. In order to ensure their close collaboration in disaster response situations, the DGSC and the FADC will sign a Memorandum of Understanding prior to Project effectiveness. The sub-component will also support communities in updating their local development plans (*Plans de Développement Local* or PDL) to reflect DRM and social protection activities.

34. **The sub-component will also finance the rehabilitation and reconstruction of small village infrastructure damaged by natural disasters and emergency cash-for-work activities for clean-up and repair.** Private construction companies will be contracted to carry out the infrastructure works. Based on the results of a recent technical audit contracted by FADC of all of the infrastructure projects implemented under the Emergency Crisis Response Project (ECRP), the FADC is conducting an ongoing review of procedures and standards to improve the technical quality of the community infrastructure sub-projects, increase their resilience to disasters, and

¹ A modality used by the FADC, in which communities contribute 10 percent of the project value.

strengthen their maintenance. The improvements proposed by the review will be reflected in a revised Infrastructure Sub-project Manual for the basic infrastructure sub-projects.

35. Details of the disaster response mechanisms are outlined in the Emergency Response Manual that has been prepared by the FADC. It outlines the roles and responsibilities of the FADC and partner organizations (such as the DGSC) in disaster response as well as the type of activities to be financed under the Project. The manual, which will guide the implementation of this sub-component, will be amended in accordance with Bank procedures.

Component 2: Improving the Nutrition of Young Children and Mothers from Poor Communities (US\$1 million)

36. Complementary to the safety net activities, this component will provide preventive nutrition services in the same poor communities to help households to break the inter-generational transmission of poverty. The amount of the investment for the nutrition intervention will be limited compared to amount budgeted for the safety net intervention because its primary aim will be to raise awareness of and support growth monitoring activities rather than ensuring that poor families can access preventive services of infant and young child feeding practices (IYCF), women's nutrition services, and reproductive health counseling. It will focus on creating demand for and delivering a minimum package of nutrition-specific interventions for children under 5 years of age, with particular focus on the "first thousand days" window of opportunity (from pregnancy to 2 years of age). It will also promote better nutrition and productive health for mothers. The design is partially modeled on the successful and cost-effective National Community Nutrition program in Madagascar and Bangladesh's Rural Advancement Committee (BRAC) approach, at the heart of which lies nutrition counseling to change behavior. In line with the government's report on Essential Family Practices of Comoros, three types of behavior will be promoted: (i) exclusive breast feeding; (ii) food diversification (in both quantity and quality); and (iii) hand washing before meals.

37. The centerpiece of the community nutrition program will be the delivery and use of a minimum package of preventive nutritional and reproductive health services focused on young children and women (see Table 2.1 in Annex 2). This will include the following activities: (i) building the capacity of health providers and community health workers (CHW) to promote IYCF and women's nutrition reproductive health counseling techniques; (ii) delivering growth monitoring sessions including the procurement of the needed equipment and materials to screen for acute malnutrition (such as scales and boards for measuring children's height); (iii) creating the necessary management tools (such as a registry of beneficiaries, data collection cards, health cards, and illustrative nutrition guides for households among others); (iv) providing culinary demonstration sessions to spread nutrition awareness and education; (v) setting up a system of referrals to health facilities for severely malnourished children and pregnant/lactating women with health problems; and (vi) supervising community health workers (CHWs) in line with the framework of the Health Community Strategy. In addition, the Project will provide information and counseling to young women aged 15 to 24 and to mothers (aged 15 to 49) in matters of reproductive health in accordance with the lifecycle approach framework developed by UNICEF.

38. **This component will aim to strengthen the institutional and technical capacity of the MoH&S at all levels to deliver these services at the community level.** UNICEF will help the government to implement this component given its uniquely strong capacity in the sector. UNICEF will provide the necessary technical assistance to strengthen the institutional and technical capacity of the MoH&S at all levels to deliver community nutrition services. This will include: (i) organizing periodical coordination and planning meetings at all levels (national, regional, and community); (ii) advocating for these activities with national and local authorities; (iii) mapping stakeholders in the field of nutrition; (iv) carrying out monitoring and evaluation activities to monitor progress and assess impact; and (v) bearing the operational costs of managing the nutrition component.

Component 3: Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation (US\$1 million)

39. **This component aims to support the development of key elements of a safety net system.** It will support the establishment of an effective management information system (MIS) including a beneficiary registry based on geographical and community targeting that will be a repository of accurate data on beneficiaries and program implementation at all times. The component will also help to establish payment systems to transfer cash to the safety net beneficiaries through micro-finance institutions, wherever possible. This will include the contracting of a payment agency (or various payment agencies depending on service availability) and the creation of an electronic-based payment system that will minimize paper-based transactions and the potential for fraud and error. However, the design of the system will need to take into account the country's frequently unreliable internet connectivity. This component will also support coordination activities among the key stakeholders involved in Project implementation as well as financing the operational costs associated with Project administration, monitoring and evaluation (M&E), communication and information, and any technical assistance required for the smooth implementation of the Project. The component will also include an *ex-ante* and *ex-post* evaluation that will be partially financed by the RSR Multi-donor Trust Fund.

40. **The project will strengthen the coordination between several government and non-government agencies.** For the productive safety net activities, the FADC will work with the MoH&S, UNICEF and the Ministry of Agriculture in the planning and implementation of activities. To effectively and quickly respond to disasters, the FADC will follow the lead and guidance of the DGSC. The drafted Memorandum of Understanding establishes clear roles and responsibilities in this area. The component will finance the operational costs, M&E, and financial and technical audits associated with the Project administration as well as the costs of building the capacity of the FADC and implementing partners (such as NGOs and local firms).

41. **This component will be accompanied by technical assistance provided by international and national experts and financed through the recently established RSR Trust Fund.** The Trust Fund will build on the Bank's support for the development of the government's social protection policy and will enhance coordination and data analysis as well as the training of selected representatives of the sector in key aspects of social protection. In addition, the Trust Fund will support the development of key elements of a safety net including a beneficiary registry, appeals and grievance procedures for the cash-for-work sub-projects, the technical

aspects of the watershed management activities, and a methodology for including DRM in community development plans. The analysis, tools, instruments, and capacity built through the Trust Fund are designed to directly enhance the government's capacity to effectively coordinate social protection policy and implement safety net programs.

B. Project Financing

42. The project is financed by an IDA grant of US\$6 million.

C. Project Cost and Financing

Table 1: Project Costs and Financing

Project Components	Project cost	IBRD or IDA Financing	% Financing
Establishing a Productive and Disaster Responsive Safety Net	4.0	4.0	100
Improving the Nutrition of Young Children and Mothers from Poor Communities	1.0	1.0	100
Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation	1.0	1.0	100
Total Costs			
Total Project Costs	6	6	
Front-end Fees	0	0	
Total Financing Required	6	6	100

D. Lessons Learned and Reflected in the Project Design

43. **The Project design reflects lessons learned from local and global experiences**, in particular from successful social safety net programs in Africa such as Ethiopia's Productive Safety Net Program (see also Section VI A: Economic and Financial Analysis). In addition, it benefits from the Bank's global experience in supporting governments in establishing safety net systems. Building on this local and global experience, the Project aims to further develop the conceptual framework for safety nets in Comoros as well as building the institutional capacity to implement such interventions. One lesson from the safety net experience in Africa is that the government needs to have rapid, short-term safety net instruments (for example, those for disaster response) as well as longer-term safety net systems to adequately strengthen the resilience of poor families and communities against poverty.

44. **The Project incorporates global experiences of implementing effective community-based nutrition programs** such as the SUN movement, the National Community Nutrition Program in Madagascar, Bangladesh's Rural Advancement Committee (BRAC) program, and

other programs in African, Asian, and Latin American countries. A key lesson emerging from these large programs is to use existing institutional structures to deliver the nutrition services while strengthening their capacity over time. The nutrition component of this Project follows this approach, which also enhances the sustainability of the nutrition services. It is also critical to ensure that support is provided to decentralized levels of the health and nutrition system. Limited local capacity can be enhanced by recruiting technical advisors to provide technical support on specific issues and ensure the quality of services delivered.

45. **The focus of any nutrition program on the “first thousand days” is crucial.** Intervening within this period has a life-long and life-changing impact on its educational attainment, reproductive health, and labor capacity and earning of the beneficiary children.² Under-nutrition is generally associated with lower human capital. Research has illustrated that height-for-age at 2 years of age is the best predictor of future human capital. Damage caused by malnutrition in the early years of life leads to permanent impairment and can also affect future generations. Nutrition counselling has proven to be effective in preventing malnutrition and is expected to bring about important health, educational, and economic benefits.³

46. **The Project will also build on the successful implementation and lessons learned from the Comoros Emergency Crises Response Project (P120631).** The same implementing agency – the FADC – will implement the proposed Project. In this case, to develop institutional collaboration and operational links, the FADC will work more systematically with other government and international agencies (such as the DGSC, the MoH&S, the Ministry of Agriculture, and UNICEF). This is of particular importance in emergency situations, as has been highlighted during the implementation of the Comoros Emergency Crises Response Project. Thus, during Project preparation, the DGSC and the FADC have signed a Memorandum of Understanding to establish their roles, responsibilities, and procedures for collaboration.

47. **Sound community planning has proven to be essential for ensuring that projects are in line with local priorities and for promoting ownership and responsibility.** In this operation, this kind of planning will be carried out in a watershed area rather than in single communities. The planning process will thus bring together larger groups of communities that share common natural resources to allow for the integrated development of a whole area. As the Project adopts a longer-term approach, it will finance activities within those plans over a longer period of time, with an expected greater impact on the productive development of the area.

48. **Cash-for-work beneficiaries will be selected by a smart combination of targeting instruments.** The Project will build on the country’s experience with geographic and community targeting but with improved features. In particular, community targeting processes will be standardized and will use tools specifically designed to reduce inclusion and exclusion errors (for example, by using a limited number of common criteria for community targeting across all Project areas and tools for communities to score and prioritize the eligibility of households). A

² Scaling Up Nutrition: A Framework for Action, September 2010; page 7.

³ Victora C.G., L. Adair, C. Fall et al. (2008). Maternal and Child Under-nutrition: Consequences for Adult Health and Human Capital. *The Lancet*, 2008; 371: 340-57.

key innovation will be the use of the daily wage rate as a self-targeting tool. The daily wage rate of KMF 1,000 (approximately US\$2.7) has been set significantly lower than the rate used in the ongoing project (KMF 2,000). The lower rate is expected to ensure that only the poorest households will be interested in participating in the program and is therefore expected to increase targeting efficiency. The daily wage rate will be reviewed during the Project's mid-term review and, if necessary, adjusted.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

49. **Overall guidance for project implementation will be provided by the MoF, as well as by the MoH&S as the technical department in charge of health, nutrition, and social protection.** During Project preparation, both ministries have actively led the design of the project, coordinated by the Planning Commission (*Commissariat du Plan*). Implementation will be closely monitored by the MoF as part of its mandate to oversee Bank-supported projects as well as by the MoH&S which is in charge of advancing the policies supported under this Project.

50. **The implementation of the Project is delegated to the FADC (through a subsidiary agreement with the MoF)** given its long-term experience and its satisfactory implementation record as evidenced by previous project implementation ratings and technical and financial audits. The Support Fund for Community Development (*Fonds d'Appui au Développement Communautaire* or FADC) was created by a Presidential Ordinance in January 1993 as a public service entity (*organisme d'intérêt public*), which means that it has both administrative and financial autonomy. The FADC's mandate is to provide financial, technical, and material support to communities. The central office is located in the capital of Comoros, Moroni, and it is headed by a national Executive Director. All three islands have an office headed by a regional Executive Director. The institution mostly works by contracting out services to NGOs and private firms. As the government is implementing its fiscal reforms and stabilizing its budget, the Bank encourages the government to increasingly contribute to the FADC's recurrent costs. Policy guidance and overall oversight of the FADC are provided by the MoF, the Planning Commission, and relevant sector ministries as the bodies responsible for the country's overall development. The Central Coordination Committee (CCC) of the FADC, which functions as a Board of Directors, will oversee the implementation of the Project in accordance with its statute. To date, the FADC has successfully implemented several IDA-financed projects and grants, including the ongoing Emergency Crises Response Project (P120631), which is almost fully disbursed and is in its final phase of implementation.

51. **The MoH&S, represented by the Family Health Directorate (*Direction de la Santé Familiale* or DSF), will be in charge of designing, coordinating and overseeing the implementation of Component 2 of the Project.** For the component's implementation, the MoH&S has requested that UNICEF be contracted to carry out the operational and fiduciary management of the component given UNICEF's operational, technical, and administrative capacity. UNICEF will therefore establish an operational management unit under its Child Survival and Development Section. The operational unit will be responsible for: (i) setting up and implementing Component 2 in close parallel with Component 1, and (ii) producing quarterly implementation progress reports, including financial reports. The unit will be supported by

UNICEF's existing fiduciary team (a financial management specialist, a procurement specialist, an accountant, and an internal auditor). The training of community health workers (CHWs) will be managed by the DSF at all levels of the health system. The DSF team will carry out training of the trainers who will then conduct the training sessions at the local level with CHWs. The CHWs in turn will be responsible for organizing and delivering the sensitization sessions and home visits. The CHWs will be provided with small financial incentives to deliver the services to the households if they perform satisfactorily on the performance indicators established in the component's implementation manual.

52. **The General Directorate for Civil Security (*Direction Générale de la Sécurité Civile* or DGSC) is the government's agency in charge of disaster risk management (DRM) and coordinates all activities related to national emergencies, and will thus collaborate closely with FADC in the disaster response work.** The DGSC is in charge of identifying the disaster areas, the activities to be carried out for disaster relief and early recovery, and the disaster-affected households eligible to participate in project activities. It will provide the FADC with the information needed to direct its support to affected households and communities in the early recovery stage of disasters. Definitions of the roles and responsibilities of the DGSC and the FADC, and procedures for their collaboration are documented in a signed Memorandum of Understanding that specifies the extent of the Project's engagement in the aftermath of natural disasters.

B. Results Monitoring and Evaluation

53. **The implementation and results of Component 1 will be monitored through a variety of instruments.** These include: (i) the FADC's management information system (MIS); (ii) regular field visits by FADC staff and their documentation of their findings; (iii) annual operational audits that will produce timely information on the compliance of all stakeholders with the procedures and responsibilities outlined in the project manuals; (iv) the Bank's supervision missions; and (v) the oversight of the FADC's Board. The project manuals for the different components will provide detailed descriptions of how the Project activities will be monitored.

54. **An *ex-ante/ex-post* evaluation of the productive safety net activities will provide information on the changes in the behavior of safety net beneficiaries,** including changes in their eating habits, their children's school enrollment and attendance, their use of health and nutrition services, and any changes in their productive activities.

55. **The results of the nutrition component will be closely monitored by the MoH&S through a monitoring system that UNICEF will establish in order to help the government to implement the nutrition activities.** Furthermore, UNICEF and the MOH&S will both cooperate closely with other relevant development partners and stakeholders such as the World Health Organization (WHO), the United Nations Population Fund (UNFPA), and various NGOs (including the Association for Consumer Protection, Red Crescent, and Caritas) to ensure that the Project's activities complement other nutrition initiatives.

C. Sustainability

56. **The sustainability of the Project’s activities will be achieved at three levels.** First, at the *beneficiary level*, the Project is expected to smooth their consumption and increase their income through its productive activities. The combination of cash transfers and nutrition education is expected to improve the nutritional status of participating children and their mothers, while the disaster response activities are expected to protect families’ assets and human capital. Second, at the *community level*, the works created through the cash-for-work activities are expected to last because they will be simply designed, using local materials if possible, and thus will be easy to maintain. The Project will provide training to select community members in how to maintain this infrastructure. Also, land rehabilitated through the cash-for-work activities will be allocated to landless community members (such as young people), but if they do not maintain it adequately, the land will be reallocated to other community members. Third, at the *institutional level*, elements of a safety net system will be established that will be maintained by the FADC and thus will be available to be used in subsequent programs by either the FADC or other relevant institutions. Furthermore, the knowledge transferred and capacity built by Component 2 will allow CHWs and other health/nutrition sector staff to continue to provide their advisory nutrition services after Project completion.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

57. Overall implementation risk is rated as substantial given the countries’ overall political and economic situation, the limited technical and administrative capacity in the country, and some inherent risks to governance. While the implementing agencies (the FADC and UNICEF) have a good track record, some key risks related to capacity, coordination, and accountability remain. In addition, the enhanced social safety net agenda and the introduction of the nutrition program adds to the project’s complexity in a low capacity country. The Project will include significant capacity building resources and will build on the instruments and technical capacity developed with support from the RSR Trust Fund.

B. Overall Risk Rating Explanation

58. In terms of **political and governance risk**, the risk rating is Substantial. Political instabilities include the frequent breakdown of relationships between the governments of the islands and the Union and the lack of political buy-in to reforms and of commitment to their implementation. However, the government has taken significant strides on the reform front since 2011, specifically by fulfilling the requirements to reach the Highly Indebted Poor Countries (HIPC) completion point and by successfully completing the International Monetary Fund’s (IMF) Extended Credit Facility (ECF) program (the sixth and final review was discussed on December 13, 2013). In terms of governance issues, Comoros ranks poorly (in the 26.3 percentile) in the “Control of Corruption” category in the World Bank’s Worldwide Governance Indicators. In September 2012 the Government of Comoros adopted a national strategy to combat corruption, and the Project includes a range of measures to limit the risk of weak governance.

59. In terms of **macroeconomic risk**, the risk rating is Substantial. Domestic economic development is critically dependent on continued political stability and improvements in economic management, so that any weakening of global economic conditions, especially in the European

economies, will undermine the country's short- and medium-term prospects. With fiscal stabilization at the center of the government's short-term policy agenda and no domestic fiscal space to cushion shocks, it would be forced to rely on whatever adequate and timely financial support was available from the donor community. As a consequence, the government is not in a position to provide co-financing for the Project in the short term. The Bank will continue the dialogue with the government about possible financing for safety net and nutrition programs in the future.

60. **Risk Management.** There will be close monitoring of the macroeconomic environment as part of the standard Bank dialogue with the Comorian authorities. The task team will continue to explore financing options for safety nets and nutrition programs including with development partners

61. In terms of **sector strategies and policies**, the risk is Moderate as the Project will involve a number of stakeholders as it moves to establish a safety net system, provides direct support to mitigate the effects of natural disasters, and establishes a community nutrition program. All this will be done within the framework of the draft social protection policy that is presently being reviewed by the MoH&S, which emphasizes the need to monitor progress in implementing key social safety net programs, including those supported by this Project. This policy framework should guide and coordinate all programs and interventions. The risk is, however, that it will not be approved by the Cabinet given the many other priorities in the country. Furthermore, the coordination between the safety net and the DRM agenda is new and still has to be formalized through a Memorandum of Understanding between the agencies involved in implementing both agendas. Both sides are very engaged and willing to collaborate, but, while they have worked together informally in the past, the risk is that formalizing this arrangement might raise territorial issues that could inhibit a rapid disaster response in the future.

62. **Risk Management.** The Bank will support the implementation of the government social protection policy through policy dialogue and technical assistance. At the operational level, agreed objectives and accountable results will be key to managing this risk. Regarding disaster risk management, the social protection and DRM teams in the Bank will collaborate to ensure that the roles and responsibilities of the Comorian stakeholders are clear.

63. In terms of **technical design**, the proposed Project builds on the evolution of past social protection work supported by the Bank, which has included community development activities, the development of community infrastructure, and cash-for-work activities. The innovations introduced under this Project aim to establish more effective social protection mechanisms, including short- and longer-term safety nets and nutrition services. These new aspects add to the complexity of the Project's design and implementation. Nevertheless, the risk is rated as Moderate given the high level of engagement of the MoH&S and the extensive experience of the Project's two implementing agencies (the FADC and UNICEF).

64. **Risk Management.** Some of the new aspects introduced in the operation emerge from the FADC's and UNICEF's experience and knowledge. The preparation and implementation of the Project is supported by technical assistance from the Bank (including some support from a Bank-managed Trust Fund) to develop the key elements (such as the beneficiary registry and the social

accountability mechanisms such as a complaint registry and operational audits) and to make the necessary changes in the project manuals. However, while none of the innovations is complex, taken together, they will require enhanced institutional capacity, particularly at the regional/island level. Therefore, the FADC management and the Bank team will make an extra effort to communicate regularly with the regional offices and include them in all major decisions, while also ensuring that the design of these innovations is kept simple. In addition, the Bank team is working very closely with the MoH&S and UNICEF in the design and preparation of the nutrition component, which will also be supported by international and national consultants.

65. In terms of **institutional capacity**, the risk is rated as Substantial. While the FADC is an experienced and recognized implementing agency in Comoros, its capacity is limited, and the agency is going to have to adjust many of its processes, its staff composition, and its administration to be able to implement the innovations included in the Project. The capacity risk is also rated as Substantial due to the low capacity environment in Comoros. In particular, it is not easy to find competent staff to replace any that might choose to leave (as has happened in the past), and there is also the challenge of finding service providers with adequate capacity to implement the nutrition interventions in Component 2. Furthermore, UNICEF's own capacity in Comoros is also restrained by these factors, and while UNICEF has excellent working relations with the MoH&S and its regional offices, implementing a new program could introduce new capacity constraints in terms of staff, motivation and technical knowledge.

66. **Risk Management.** Providing FADC staff with annual contracts followed by annual performance evaluations that determine their annual salary increases have enhanced the institutional performance of the FADC. This practice will be maintained and will serve to mitigate some or the risks associated with staff performance and turnover. The Project will continue to finance the core staff of the FADC and also to help build the agency's fiduciary and technical capacity (for example, related to DRM) as well as providing training for managerial and service staff as needed. Consultants will be hired to develop an integrated management information system and to train staff to operate it. Some funds for technical assistance are also included in the operation, particularly to strengthen the technical aspects of the productive safety net sub-component. The collaboration between the Government of Comoros and UNICEF will be arranged through a contract signed by the FADC (on behalf of the government) and UNICEF, under the technical leadership of the Ministry of Health. This contract will provide the details of UNICEF's responsibilities and allow for constant monitoring of progress by the Ministry of Health and Solidarity. Finally, the Bank team will use Trust Fund money to provide technical assistance and to build capacity for key aspects of the Project.

67. In terms of **fiduciary risks**, the FADC has regularly received satisfactory ratings for financial management and procurement under the ongoing Emergency Crises Response Project. The Bank has provided continuous training in procurement to FADC staff and has carried out financial reviews on a sample basis. The fiduciary risk is rated as Moderate.

68. **Risk Management.** The Bank has carried out a financial management (FM) review to identify any other measures that could be taken to mitigate the FM-related risk in all of the components, including the risks of fraud and corruption. At the same time, the FADC, with support from the Bank, is working on developing its Code of Conduct, which will be signed by all

FADC staff. Any relevant misbehavior will result in serious consequences. Regular field supervision, monitoring, and reporting will be undertaken by FADC as part of the Project. Operational audits carried out under the Project will provide an external view of adherence of all relevant stakeholders with agreed operational procedures. Finally, the Project will include social accountability mechanisms (such as complaint mechanisms, a website and community score cards) with clear rules for the follow-up and monitoring of cases.

69. In terms of **environment and social risks**, the risk rating is Low. The FADC has a good track record of complying with social and environmental safeguards, and there have been no major issues. The staff has been trained in social and environmental safeguards in the past. The FADC and especially the staff member who will act as the focal point on these issues, who will also be handling monitoring and evaluation, will continue to be trained by the World Bank's safeguards specialists during the course of the Project's implementation. Furthermore, the FADC is implementing fewer infrastructure projects and more cash transfers which tend to have fewer negative social and environmental effects. On the contrary, the cash-for-work activities, which aim to safeguard the environment and to mitigate the effects of climate change, are expected to have an overall positive effect. No negative environment and/or social effects are expected from the community nutrition program.

70. **Risk Management.** Social and environmental safeguards have been reviewed during Project preparation. The productive safety net activities are being prepared in a gender-sensitive way to ensure that women and men, including vulnerable groups, are supported equitably. The nutrition activities will directly cater to mothers and their young children.

71. In terms of **stakeholders**, the risk is rated as Moderate. For the effective implementation of the Project, the FADC will work with a wide range of representatives from communities, island governments, and the central government as well as with contractors from the private sector, local Community-Based Organizations (CBOs), and NGOs. To date, the FADC has managed relations and processes well and in a transparent and socially accountable way. However, the overall low capacity environment in the country coupled with tight budgets and underlying political tensions may hamper Project implementation. In addition, in the past there have been isolated instances of contractors not fulfilling their commitments. This sort of problem might increase if the economy were to slow down.

72. **Risk Management.** The FADC will continue to collaborate with a wide range of actors on all three islands. Enhanced collaboration and accountability mechanisms supported by the Project (such as the improved MIS) will make the FADC more transparent and responsive to any issues that stakeholders may have. The Bank will maintain a continuous dialogue with ministerial and development partner stakeholders such as the MoF, the Planning Commission, the relevant Ministries, and other partners (such as UNICEF).

73. In summary, the risks are presented below:

Risk Categories	Rating (High, Substantial, Moderate, or Low)
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Political and Governance	Substantial
Macroeconomic	Substantial
Sector Strategies and Policies	Moderate
Technical Design of Project or Program	Moderate
Institutional Capacity for Implementation and Sustainability	Substantial
Fiduciary	Moderate
Environmental and Social	Low
Stakeholders	Moderate
Overall	Substantial

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

74. **The economic benefits of the proposed Comoros Social Safety Net Project will include both protective and productive benefits to households and communities.** These will include: (i) improvements in household well-being as a result of consumption smoothing (through cash transfers), asset protection, and the avoidance of negative kinds of coping behavior and (ii) enhancements in access to basic social services (nutrition services and community infrastructure) that will augment human capital development in the short and long term.

75. **Impact evaluations from similar productive safety net programs in other countries (such as Ethiopia) have concluded that cash-for-work interventions smooth household consumption and protect family assets, even during times of crisis.** While much of the cash transfers are typically used by households to augment their consumption, they usually invest roughly 25 percent of the funds in productive assets. There is emerging evidence from Ethiopia's large Productive Safety Net Program (PSNP) that participating in the program helps households to increase their agricultural investments, leading to higher rates of agricultural productivity overall. These effects are expected to be enhanced by the community-based nutrition program, which will enable households to make the right choices for their children's nutrition.

76. **A detailed analysis of the unskilled wage sector provides the justification of the level of the wage rate paid in the cash-for-work activities.** The daily wage rate adopted for this Project (KMF 1,000 for five hours of work per day) is just below the lowest daily wage salary used in the Comorian labor market. A preliminary analysis of the new Survey 123 (a national household survey with three steps) has revealed that the average monthly salary is about KMF 62,435, while this general amount was confirmed by the FADC in October/November 2014, which found that the average monthly salary on the labor market was KMF 65,259. Taken together, these findings lead to an average daily wage of about KMF 1,600 for five hours of work. By examining the figures by different professional categories (adjusting in all cases for a five-hour working day), the average wage of unskilled workers is estimated to be KMF 1,152. Thus, the wage rate that the FADC has chosen for the Project's cash-for work activities is 87 percent of the wage rate for unskilled workers in the labor market and is only half the wage rate of skilled workers. Moreover, the minimum wage proposed by the Comoros Economic Guide (determined by the MoF in 2003 and revalued in 2014) would now be equal to KMF 1,267. The wage rate proposed for the productive safety net program will be 80 percent of this rate. So it is clear that

the wage rate chosen for the cash-for-work activities is slightly below the lowest daily wage rate on the labor market and thus meets the self-targeting objective.

77. **The economic analysis carried out for the Project focuses on the potential impact of cash-for-work activities on beneficiary households.** The indicative analysis uses data from the 2004 household survey in Comoros and makes the following assumptions: (i) perfect targeting; (ii) each beneficiary household participates in all cash-for-work activities (for 60 days per year) and receives all cash transfers; (iii) transfers received by households are used by the household; and (iv) the socio-demographic characteristics of households and their activities and their income do not change before and after the transfer.

78. **Coverage.** The productive safety net activities aim to cover about 4,000 poor households or about 26,000 people (using US\$2.6 million of the Component 1 allocation) and about 2,600 households or about 15,000 family members affected by disasters (using up to US\$400,000 of the Component 1 allocation) with cash-for-work activities. These numbers are only indicative as the scope and intensity of disasters cannot be known *ex-ante* and tend to vary from year to year. The Project's annual work plans will include tentative allocations for the post-disaster activities. Any funds not used in the previous year will be channeled into the productive safety net activities. The small infrastructure subprojects will be implemented in agricultural or watershed areas and are thus expected to directly benefit households in these localities. Based on past experience, this sub-component will benefit approximately 13,000 households. The nutrition component will cover the same areas as the safety net component and will provide services to about 10,000 households with children under 5 years old.

79. **Level of transfers compared to basic food needs.** The program includes a transfer of US\$158 per year per beneficiary household, which is an average of about US\$27 per household member per year. This represents about 2.8 percent of the national poverty line and 4.3 percent of the individual basic food needs or one-quarter of the individual rice needs of a person in Comoros. However, as the Project only focuses on households with high poverty rates, the transfer amount represents 15 percent of their food consumption and almost 10 percent of their total consumption.

80. **Improvement in the living standards of beneficiaries.** The simulation results suggest that the productive cash-for-work activities will significantly raise the standard of living of the beneficiary households. With a transfer of US\$158 per household per year over three years, beneficiary households could improve their living standards of up to 30 percent by the end of the program or by about 10 percent per year.

81. **Impact of safety net activities on poverty.** The program seeks to target the poorest of poor households, those whose living standards are estimated to be at one-quarter of the national poverty line. Therefore, while the transfers will improve their standard of living, they will not lift them out of poverty. However, given the expected improvements in the living standards of the beneficiaries, the depth of poverty for these communities will diminish and extreme poverty will be reduced slightly. Due to this improvement, the poverty gap index of the targeted communities will be slightly reduced.

82. **Economic analysis of community nutrition activities.** Since the community nutrition program has not yet started, there are no exact data available for an economic analysis so this section is based on international evidence and literature on similar community-based nutrition programs. The program to be implemented is based on a similar program in Madagascar, and the multi-year impact evaluation of that program found that such nutrition interventions yield substantial economic benefits in the long term for both the beneficiaries and the wider economy. In particular, these types of interventions can result in an increase in economic growth of 2 to 3 percent. Interventions focused on the first 1,000 days of the child's life will have a positive impact on their health and life expectancy, educational achievement, and their future labor productivity. Moreover, investments in child nutrition help to break the intergenerational transmission of poverty. In the case of Madagascar, it has been shown that the cost-benefit ratio of nutrition interventions is high, ranging from 1 to 15.8. The evaluation of the Madagascar project confirmed the improvement of the nutritional status of the children and women in the target areas of the project, and these results were based on both data from the project records and on anthropometric studies. As the Project is taking a similar approach to that taken in the Madagascar nutrition program, it is reasonable to expect that it will yield similar improvements in the nutritional status of young children in the areas where the program will operate, as well as long-term benefits for the economy as a whole.

83. **Rationale for public financing of the safety net and nutrition service.** The services provided under the Project are typically not provided by the private sector and thus justify the provision of these services by public financing. Safety net services are meant to provide the poorest population with some income support in order to stabilize their living conditions. This is expected to help them over time to become productive members of the society as they are able to accumulate assets (e.g. through savings) which they can then use over time to improve their incomes, thus becoming independent of any social assistance provided. The works carried out under the Cash for Work program will provide public goods such as improved productive infrastructure for water management, prevention of soil degradation, and reforestation which provide public benefits for the communities as a whole. The Bank is supporting similar programs worldwide, and is thus in a position to provide a value added to the implementation of safety net and nutrition services based on international experience and global knowledge.

84. **Fiscal implications.** To cover all poor households in Comoros with the same benefits, the government would need to spend about 2 percent of GDP per year, which would result in a reduction in the incidence of poverty of 2 percentage points per year. The disaster-related cash-for-work activities in sub-component 1.2, are not expected to reduce household poverty because they are designed to provide quick and short-term recovery of lost assets and incomes but not full compensation for the effects of the disasters.

B. Technical

85. **The Project's design follows best practices for safety net and nutrition services** by: (i) establishing productive safety net and systems that will provide cash-for-work opportunities for selected poor families with a view to strengthening their own and their communities' productive capacity; (ii) providing emergency cash-for-work activities after disasters such as immediate clearing and removal of debris and rehabilitating damaged community infrastructure; (iii)

improving the nutrition of children under 5 years old and their mothers; and (iv) strengthening the institutional capacity for safety net management, coordination, and monitoring and evaluation.

86. **A multi-sectoral approach is likely to yield important synergies.** By addressing both the demand of potential beneficiaries (with safety nets) and strengthening the supply side of nutrition services, the Project adopts a very complementary approach. Similarly, the cash-for-work sub-projects will provide income support for the poor and at the same time build or rehabilitate resources that will increase the productive capacity of communities and households and their resilience to natural and climatic events as well as having a positive environmental impact.

87. **The Project's targeting is well-designed based on international experience in low-income countries.** By combining geographic poverty data with community selection of beneficiaries and a low daily wage rate, the safety net beneficiaries can be expected to be the poorest in their communities. The geographical targeting is based on a distribution formula for the national budget that has already been agreed between the island governments. According to this formula, Grande Comore will receive 45 percent, Anjouan will receive 42 percent, and Mohéli will receive 12 percent of the safety net funds. The introduction of a complaint mechanism and the strengthening of other social accountability mechanisms will support this effort to ensure that the safety net benefits effectively reach the poor.

88. **Components 1 and 3 of the Project will be carried out in accordance with the provisions set out in the project manuals that have been approved by the World Bank.** The FADC will not amend, abrogate, or waive or permit to be amended, abrogated, or waived the aforementioned manuals without the prior written consent of the Bank. The project manuals consist of the following:

- a. The Productive Safety Net Manual, which includes the eligibility criteria as well as detailed rules and procedures for identifying and selecting potential beneficiaries of the productive cash-for-work activities under sub-component 1.1 of the Project and procedures for participating in the activities.
- b. The Infrastructure Sub-project Manual, which outlines the terms under which small infrastructure sub-projects should be carried out under sub-component 1.1 of the Project, including appraisal, selection, implementation, and supervision mechanisms as well as environmental and social provisions. This manual also includes the terms and procedures under which sub-grants can be made available to communities to implement sub-projects.
- c. The Monitoring and Evaluation Manual, which includes monitoring, evaluation, reporting, and communication for the Project.
- d. The Financial and Administrative Manual, which includes details of the FADC's organization and human resource management, procurement, the complaint resolution mechanism, financial management procedures, inventory management, and internal audits.
- e. The Emergency Response Manual, which includes the eligibility criteria and the rules, and procedures for implementing and for identifying and selecting beneficiaries of the emergency

cash-for-work sub-projects and small community infrastructure under sub-component 1.2 of the Project. It also includes the procedures governing the collaboration between the FADC and the DGSC. .

- f. The Project Social Accountability Manual (SECAP), which includes the rules and procedures governing the social accountability aspects of the productive safety net sub-projects (sub-component 1.1) of the Project, including complaint mechanisms and the rules and procedures for following up and monitoring of cases.

89. **Best practices from the Madagascar’s community nutrition program as well as experience from Bangladesh and other countries are being used to shape the nutrition component.** By focusing on mothers and their children between 0 and 5 years old in the same communities in which the social safety net activities will take place, the sub-component will give particular attention to women and their access to services will increase.

90. **To facilitate the implementation of Component 2 of the Project, the government will, through the FADC, enter into a service agreement with UNICEF,** the form and substance of which must be satisfactory to IDA. This contract will ensure that all Project activities to be undertaken by UNICEF under the service agreement will be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices and in accordance with an implementation manual that is acceptable to IDA. The MoH&S will provide technical oversight of the preparation and implementation of activities under the service agreement, including approving the annual implementation plan for this component to be prepared by UNICEF.

91. **Under Component 3, lessons learned from similar projects are being applied to strengthen Comoros’ institutional capacity to build key elements of a safety net system,** including the establishment of a beneficiary registry. An efficient and transparent payment system to transfer cash to the safety net beneficiaries through microfinance institutions will be established based on a feasibility study. The payment system will be designed to be compatible and integrated with other operational processes such as the selection and registration of beneficiaries, the preparation of the list of beneficiaries to be paid, and the reconciliation of accounts through the management information system. The use of information technology (IT) will be strengthened as part of the continuous learning process that will take place during the Project’s implementation. This system will minimize paper-based transactions as well as fraud and error.

92. **Social accountability will be strengthened throughout the Project’s implementation.** The Project will support the introduction of a variety of social accountability mechanisms such as a community score card (*Suivi-evaluation Communautaire et Audience Publique* or SECAP), based on the experience of and instruments used in Madagascar’s community nutrition program as well as a grievance system to respond to beneficiaries’ complaints and to ensure a high level of social accountability. In addition to being a tool for ensuring social accountability and protecting the rights of the participants, the grievance system will be part of the Project’s monitoring system and will systematically track problems and their resolutions. Households benefitting from the cash transfers will receive training on how to start income-generating activities and how to access credit and to save money in order to increase their productivity and investments.

C. Financial Management

93. As part of the Project preparation phase, the Bank carried out a financial management assessment of the implementation arrangements. The objective of the financial management assessment was to determine whether the Project's financial management arrangements would: (i) enable the correct and complete recording of all transactions and balances relating to the project; (ii) facilitate the preparation of regular, accurate, reliable, and timely financial statements; (iii) safeguard the Project's entity assets; and (iv) be subject to auditing arrangements acceptable to the Bank. The FADC will be responsible for the overall financial management of the Project. The financial management necessary under Component 2 (the nutrition activities) will be carried out by UNICEF, which will enter into a contractual arrangement with the Government of Comoros, through the FADC, for the provision of specific goods and services.

94. The residual risk rating for the financial management of the Project is Moderate. The assessment established that the FADC has financial management staff who possess the relevant qualifications and have the appropriate experience with regard to the Bank's financial management procedures and requirements. Therefore, the existing financial management staffing will be maintained. Details of the financial management arrangements for this project are given in Annex 3.

D. Procurement

95. Procurement will take place in accordance with Bank practices and as set out in the updated project manuals, which will be approved by the Bank. The following guidelines will apply to this project: (i) "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 ("Anti-corruption Guidelines"); (ii) "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"); and (iii) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines").

96. As part of the Project preparation phase, the Bank carried out a procurement capacity assessment of the FADC. The objective of the assessment was to ascertain that the FADC, which is currently implementing several social projects, still has the capacity to conduct procurement activities for this proposed Project in line with Bank's procedures. The assessment concluded that the residual risk in procurement is Moderate. Weaknesses in the procurement capacity of the FADC, the MoH&S, and UNICEF and a lack of experience of World Bank processes can be offset by technical support from World Bank staff as necessary. The procurement officers will receive close supervision during the Bank's implementation support missions.

E. Social (including Safeguards)

97. **The FADC has a good track record of complying with social and environmental safeguards.** It has longstanding experience in implementing IDA operations, including the current Comoros Emergency Crises Response Project (P120631). The FADC contracted with an environmental and social specialist to ensure that all of the activities of that are in compliance

with the Bank's safeguards core requirements. This arrangement will continue under the new Project. Over time, the staff of the FADC have been trained in social and environmental safeguards, and there have been no major issues so far. Rather, they have developed considerable social and environmental knowledge, which is reflected in the social and environmental clauses included in contractors' contracts. The FADC's regional directorates have been leading the awareness raising campaign on HIV/AIDS⁴ and STIs through the involvement of district health and sanitary services. Building upon such experience, the FADC aims to provide further support for this endeavor in those beneficiary communities that are also part of the National HIV/AIDS Program. Given that the Project supports fewer infrastructure sub-projects and more cash-for-work activities (which tend to have little negative social and environmental impact), it is expected to have a positive social impact on the beneficiary communities, especially women, youths, the poor, and most vulnerable groups. Not only will the cash-for-work activities provide them with much-needed income, they will also safeguard both the natural and physical environment, thus preventing or diminishing the effects of climate change on communities through reforestation and other climate-relevant activities. More than 50 percent of Project beneficiaries are expected to be female, and this gender distribution is also reflected in the staff of the FADC. The FADC and especially the staff member who will act as the focal point on these issues, who will also be handling the monitoring and evaluation of the Project, will continue to be trained by the World Bank's safeguards specialists during the implementation of the Project.

98. **The Project has triggered OP/BP 4.12 (Involuntary Resettlement).** The Project has been categorized as "B" related to social and environmental safeguards and has triggered the Involuntary Resettlement Policy (OP/BP 4.12) because of activities to be carried out under Component 1. Therefore, the Borrower has prepared a Resettlement Policy Framework (RPF) to ensure that the Project will be in due compliance with the requirements of the Involuntary Resettlement Policy when the areas of interventions are clearly defined. The RPF outlines the policies and procedures to be followed in the event that the resettlement of households is necessary as a result of land acquired for Project activities and if compensation plans have to be prepared to mitigate any potential adverse social impact. This framework sets forth the basic principles and prerogatives to be followed when the type and physical locations of the sub-projects become known.

F. Environment (including Safeguards)

99. **The Environmental Assessment policy (OP/BP 4.01) is triggered due to the fact that the Project will finance small-scale civil works activities** under Component 1, namely the repair and/or rehabilitation of small-scale village infrastructure damaged by natural disasters. Since neither the exact physical location of future civil work activities nor their potential adverse environmental and social impact could be known prior to the appraisal of the Project, the Borrower has prepared an Environmental and Social Management Framework (ESMF) that includes an Environmental and Social Management Plan (ESMP). A consultative and participatory process will be used to select these civil works to foster ownership and social accountability. Particular attention will be given during the consultation and implementation

⁴ While HIV/AIDS prevalence in Comoros is very low at 0.02, there is increasing migration from African countries to Comoros, with the migrants using the Union islands to reach some of the French islands in the Indian Ocean. Thus, this IEC on HIV/AIDS is important to keep the prevalence rate low.

phases to women, youths, and vulnerable groups. Overall, the proposed sub-projects are expected to be small in scale and site-specific, typical of category B projects. Consequently any potential adverse environmental and social impact will be very limited. In addition, the cash-for-work activities will provide cash to targeted poor families in exchange for their participation in small-scale community work activities, which is unlikely to expose them to any significant risk of HIV/AIDS and is unlikely to damage the existing social environment. However, if adequate mitigation measures are not put in place in time to ensure that these risks are contained and/or minimized to the maximum extent possible, the ultimate impact could be serious.

100. The ESMF/ESMP outlines an environmental and social screening process for future sub-projects to ensure that they are environmentally and socially sound and sustainable. This framework sets forth the basic principles and procedures/directives to be followed by both the Borrower and the World Bank once the physical locations of the proposed activities are known. Since this Project builds on its parent project, the Emergency Crises Response Project, the ESMF will therefore also build upon the ESMF prepared for that operation. The ESMF contains an Environmental and Social Screening Form (ESSF) to be used for each proposed sub-project. It also contains simple guidelines and Social and Environmental Clauses (SEC) to be included in constructors' contracts to adequately mitigate, avoid, minimize, or reduce any environmental and social impact of the financed sub-projects. The ESMF also provides a basic description of the natural and physical environment of the Project's targeted intervention zones, and will include: (i) a clarification of the specific roles and responsibilities of government agencies and the implementation unit team, including the World Bank; (ii) an environmental and social management plan (ESMP) that includes a detailed capacity building action plan; (iii) details of how stakeholders, including women, youths, and vulnerable groups have been consulted regarding the Project's design; (iv) a grievance and redress mechanism setting out how any potential grievances will be handled throughout the project lifecycle; (v) a monitoring and evaluation mechanism; (vi) a site-specific medical waste management plan (MWMP) for health centers in case they are funded by the Project, and, (vii) an estimated budget for the adequate implementation of the social and environmental safeguards recommendations. The ESMF/ESMP was reviewed by the Project's social and environmental safeguards team and was subsequently cleared by the World Bank regional safeguards advisor for public disclosure.

101. The ESMF and the RPF have been extensively consulted upon and publicly disclosed both in Comoros on December 5, 2014 and at the Bank's Infoshop on December 12, 2014, prior to Project appraisal. During the preparation of the ESMF and the RPF, the FADC conducted extensive public consultations to take into account the opinions of the local population about the Project's design and potential impact. The FADC has extensive experience in the Bank's public consultation, participation, and disclosure policy given its over 20 years of experience in implementing IDA-funded interventions. During the implementation of the Project, the FADC will initiate the public consultation and participation process as early as possible and will provide all relevant materials in a form and language(s) that are understandable and accessible to the groups being consulted in a timely manner prior to the meetings.

Annex 1: Results Framework and Monitoring
Comoros Social Safety Net Project
Results Framework

Project Development Objectives

PDO Statement

The Project Development Objective is to increase poor communities' access to safety net and nutrition services.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number) (Number - Sub-Type: Breakdown) - (Core)	0.00	2000.00	4500.00	5000.00	5890.00	5890.00
Beneficiaries of Safety Nets programs - Female (number) (Number - Sub-Type: Breakdown) - (Core)	0.00	1000.00	2250.00	2500.00	2945.00	2945.00
Pregnant/lactating women, adolescent girls and/or children under age five-reached by basic nutrition services	0.00	2000.00	9600.00	9600.00	9600.00	9200.00

(number) (Number) - (Core)						
Children under the age of 24 months benefiting from improved infant and young child feeding (IYCF) practices (number) (Number - Sub-Type: Breakdown) - (Core)	0.00	560.00	2800.00	2800.00	2800.00	2800.00
Number of poor communities that have access to safety net and nutrition services. (Number)	0.00	20.00	60.00	60.00	60.00	60.00

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values				
		YR1	YR2	YR3	YR4	End Target
Number of rehabilitated, reconstructed and constructed infrastructure sub-projects (Number)	0.00	0.00	5.00	10.00	15.00	15.00
Number of person/days of employment created (Number)	0.00	90000.00	330000.00	570000.00	810000.00	810000.00
Number of households benefiting from post-disaster activities (Number)	0.00	0.00	500.00	1000.00	1890.00	1890.00

Number of children under five years enrolled in the growth monitoring program (Number)	0.00	2000.00	9200.00	9200.00	9200.00	9200.00
Number of Community Health Workers trained to provide IYCF services (Number)	0.00	50.00	100.00	100.00	100.00	100.00
Operational costs of FADC (Percentage)	20.00	20.00	20.00	20.00	20.00	20.00
Number of Operational Audits implemented (Number)	0.00	1.00		1.00		2.00
Percentage of beneficiary households of the Productive Safety Net activities registered in FADC's MIS (Percentage)	0.00	50.00	70.00	80.00	90.00	90.00

Indicator Description

Project Development Objective Indicators				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)	Follows the safety nets programs' classification used in SP Atlas.	Bi-annually	FADC MIS	FADC
Beneficiaries of Safety Nets programs - Female (number)	This indicator measures female participation in SSN 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 SSN projects disaggregated by gender (in absolute numbers)	Bi-annually	FADC MIS	FADC
Pregnant/lactating women, adolescent girls and/or children under age five-reached by basic nutrition services (number)	This indicator includes total beneficiaries reached by any of the following services: direct feeding programs; programs promoting appropriate infant and young child feeding; nutrition programs for adolescent girls; provision of micronutrient supplements to pregnant/lactating women and children under five; food fortification; deworming; monitoring of nutritional status; nutrition and food hygiene	Bi-annually	UNICEF	UNICEF

	education; nutrition components of early childhood development programs, home gardens and small livestock production for improved dietary diversity; targeted emergency food aid and treatment of severe acute and moderate acute malnutrition.			
Children under the age of 24 months benefiting from improved infant and young child feeding (IYCF) practices (number)	This indicator measures the cumulative number of pregnant women receiving IFA supplements through a Bank-supported point of service contact (for example, during antenatal care services) or with Bank-funded IFA commodities distributed in a Bank-funded or non-Bank funded program over a 12 month period.	Bi-annually	UNICEF	UNICEF
Number of poor communities that have access to safety net and nutrition services.	This indicator reflects the synergies between the safety net and nutrition services, and thus measures how many communities receive both.	Bi-annually	FADC MIS	FADC

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Number of rehabilitated, reconstructed and constructed infrastructure sub-projects	This indicator measures the number of rehabilitated, reconstructed and constructed infrastructure sub-projects in line with the guidelines and procedures outlined in the operational manual.	Bi-annually	Information Management System and project report	FADC
Number of person/days of employment created	This indicator measures total number of working days of the cash	Bi-annually	Information Management	FADC

	for work beneficiaries under sub-components 1.1 and 1.2. It provides a measurement on the effectiveness and efficiency of project implementation.		System and project report	
Number of households benefiting from post-disaster activities	This indicator measures the number of households that are recipients or beneficiaries from post disaster activities financed under sub-component 1.2 of the Project. It provides a measurement to assess the operational and implementation effectiveness of the project.	Bi-annually	Information Management System and project report	FADC
Number of children under five years enrolled in the growth monitoring program	The indicator measures the number of children under five years participating in the nutrition programs supported by the Bank.	Bi-annually	Component reports UNICEF	UNICEF
Number of Community Health Workers trained to provide IYCF services	The indicator measures the cumulative number of Community Health Workers receiving training through a Bank financed project.	Bi-annually	Component reports UNICEF	UNICEF
Operational costs of FADC	This indicator measures the operational efficiency of FADC.	Bi-annually	FADC Financial Management System	FADC
Number of Operational Audits implemented	This indicator assesses the operational effectiveness of the implementing agency.	Annually	Operational Audit report (cumulative)	FADC
Percentage of beneficiary households of the Productive Safety Net activities registered in FADC's MIS	The indicator measures the use and completeness of the computer-based beneficiary registry of FADC.	Bi-annually	FADC MIS	FADC

Annex 2: Detailed Project Description

Comoros: Social Safety Net Project

PROJECT DESCRIPTION

A. Project Components

1. **The Project will address three essential elements of social protection.** It will: (i) support the establishment of a productive safety net and systems that will provide cash-for-work opportunities to selected poor families with a view to strengthening their productive capacity; and it will support communities and households affected by disasters by providing them with emergency cash-for-work programs and supporting the immediate cleaning and removal of debris after disasters, and rehabilitating damaged community infrastructure; (ii) improve the nutrition of children under five years of age, and (iii) strengthen the institutional capacity for safety net management, coordination, and monitoring and evaluation.
2. **The project's design and activities will be aligned with the country's draft social protection policy as well as the government's nutrition policy and its associated community health strategy.** The country's social protection policy is currently being developed by the MoH&S in collaboration with the Ministry of Labor. The nutrition policy was developed by the MoH&S in March 2012 but has yet to be implemented. This Project is aligned with the priorities outlined in the strategic axes in the nutrition policy, specifically, on behavior change, communication, and social mobilization. In addition, the Project will establish an explicit link between social protection instruments (such as cash-for-work activities and community development and infrastructure building) and use them both in the country's disaster risk management (DRM) framework. The cash-for-work sub-projects that are chosen will be in line with local development plans with the objective of enhancing the economic and environmental resilience of communities (for example, through reforestation, the rehabilitation of mangroves, terracing, and small water catchment). This shift towards an integrated social protection and DRM system marks an important step towards better coordination of more effective service delivery, thus rectifying a significant deficiency in the country as was outlined in the CPS.
3. **The Project includes important innovations and synergies between various sectors and interventions.** An important innovation under this operation is the provision of cash-for-work opportunities to selected families over a longer period of time (three years) than is usual, while these will be accompanied by orientation, training, and practical support to communities and households to help them to increase their productive capacity over the long term. In addition, the Project intends to reduce malnutrition through simultaneous demand- and supply-side interventions. While the cash-for-work activities will provide the poorest families with cash income, the community nutrition activities will teach families the knowledge and practices necessary to reduce child malnutrition.

B. Project Components

a) **Component 1. Establishing a Productive and Disaster Responsive Safety Net (US\$4 million)**

4. The component will support the implementation of two key elements of an effective safety net. First, it will build the institutional and operational foundations for a longer-term safety net for the poorest households in selected communities by providing them with productive cash-for-work activities over a three-year period. After this period, it is expected that the households will continue to benefit from the productive activities. Second, it will make available a short-term safety net for disaster-affected households and communities that will provide them with quick recovery support to selected households and communities.

Sub-component 1.1: Establishing a Productive and Disaster Response Safety Net (US\$3.2 million)

5. **This sub-component will provide cash to targeted poor families in exchange for their participation in cash-for-work activities.** It will build on the FADC's experience in implementing cash-for-work activities. The "productive" safety net part of the sub-component will offer periodic cash-for-work opportunities to the poorest families and to labor-constrained households (approximately 10 percent of the caseload) in selected communities over a three-year period with the aim of smoothing their consumption and helping them to develop productive activities. The poorest households will be selected using a combination of geographical and community targeting. This will be enhanced by self-targeting through a daily wage rate of KMF 1,000 (approximately US\$2.7) per day for five hours of work, though this wage rate may be adjusted from time to time in accordance with the economic development of the country. This daily wage rate is expected to lead to self-targeting since it is below the lowest wage rate paid in Comoros (see Section VI A: Economic and Financial Analysis). The geographical targeting will be based on a distribution formula that has been agreed between the island governments for the national budget. According to this formula, Grande Comore will receive 45 percent of the safety net funds, while Anjouan will receive 42 percent and Mohéli 12 percent. The program will offer each beneficiary household 60 days of work per year and will operate during the lean season in accordance with the agriculture calendar.

6. **The cash-for-work sub-projects will focus on activities that have the potential to increase the productive capacity of communities and households and to have positive environmental impact** as well as increasing resilience to natural and climatic events (activities such as reforestation, water management, and terracing). Initially, a participatory, multi-year area development planning process will be modeled on the watershed management planning processes in, for example, Ethiopia's Productive Safety Net Program. Sub-projects will be selected according to their significance in contributing to the productive and environmental development of the area (through, for example, reforestation, terracing, and the creation of small water basins) and will be prioritized through technical and community-based discussions. The FADC will work with relevant local representatives of the government in this endeavor, for example, with the regional offices of the Ministry of Agriculture, local governments and other stakeholders. At most 75 percent of the costs will be accounted for by the cash benefits paid to

the participating workers while the remaining 25 percent will be accounted for by supervision costs and the purchase of equipment and materials. Local NGOs and firms will be contracted to manage and supervise the activities. In particular, they will ensure the quality of the works, monitor the attendance and effective participation of the workers, carry out the procurement of small equipment and materials, ensure compliance with work safety rules as well as environmental and social safeguards, and deliver or coordinate the training sessions for the selected households.

7. **Training and capacity building activities for beneficiaries will be included as part of the work days.** These activities will focus on families' productive capacity and means and will range from HIV/AIDs education to guidance on how to develop productive activities. These activities will be delivered by the NGOs/firms in charge of implementing the cash-for-work activities in each area. The subproject proposals will spell out the skills that will be needed to manage the cash-for-work and capacity-building training so that NGOs/firms can either join together to apply for these contracts or can sub-contract the delivery of these complementary activities. The training and capacity building will be complemented by the information, education, and communication (IEC) activities of the community nutrition program in Component 2.

8. **The sub-component will also finance small community infrastructure sub-projects to complement the cash-for-work activities with the aim of increasing the community's productive resources.** These will be more complex and capital-intensive than the cash-for-work activities and will need more skilled labor and more materials. These sub-projects are likely to involve small-scale water supply and sanitation, water retention systems, and feeder roads, which are the kinds of infrastructure needed to support the implementation of community-based development.⁵ The sub-projects will be nominated by the communities themselves and will be prioritized by FADC based on their potential impact with regard to the overall area development plan. In order to qualify for Project financing (including sub-grants for community-implemented infrastructure), sub-projects must cost less than US\$85,000 and must be implemented in accordance with the FADC's Infrastructure Sub-project Manual. The planning/design, construction, and supervision of the sub-projects will be contracted out. The FADC will provide training to community members in how to maintain the infrastructure created by the sub-projects following the recommendations of a recent technical audit contracted by FADC on these types of sub-projects.

Sub-component 1.2: Ensuring an Early Recovery Response to Natural Disasters (US\$0.8 million)

9. **This sub-component will finance activities to support communities and households in the immediate aftermath of natural disasters.** To this end, the sub-component will finance post-disaster cash-for-work activities, which will vary depending on the impact of the disaster but will mostly focus on restoring village services and productive capacity, including clearing debris, removing sand, and clearing roads. The daily wage rate will be the same as for the productive cash-for-work activities, but the number of working days will be limited to 25 per household. The selected households will be allowed to participate in the activities only once per

⁵ A modality used by the FADC, in which communities contribute 10 percent of the project value.

disaster. The activities will be implemented by the FADC in close collaboration with the General Directorate for Civil Security (*Direction Générale de la Sécurité Civile*, or DGSC), the government agency in charge of disaster risk management (DRM) in cases where a national emergency is declared. The DGSC will be in charge of identifying the disaster areas, the activities to be carried out for early recovery, and the affected population eligible to participate in project activities. It will compile a list of localities and of affected households and will contract with local NGOs to carry out the cash for-work activities. In order to ensure their close collaboration in disaster response situations, the DGSC and the FADC will sign a Memorandum of Understanding prior to Project effectiveness. The sub-component will also support communities in updating their local development plans (*Plans de Développement Local* or PDL) to reflect DRM and social protection activities.

10. **The sub-component will also finance the rehabilitation and reconstruction of small village infrastructure damaged by natural disasters and emergency cash-for-work activities for clean-up and repair.** Private construction companies will be contracted to carry out the infrastructure works. Based on the results of a recent technical audit of all of the infrastructure projects implemented under the Emergency Crisis Response Project, the FADC is conducting an ongoing review of procedures and standards to improve the technical quality of the community infrastructure sub-projects, increase their resilience to disasters, and strengthen their maintenance. The improvements proposed by the review will be reflected in a revised Infrastructure Sub-project Manual for the basic infrastructure sub-projects, which will be submitted for the Bank's "no objection" prior to effectiveness.

11. **Details of the disaster response mechanisms are outlined in the Emergency Response Manual that has been prepared by the FADC.** It outlines the roles and responsibilities of the FADC and partner organizations (such as the DGSC) in disaster response as well as the type of activities to be financed under the Project.

b) Component 2: Improving the Nutrition of Young Children and Mothers from Poor Communities (US\$1 million)

12. **Complementary to the safety net activities, this component will provide preventive nutrition services in the same poor communities to help households** to break the inter-generational transmission of poverty. The amount of the investment for the nutrition intervention will be limited compared to amount budgeted for the safety net intervention because its primary aim will be to raise awareness of and support growth monitoring activities rather than ensuring that poor families can access preventive services of infant and young child feeding practices (IYCF) and to women's nutrition and reproductive health counseling. It will focus on creating demand for and delivering a minimum package of nutrition-specific interventions for children under 5 years of age, with particular focus on the "first thousand days" window of opportunity (from pregnancy to 2 years of age). It will also promote better nutrition and productive health for mothers. The design is partially modeled on the successful and cost-effective National Community Nutrition program in Madagascar and Bangladesh's Rural Advancement Committee (BRAC) approach, at the heart of which lies nutrition counseling to change behavior. In line with the government's report on Essential Family Practices of Comoros, three types of behavior will

be promoted: (i) exclusive breast feeding; (ii) food diversification (in both quantity and quality); and (iii) hand washing before meals.

13. **The centerpiece of the community nutrition program will be the delivery and use of a minimum package of preventive nutritional and reproductive health services focused on young children and women** (see Table 2.1 in this Annex). This will include the following activities: (i) building the capacity of health providers and community health workers (CHW) to promote IYCF, women's nutrition services, and reproductive health counseling; (ii) delivering growth monitoring sessions including the procurement of the needed equipment and materials to screen for acute malnutrition (such as scales and boards for measuring children's height); (iii) creating the necessary management tools (such as a registry of beneficiaries, data collection cards, health cards, and illustrative nutrition guides for households among others); (iv) providing culinary demonstration sessions to spread nutrition awareness and education; (v) setting up a system of referrals to health facilities for severely malnourished children and pregnant/lactating women with health problems; and (vi) supervising community health workers (CHWs) in line with the framework of the Health Community Strategy. In addition, the Project will provide information and counseling to young women aged 15 to 24 and to mothers (aged 15 to 49) in matters of reproductive health in accordance with the lifecycle approach framework developed by UNICEF.

14. **This component will aim to strengthen the institutional and technical capacity of the MoH&S at all levels to deliver these services at the community level.** UNICEF will help the government to implement this component given its uniquely strong capacity in the sector. UNICEF will provide the necessary technical assistance to strengthen the institutional and technical capacity of the MoH&S at all levels to deliver community nutrition services. This will include: (i) organizing periodical coordination and planning meetings at all levels (national, regional, and community); (ii) advocating for these activities with national and local authorities; (iii) mapping stakeholders in the field of nutrition; (iv) carrying out monitoring and evaluation activities to monitor progress and assess impact; and (v) bearing the operational costs of managing the nutrition component.

15. **The target groups.** The safety net and the nutrition components will be implemented in the same poor communities. While the safety net activities will only include about 30 percent of the communities' population, the nutrition activities are expected to cover 90 percent of children under the age of 5 and their mothers in the intervention areas. The list of locations and their populations are given in Annex 5. The number of households targeted by Component 2 is estimated to be over 9,000 spread over approximately 60 villages on all three islands. This component is expected to cover an estimated 2,800 children under the age of 2 and about 6,400 children between the ages of 2 and 5 in the same communities covered by the safety net component. It will target children aged 0 to 5 years old in the intervention areas and their mothers, with a particular focus on the "first thousand days" window of opportunity (from pregnancy to 2 years of age). The United Nations Children's Fund (UNICEF) will support the MoH&S in implementing this component in the health districts of the targeted areas.

16. **Implementation strategies.** Emphasis will be placed on the promotion and the adoption of three main types of behavior related to IYCF at the community level: (i) exclusive

breastfeeding; (ii) the diversification of food for children aged 6 to 23 months (IYCF); and (iii) hand washing before eating and at critical moments. These interventions have had a proven impact on the health of infants and young children and are recommended by the World Health Organization (WHO) and UNICEF.

17. **Involvement and commitment of community leaders and decision-makers.** The goal is to get community leaders and decision-makers committed to and involved in Project interventions and ensure their sense of ownership. Leaders and decision-makers in the project intervention areas, including religious leaders, community health workers, local administrators, and women's organizations, will be involved in the implementation and monitoring and evaluation of the Project.

18. **Strengthening of the network of community health workers (CHWs) and other community-based organizations.** In 2014, the network of CHWs had 500 agents throughout all 17 districts according to the Regional Directorates of Health (DRS). In the intervention areas, the project will support existing efforts to implement the community health policy. In addition, the project will build upon existing initiatives such as the introduction of performance-based financing, the screening and the management of acute malnutrition at the community level, and the integrated management of childhood illness to strengthen its IYCF-related actions. The component at this level will focus on training, supervising, and monitoring CHWs. The DRS in collaboration with their partners will identify and implement incentives to attract, retain, and encourage the performance of CHW in accordance with the national policy on the matter. This is essential for ensuring the durability and sustainability of the IYCF activities at the community level.

19. **Education and communication in health services.** The visits of mothers and children to health facilities will be used as an opportunity to conduct education and communication sessions to promote IYCF-related practices. The Project will support the development of counseling curricula and the delivery of quality nutrition services to mothers and children.

20. **The following activities will be included in the nutrition component.**

(i) Delivery of a community package of IYCF practices, women's nutrition services, and reproductive health counseling. To ensure the provision of a package of preventive and promotional services in the project intervention areas as outlined in Table 2.1, UNICEF will need to:

- Provide CHWs with material and equipment to monitor children's growth and screen for acute malnutrition (such as baby scales and measuring rods)
- Develop effective management tools (such as a beneficiary registry, a data collection card, a health card, and an illustrated food guide for households) as well as communication tools aimed at changing unhealthy kinds of behavior
- Provide equipment for the organization of cooking demonstrations (such as pots, mats, and spoons)
- Provide CHWs with nutritional inputs designed for prevention of malnutrition of young children

- Select and set up the teams of CHWs according to criteria established at the national level
- Train CHWs on how to give cooking demonstrations and active feeding practices
- Train healthcare personnel and CHWs on how to conduct growth monitoring and reproductive health counseling
- Ensure that communities make facilities available where IYCF activities (cooking demonstrations, growth monitoring, and nutrition education) can be carried out
- Provide the Intensive Nutritional Recovery Centers (*Centres de Récupération Nutritionnelle Intensive* or CRENI) in the intervention areas with audio-visual equipment to facilitate cooking demonstrations.

Table 2. 1: Minimum Package of Community IYCF Interventions to Monitor Nutritional Status of Women and Children

Support for Children 0-2 Years of Age (First Thousand Days)	Support for Children 2-5 Years of Age	Support for Women 15-49 Years of Age
Exclusive breastfeeding from 0 to 6 months old		Nutrition during exclusive breastfeeding
Home visits for children 6months to 2 years	Home visits for malnourished children	
Monthly weighing of every child followed by counseling for the mother	Quarterly monitoring of the nutritional status of children aged 2 to 5 years old at community nutrition sites by measuring mid-upper arm circumference (MUAC)	Quarterly monitoring of the nutritional status at community nutrition sites through weighing and MUAC
Measuring the height of each child (bimonthly)		Reproductive Health counseling (Family Planning)
Referring sick and/or severely malnourished children to health centers for treatment		Referring pregnant and lactating women with problems to health centers for treatment
Providing guidance on appropriate complementary feeding with an emphasis on the use of suitable locally available foods that can be prepared and fed safely, including cooking demonstrations and menu tasting sessions for mothers during the provision of services to all the children by the CHW		Providing guidance on appropriate nutrition with an emphasis on the use of suitable locally available foods that can be prepared and fed safely, including cooking demonstrations and menu tasting sessions during the provision of services to all the pregnant/lactating women by the CHW

(ii) Promotion of the use of the community IYCF practices and women's nutrition services by mothers. In order to promote the use of optimal IYCF practices by mothers in the project intervention areas, UNICEF will need to:

- Conduct information and advocacy sessions on the nutrition program's objectives in the intervention areas
- Develop and implement a media communication plan to promote IYCF-related practices

- Disseminate educational messages through community networks (for example, through radio stations and other relevant channels of communication)
- Develop training modules for healthcare personnel and CHWs on IYCF-related practices
- Develop an illustrated food guide for households
- Train healthcare personnel and CHWs on communication techniques and on disseminating promotional materials about IYCF-related practices to their patients
- Participate in the celebration of Breastfeeding Week and other nutrition-related international holidays.

(iii) Institutional capacity building and project management. In order to build the institutional and technical capacity of the MoH&S to coordinate all of the stakeholders involved in community nutrition, UNICEF will need to:

- Organize the launch of the nutrition program at the national level and on each island
- Organize bi-annual coordination meetings at the national level with all stakeholders to assess progress, discuss bottlenecks in implementation, and agree on a way forward
- At the start of the Project, map the stakeholders involved in the domain of nutrition
- Develop, validate, and disseminate a national strategy for IYCF
- Conduct annual reviews and planning at the island and national levels
- Organize regular monitoring and supervision visits in the Project communities
- Conduct a baseline analysis and an evaluation at the end of the Project
- Contribute to the regular organization of working meetings of the national committee of the Scaling up Nutrition (SUN) movement
- Conduct regular field visits
- Participate in international meetings on IYCF and other relevant nutrition meetings.

c) Component 3: Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation

21. This component will strengthen institutional capacity within the FADC to build the key elements of a safety net system and to coordinate with other entities (such as the MoH&S, the Ministry of Agriculture, and UNICEF). It will also finance the operational costs associated with Project administration, monitoring and evaluation (M&E), the building of the capacity of the FADC and its implementing partners (such as NGOs and local firms), financial and technical audits, and the evaluation of the project.

22. **Management Information System (MIS).** The component will support the establishment of an MIS including a beneficiary registry at the FADC based on geographical and community targeting. Currently only the financial management system at the FADC is computerized. The Project will support the establishment of an integrated MIS that will combine both operational and financial information and thus support Project management.

23. **Payment systems.** The component will also help to establish more efficient payment systems to transfer cash to the safety net beneficiaries, through microfinance institutions where possible. This will involve contracting a payment agency (or agencies) and developing a payment system that will minimize paper-based transactions as well as fraud and error. Using

competitive bidding, the FADC will identify suitable payment service providers, most of which are likely to be microfinance institutions. Which service providers are chosen may differ from island to island depending on the extent of their presence and their capacity.

24. **Enhanced coordination with other government agencies.** Coordination between several government and non-government agencies will be strengthened by the design of the Project. In the case of the productive safety net activities, the FADC will work with the MoH&S, UNICEF, and the Ministry of Agriculture in the planning and implementation of activities. To effectively and quickly respond to disasters, the FADC will follow the lead and guidance of the DGSC. These institutions have signed a Memorandum of Understanding with each other to establish clear roles and responsibilities in this area.

25. **Existing monitoring arrangements will be strengthened** through additional social accountability mechanisms (such as a complaints registry, operational audits, and possibly community scorecards) that will enable communities and other stakeholders to report on the Project's performance, particularly on the planning and implementation of the productive safety net and nutrition activities but also on management issues (such as procurement).

26. **An *ex-ante/ex-post* evaluation of the productive safety net activities will be partially financed by the Project.** An *ex-ante* evaluation will be financed by a Bank managed trust fund (the Rapid Social Response Trust Fund) to establish a benchmark for the subsequent *ex-post* evaluation of the impact of the Project's productive safety net activities. Key questions for the *ex-post* evaluation will include, *inter alia*, any changes in households' consumption habits, in their use of health, nutrition, and education services, and in household production patterns.

27. **This component will finance the following operational costs:** (i) Project management costs including the consultant fees of FADC staff, travel expenditures, and other travel-related allowances; (ii) operating costs such as vehicle operation, maintenance, and repairs, office rental and maintenance, equipment rental and maintenance, materials and supplies, and utilities including internet connectivity; (iii) the costs of technical and advisory services such as operational audits; (iv) the costs of financial audits; (v) communication and media costs; and (vi) the costs of computers and other hardware.

Annex 3: Implementation Arrangements Comoros: Social Safety Net Project

PROJECT INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

1. **Overall responsibility for the implementation of the Project will lie with the MoF supported by the MoH&S** as the technical ministry in charge of social protection and nutrition. The two ministries will collaborate to this effect.

2. **The Project will be implemented by the FADC because of its long-term experience** and its satisfactory implementation record as evidenced by previous project implementation ratings and technical and financial audits. The FADC was created by a Presidential Ordinance in January 1993 as a public service entity (*organisme d'intérêt public*), which means that it has both administrative and financial autonomy. The FADC's mandate is to provide financial, technical, and material support to communities. To date, the FADC has successfully implemented several IDA-financed projects and grants, including the ongoing Emergency Crises Response Project (P120631), which is almost fully disbursed and is in its final phase of implementation. The FADC is governed by a Central Coordination Committee (CCC), which functions as a Board of Directors and oversees the implementation of projects in accordance with its statute.

3. **Organization set-up of the FADC.** The FADC's headquarters (*Secrétariat national* or SEN) is located in the capital of Comoros, Moroni, and headed by a national Executive Director. All three islands have an office (*Secrétariat Régional* or SER) headed by a regional Executive Director. The proposed Project represents a significant shift for the FADC from implementing mostly basic infrastructure-related projects to more productive and labor-intensive activities. This will require the recruitment of new staff with qualifications relevant to the type of interventions to be implemented under the Project, including more technical staff (such as agronomists) and fewer administrative staff than before. In past projects, the responsibility for procurement was largely decentralized to each regional office, but the volume of procurement in the proposed Project is expected to be lower. Therefore, all procurement can be aggregated and handled at the FADC headquarters, which should yield significant savings in personnel and operating costs.

4. **Specific arrangements for sub-component 1.1.** Setting up the cash-for-work activities will involve a participatory planning process before the implementation phase of the Project. The households to be targeted will be selected by village committees (*comités de pilotages*), which the FADC have set up in many rural communities in the last few years with a legal status and mandate. The FADC will monitor this targeting process. The SER on each island will conduct the planning for the cash-for-work activities with support from qualified local consultants or specialized NGOs and in accordance with the FADC's Guidelines on Community-based Watershed Development. The SERs will then recruit NGOs to implement the activities in each community during each year of the Project. These NGOs will have to demonstrate that they have the specialized skills that are needed to implement the range of activities included in the local plans. Their role will be to manage the teams of workers and ensure their presence and

participation as well as to supervise the quality of the assets created. The beneficiaries will be paid by specialized payment agencies (such as microfinance institutions).

5. Some small infrastructure will be built, rehabilitated, or reconstructed under this sub-component. They will be selected as part of the same planning process used to prepare the three-year plans for the cash-for-work activities. Once identified, the infrastructure sub-projects will be designed, implemented, and supervised using the same guidelines as in the ongoing Emergency Crises Response Project. As before, private firms will be contracted to carry out the work.

6. **Specific arrangements for sub-component 1.2.** The DGSC will carry out the targeting of communities and households affected by natural disasters for this sub-component. The DGSC and the FADC will sign a Memorandum of Understanding that will detail the roles and responsibilities of each institution. The cash-for-work sub-projects will be implemented by NGOs. Since the objective is to intervene as soon as possible after a disaster (once the first humanitarian emergency phase is over), the FADC will give priority to those NGOs with which it already has agreements so that all that will be needed is a simple extension of their contract. Beneficiaries will be paid either by a payment agency available in the area or directly by the contracted NGO.

7. **Component 2 will be implemented by the Family Health Directorate (*Direction de la Santé Familiale* or DSF) of the MoH&S with technical assistance from UNICEF.** With the collaboration of the Regional Directorates of Health (DRS) and with technical support from the national level, the Chief Medical Officer of each district will provide the technical training and guidance for the community nutrition activities. The nutrition team of the DSF will manage the skills training for CHWs at all levels of the health system by training trainers who will then conduct the training sessions with the CHWs. The CHWs will be responsible for organizing and delivering the awareness sessions and for carrying out home visits. The pay of the CHWs will be performance-based in accordance with the performance indicators established for Component 2 (detailed in the nutrition implementation manual), which will be stipulated in the contractual arrangements.

8. **UNICEF will be contracted to help the government to implement the nutrition component.** To this end, UNICEF will establish a technical assistance unit headed by the Chief of its Child Survival and Development Section. UNICEF has the operational, technical, and administrative capacity needed to implement the activities under the nutrition component. The unit will be responsible for: (i) providing the technical assistance, goods, and services for the component; (ii) coordinating the nutrition activities with the safety net activities; and (iii) producing quarterly progress reports. The unit will be supported by UNICEF's existing fiduciary team (consisting of a financial management specialist, a procurement specialist, an accountant, and an internal auditor).

B. Financial Management, Disbursements and Procurement

Financial Management (FM) and Disbursement

9. The Bank's financial management team conducted a financial management assessment of the FADC, which will be the project implementation unit (PIU). The objective of the financial management assessment was to determine whether the financial management arrangements would: (i) enable the correct and complete recording of all transactions and balances relating to the project; (ii) facilitate the preparation of regular, accurate, reliable, and timely financial statements; (iii) safeguard the project's entity assets; and (iv) be subject to auditing arrangements acceptable to the Bank. The assessment concluded that the financial management arrangements for the Project complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010 and with the Africa Region's Financial Management Assessment and Risk Rating Principles.

Financial Management Arrangements for the Project

10. The FADC will be responsible for the financial management of Components 1 and 3, relating to budgeting, accounting, internal controls, funds flow, financial reporting, and auditing.

- ***Budgeting and planning:*** The FADC will prepare an annual budget for the Project and will be responsible for producing variance analysis reports comparing planned to actual expenditures every month and every quarter. The Project Steering Committee will be responsible for budget approval and for monitoring budget execution. The periodic variance analyses will make it possible to see any deviations from the budget in time to make any necessary changes. These reports will be part of the unaudited interim financial reports (IFRs) that will be submitted to the Bank on a quarterly basis.
- ***Accounting software:*** The FADC will use its existing accounting software for processing transactions and in preparing the quarterly interim financial reports and the annual financial statements.
- ***Internal controls/FM procedures manual:*** The FADC has updated its existing Project Financial and Administrative Manual in order to meet the requirements of this Project. It will periodically review the manual over the life of the Project to ensure that it continues to be adequate and in compliance with the requirements set out therein.
- ***Internal audit:*** The FADC has an internal audit department that will prepare quarterly reports for submission to the Project Steering Committee. This department will perform an objective assurance function, and department staff will not be involved in carrying out any operational tasks in order to ensure their independence in executing their work.
- ***Financial reporting:*** The FADC will prepare quarterly un-audited IFRs for the Project in a form satisfactory to the Bank. These IFRs will be submitted to the Bank within 45 days after the end of the quarter to which they relate. The Project team has agreed the format

of the IFRs with the Bank during the negotiations. The annual financial statements will be prepared by FADC using acceptable accounting standards.

- **External audit:** The Project's accounts will be audited annually, and the FADC will submit the audit report to the World Bank no later than six months after the end of each year. The terms of reference for the Project's external auditor will be prepared by the FADC and submitted for approval to the Bank. At the time of project appraisal, there was no overdue audit report for the sector. The Project team will comply with the Bank disclosure policy by making all final financial audit reports (including qualified audit reports) publicly available promptly after receiving them from the auditor and by putting the information up on the official website within one month of the report being accepted as final by the Bank.
- **Staffing:** In order to ensure adequate capacity to manage the Project, the FADC will retain its existing financial management team, which possesses the relevant qualifications and the requisite experience with regard to the Bank's financial management requirements.

Disbursement Arrangements and Flow of Funds

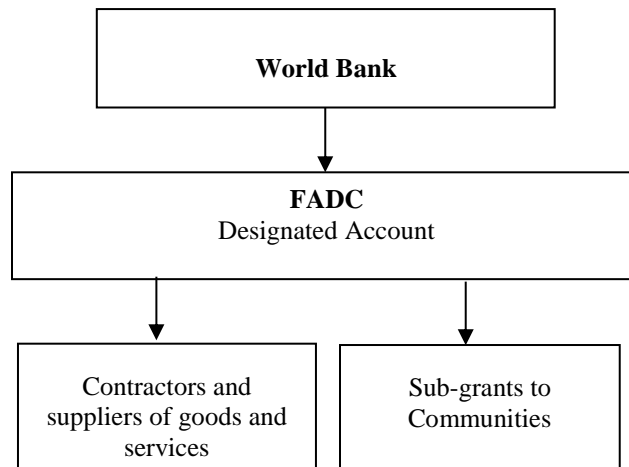
- **Flows of funds - designated account.** The FADC will open a designated account (DA) denominated in Comorian Francs (KMF) for making payments related to eligible project expenditures. IDA will make additional advances to the DA on a quarterly basis against withdrawal applications from the Borrower supported by the IFR or other documents as specified in the disbursement letter (DL).
- **Disbursement arrangements.** Upon the effectiveness of the Project, report-based disbursements will be used whereby IDA will disburse an initial advance up to the ceiling of the DA and representing six months (2 quarters) of forecasted Project expenditures into the DA, and subsequent disbursements will be made on a quarterly basis against the submission of the IFR. In addition to the advance method, the option of disbursing the funds through direct payments to a third party for eligible expenditures will also be available. The financing proceeds can also be withdrawn using the special commitment method whereby IDA may pay amounts to a third party for eligible expenditures to be paid by the Recipient under an irrevocable Letter of Credit. IDA will finance 100 percent of eligible expenditures (inclusive of taxes). The proceeds of the grant have been allocated as is shown in Table 3.1.

Table 3. 1: Grant Allocation

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Goods, works, training, non-consulting services, consultants' services, and operating costs for the Project	700,000	100 %
(2) Consultancy services under Part 2 of the Project	700,000	100%
(3) Sub-projects under Component 1 of the Project	2,800,000	100% of amounts disbursed
TOTAL AMOUNT	4,200,000	

- **Disbursement of funds to service providers, contractors, and suppliers.** The FADC will make disbursements to service providers, contractors, and suppliers of goods and services for specified activities under the Project. Payments will be made on the basis of the terms and conditions of each contract. The payments to UNICEF will be made in compliance with the Service Agreement provisions and the Bank's disbursement guidelines.

Figure 3.1: Funds Flow Diagram



- **FM risk assessment and mitigation.** The Bank's principal concern is to ensure that Project funds are used economically and efficiently for the intended purpose. Assessing the risks that the Project funds will not be appropriately used was a critical part of the appraisal process. The risk comprises two elements: (i) the risk associated with the Project as a whole (inherent risk) and (ii) the risk associated with a weak control environment within which the Project is implemented (control risk). The content of these risks is described in Table 3.2. The overall FM risk rating, taking into account the mitigation measures, is deemed to be Moderate.

Table 3. 2: Risk Measurement

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Inherent risk	S			M
Country level: Comoros is characterized by a fragile political environment and weak governance capacity. There are critical challenges in public financial management relating to inadequate information systems, weaknesses in external audit, and a lack of legislative oversight.	H	The government is currently implementing its financial management strategy with a focus on improving the regulatory framework, strengthening institutional capacity, rationalizing budget preparation, and reinforcing the external audit function. The implementation of the project by a standalone PIU will mitigate the impact of existing weaknesses.	N	S
Entity level: The implementing entity may not be able to meet the financial management requirements due to lack of financial management capacity.	S	The FADC has a financial management team with the requisite qualifications and experience in project financial management.	N	M
Project level: The resources of the Project may not be used for the intended purposes.	M	The FADC will comply with the internal control processes as set out in the Project's Financial and Administrative Manual. The internal auditor will also continuously review the adequacy of internal controls as well as compliance with procedures and make recommendations.	N	M
Control Risk	M			M
Budgeting: Weak budgetary execution and control may lead to budgetary overruns or inappropriate use of project funds.	M	The Project's Financial and Administrative Manual will spell out the budgeting and budgetary control arrangements. The Project Director will be responsible for ensuring strict budgetary control, and the Finance Manager will prepare monthly budget variance reports.	N	L
Accounting: The accounting function might not be able to execute its duties and to generate financial information in a timely manner.	S	The FADC will retain its qualified and experienced FM personnel to ensure appropriate performance of the accounting and financial management functions. The financial reporting processes will also be facilitated by use of the existing information systems.	N	M

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Internal Control: Risks include inadequate approval and authorization controls, inaccurate recording of transactions, and inadequate reconciliation procedures.	M	The Project's Financial and Administrative Manual will set out the internal control arrangements. The Director and the Finance Manager will be responsible for ensuring compliance with the guidelines in the manual.	N	L
Funds Flow: There is a risk that funds will be misused and/or used inefficiently.	S	A rigorous review of all transactions prior to final payment will be performed by the Director and the Financial Manager. The segregation of incompatible tasks will also mitigate the risk of the use of funds for unintended purposes.	N	M
Financial Reporting: The Project may not be able to produce the financial reports required in a timely manner as required for project monitoring and management.	S	The FM team is appropriately experienced in financial reporting. The FADC will also use the existing computerized accounting system to facilitate the efficient and timely generation of financial information.	N	M
Auditing: Risks include delays in the submission of audit reports or delays in implementing the recommendations of the management letter.	M	The Project will recruit an independent external audit firm to carry out the audits. This process will be finalized within six months of Project effectiveness.	N	L
Governance and Accountability: Given institutional weaknesses, there is the likelihood of abuse of administrative and political positions, mis-procurement, and misuse of funds.	S	The Project's FM arrangements (including a comprehensive annual audit of project accounts and FM supervision by the Bank including review of transactions and asset verification) are designed to mitigate the fiduciary risks in addition to the PIU's overall internal control systems.		M
OVERALL FM RISK	S			M

- **Governance and anti-corruption considerations.** Comoros has considerable institutional weaknesses, including limited capacity in procurement and financial management capacity, weak oversight institutions, and inadequate accountability mechanisms. The effective implementation of the fiduciary mitigation measures will be an essential factor in strengthening the control environment. In addition, the oversight of the project's Steering Committee, transparency in Project implementation, and the dissemination of

information to stakeholders will help to address any potential governance and corruption issues during Project implementation.

- **Implementation Support and Supervision Plan.** Based on the outcome of the financial management risk assessment, the following implementation support plan is proposed as shown in Table 3.3.

Table 3. 3: Financial Management Implementation Support Plan

FM Activity	Frequency
Desk reviews	
Interim financial reports review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as internal audit reports.	Continuous as they become available
On-site visits	
Review of overall operation of the FM system	Annual 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
Capacity building support	
FM training sessions	Before Project starts and thereafter as needed

List of conditionalities and covenants

- FM effectiveness conditions:
 - None
- Financial covenants / Dated covenants:
 - None
- Other FM standard covenants:
 - IFRs will be prepared on a quarterly basis and submitted to the Bank 45 days after the end of each quarter.
 - A detailed work program and budget will be prepared each year by the end of December.
 - The overall FM system will remain operational during the Project's entire life in accordance with sound accounting practices.

Procurement

11. The Union of Comoros is in the process of implementing major procurement reforms. A new Procurement Code was adopted by the Parliament in December 2011 and became effective on May 31, 2012. The main pillars of the code are transparency, efficiency and economy; accountability; equal opportunity for all bidders; prevention of fraud and corruption; and promotion of local capacity. The Procurement Code is supplemented by regulations, procedures manuals, and standard bidding and other procurement documents. The Procurement Code defines methods of procurement and review procedures. The Code also created the Public Procurement Oversight Authority (*Autorité de Régulation des Marchés Publics* or ARMP) and the National Tender Board Directorate (*Direction Nationale de Contrôle des Marchés Publics* or DNCMP) for procurement reviews at the Vice-MoF level. Finally, the Code provides for the creation of procurement units (*Cellules de Gestion de Marchés Publics* or CGMP) under the leadership of a Director of Public Procurement (*Personne Responsable des Marchés Publics* or PRMP) and a Bidding Commission (*Commission d'Appel d'Offres* or CAO) within each department and/or within the decentralized departments of national public institutions to which the law is applicable.

12. The Procurement Code is generally consistent with good public and international practices and includes provisions for: (i) effective and wide advertising of upcoming procurement opportunities; (ii) public bid opening; (iii) pre-disclosure of all relevant information, including transparent and clear bid evaluation and contract award procedures; (iv) clear definitions of accountability for decision-making; and (v) an enforceable right of review for bidders when public entities breach the rules. In general, the new procurement code and regulations do not conflict with IDA guidelines, but their application is still under observation and the Bank team agreed with the Government of Comoros that they will be assessed over the next fiscal year.

13. The Government has proposed to delegate project management including procurement responsibilities to the FADC which has many years of experience in implementing projects financed by the Bank. The existing procurement manual of the FADC was approved by the Bank. The FADC set up the procurement plan for the first eighteen (18) months of project implementation which the Bank has approved as well.

C. Guidelines

14. **The procurement for the proposed project will be carried out in accordance with:** (i) the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Grants" dated January 2011; (ii) "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011; and (iii) the provisions of the Financial Agreement.

15. **Anti-corruption guidelines.** 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 will apply to this Project.

16. **Procurement documents.** Procurement transactions will be carried out using the Bank's Standard Bidding Documents or Standard Request for Proposal (SRP) respectively for all international competitive bidding (ICB) and national competitive bidding (NCB) for the

procurement of goods and the selection of consultants. For NCB, the Borrower should submit a sample bidding document to the Bank for prior review and then use this type of document throughout the Project after securing the Bank's approval. The Sample Form of Evaluation Reports published by the Bank will be used.

D. Advertising Procedures

17. General procurement notices (GPN), specific procurement notices (SPN), requests for expression of interest (EOI), and the results of the evaluation and contracts award should be published in accordance with the advertising provisions set out in "Guidelines: Procurement under IBRD Loans and IDA Grants" dated January 2011 and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011. The Borrower will keep a list of responses received from potential bidders interested in the contracts.

18. For ICB and requests for proposals that involve international consultants, the contract awards must be published in United Nations Development Programme (UNDP) online and in dg Market within two weeks of receiving IDA's "no objection" to the recommendation of contract award. For goods, the information to be published should specify: (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) the name and evaluated prices of each bid that was evaluated; (iv) the name of bidders whose bids were rejected and the reasons for their rejection; and (v) the name of the winning bidder and the price that was offered as well as the duration and summary scope of the contract awarded. For consultants, the following information must be published: (i) the names of all consultants who submitted proposals; (ii) the technical points assigned to each consultant; (iii) the evaluated prices of each consultant; (iv) the final point ranking of the consultants; and (v) the name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts should be published in national gazette periodically (at least, quarterly) and in the format of a summarized table that covers the previous period and provides the following information: (i) the name of the consultant to whom the contract was awarded; (ii) the price; (iii) the duration; and (iv) the scope of the contract.

Procurement Methods

19. **Procurement of Works.** The works to be financed by IDA will include those related to the repair and rehabilitation of small village infrastructure. Given the nature of these works, NCB (national competitive bidding) and prudent shopping should be used.

20. **Procurement of Goods.** The goods to be financed by IDA will include office equipment and office supplies. Similar goods that could be provided by the same vendor should be grouped together in bid packages estimated to cost at least US\$500,000 per contract and should be procured using ICB. Contracts estimated to cost less than US\$500,000 equivalent may be procured using NCB. Goods estimated to cost less than US\$50,000 equivalent per contract may be procured using shopping procedures. For shopping, contracts will be awarded following an evaluation of bids received in writing after several vendors of the goods in question have been invited to bid. The contract will be awarded to the supplier with the lowest price after comparing a minimum of three quotations open at the same time, provided that he or she has the experience and resources to execute the contract successfully. For shopping, the project procurement officer

will keep a register of suppliers updated at least every six months. Specific goods such as salter scales for measuring MUAC should be procured through UNICEF. 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 will apply to this Project.

21. **Selection of Consultants.** Consultancy services required for the project will cover technical and financial audits, the hiring of NGOs, the contracting of UN agencies on a single source basis, and training. All consulting contracts costing more than US\$200,000 equivalent for firms will be awarded using the Quality and Cost Based Selection (QCBS) method, except for UN agencies, which may be contracted on a single sources basis. Contract for specialized assignments to cost less than US\$100,000 equivalent may be contracted using the Consultant’s Qualifications (CQ) method. Contracts for standard accounting audits and for missions of a routine nature may be awarded using the Least Cost Selection (LCS) method. Single Source Selection (SSS) may be used with the prior approval of the Bank in accordance with paragraphs 3.9 to 3.12 of Consultant Guidelines. Individual consultants will be procured under individual contracts in accordance with the provisions of paragraphs 5.1 to 5.4 of the Consultant Guidelines. Shortlists of consultants for services estimated to cost less than US\$50,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

22. Shortlists of consultants for services estimated to cost less than US\$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines if a sufficient number of qualified individuals or firms are available. However, if foreign firms express an interest, they should not be excluded from consideration.

23. **Procurement of consulting services other than consulting services covered by Consultant Guidelines.** LCS or shopping will be used.

24. **Training, Workshops, and Conferences.** Training (including training materials and support), workshops, and conference attendance will be conducted in accordance with a detailed annual training and workshop/conference plan to be reviewed and approved by IDA. This plan will set out the nature and timing of the training/workshops, the number of trainees/participants, the duration of the training/workshops, the number of staff months involved, and the estimated costs. The appropriate methods for selecting trainees will be indicated in the detailed plan. After the training, the beneficiaries will be requested to submit a brief report indicating which skills they have acquired and how these skills will enhance their economic prospects and contribute to the attainment of the Project objective.

25. **Operational Costs.** The operating costs financed by the Project are incremental expenses, including office supplies, vehicle operation and maintenance, the maintenance of equipment, communication costs, supervision costs (covering supervisors’ transport, accommodation, and *per diem*), and the salaries of locally contracted staff. They will be procured using the procurement procedures specified in the Project Financial and Accounting Manual.

Assessment of the Agency's Capacity to Implement Procurement

26. A procurement capacity assessment for the FADC has been carried out by the Bank during Project preparation. The assessment reviewed the organizational structure for implementing the Project, procurement procedures, staffing, and the interaction between the PIU and the other institutions involved in the implementation of the Project. The PIU is staffed by a Project Coordinator, an accountant, and a procurement officer, and support staff. The FADC (headed by an Executive Director) is in charge of the ongoing Bank-financed project, the Emergency Crises Response Project.

27. The key issues and risks concerning procurement for implementation of the project have been identified. The measures proposed to strengthen the procurement team during the implementation of the Project are: (i) to update the project implementation manual to reflect the specificities of the Project; (ii) to arrange specific procurement training related to the Project activities for the procurement officer; and (iii) to provide a half-day session to update the FADC staff's knowledge of the Bank's procedures for selecting individual consultants.

Other Mitigation Measures

28. Apart from identifying the minimum staffing and equipment needed for a procurement unit satisfactory to IDA, no other mitigation measures can be identified at this time. However, given that the Bank's procurement specialist is based in Madagascar, he or she will provide close supervision and support and will propose any additional mitigation measures if and when they are needed.

29. **Frequency of procurement reviews and supervision.** Bank's prior and post reviews will be carried out on the basis of thresholds indicated in Annex Table 3.4. The Bank will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR) with the ratio of one post review for every five contracts.

E. Overall Procurement Risk Assessment Rating: MODERATE

Procurement and selection review thresholds

Table 3. 4: Procurement Assessment

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contract Subject to Prior Review
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	US\$		
1. Works	≥5,000,000	ICB	All
	<5,000,000	NCB	First 2 contracts
	<50,000	Shopping	The first two contracts
	No threshold	Direct contracting	All
2. Goods	≥500,000	ICB	All
	<500,000	NCB	The first two contracts
	<50,000	Shopping	The first two contracts
	No threshold	Direct contracting	All
3. Consulting Firms	≥200,000	QCBS; LCS; FBS	All contracts
	<200,000	QCBS; LCS; CQS	The first two contracts
Individuals	≥100,000	Comparison of 3 CVs	All contracts
	<100,000	Comparison of 3 CVs	The first two contracts
Firms & Individuals	No threshold	Single Source	All
All terms of reference regardless of the value of the contract are subject to prior review			

30. All training, terms of reference of contracts estimated to be more than US\$10,000, and all amendments of contracts raising the initial contract value by more than 15 percent of the original amount or above the prior review thresholds must be subject to IDA's prior review. All contracts not submitted for prior review will be submitted to IDA for post review in accordance with the provisions of paragraph 5 of Annex 1 of the Bank's Consultant Selection Guidelines and Bank's Procurement Guidelines.

31. **Procurement Plan.** All procurement activities will be carried out in accordance with approved original or updated procurement plans. The procurement plans will be updated at least annually or as required to reflect actual project implementation needs and capacity improvements. All procurement plans will be published at the national level and on the Bank's website in accordance with the Bank's guidelines. As part of Project negotiations, a procurement plan for the first 18 months of project implementation has been approved.

Table 3. 5: Simplified Procurement Plan for 18 Months

CONSULTANTS							
Ord. No.	Description of Contracts	Estimated Amount (in US\$)	Procurement Method	Review by the Bank	Expected Date for EOI or ToRs	Expected BID Opening Date	Comments
Component 1. Establishing a Productive and Disaster Responsive Safety Net							

CONSULTANTS							
Ord. No.	Description of Contracts	Estimated Amount (in US\$)	Procurement Method	Review by the Bank	Expected Date for EOI or ToRs	Expected BID Opening Date	Comments
<i>1.1: Establishing a Productive Safety Net</i>							
SECAP Implementation							
	Firm for SECAP/NGZ	16,875	CQS	Prior		Jul 2015	
	Firm for SECAP/NDZ	16,125	CQS	Prior		Jul 2015	
	Firm for SECAP/MWL	4,500	CQS	Prior		Jul 2015	
Sub projects CFW NGAZIDJA							
	Executing entity	80,000	QCS	Prior		Nov and May 2015	
	Paying agency	15,238	CQS	Prior		Dec 2015	
Sub projects CFW NDZOUANI							
	Executing entity	76,444	CQS	Prior		Nov and May 2015	
	Paying agency	14,560	CQS	Prior		Dec 2015	
Sub projects CFW MWALI							
	Executing entity	21,333	CQS	Prior		Nov and May 2015	
	Paying agency	4,063	CQS	Prior		Dec 2015	
Transfer to Beneficiaries							
	Transfer to beneficiaries (Ngazidza – Grand Comoros) NGZ	285,714					
	Transfer to beneficiaries (Anjouan) NDZ	273,016					
	Transfer to beneficiaries <u>Mohéli</u> (MWL)	76,190					
Training for beneficiaries							
	Workshops CP (<i>Comites de Pilotage</i>), <i>Partenaires Strategiques</i> (PS), and ENEX (<i>Entite d'Execution</i>)	15,402					
Firms recruitment (BE)							
	BE NGAZIDJA	9,000	QCBS	Prior		July 2016	

CONSULTANTS							
Ord. No.	Description of Contracts	Estimated Amount (in US\$)	Procurement Method	Review by the Bank	Expected Date for EOI or ToRs	Expected BID Opening Date	Comments
	BE NDZOUANI	8,600	QCBS	Prior		July 2016	
	BE MWALI	2,400	QCBS	Prior		July 2016	
1.2: Ensuring an Early Recovery Response to Natural Disasters							
	1.3.1 Sub-projects CFW						
	Executing entity	146,032	CQS	Post			
	1.3.2 Sub-projects Infrastructures Base (IDB)						
	Bureaux d'Etudes (BE)	16,000	QCBS	Post			
Component 2: Improving the Nutrition of Young Children and Mothers from Poor Communities							
	Contracting UNICEF	1, 000,000	SSS	Prior	NR		
Component 3: Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation							
	Financial audit	87,000	LCS	Prior		May 2015	
	Operational audit	50,000	ICS	Prior		April 2015	
	Maintenance of Project management software	24,000	SSS	Prior		TBD	
	CFW Evaluation	15,000	ICS	Prior		2016	
	Training FADC senior staff	13,000					
	Operating cost	480,000		Post			
	Equipment	8,400	Shopping	Post			
WORKS							
Ord. No.	Description of Contracts	Estimated Amount (in US\$)	Procurement Method	Review by the Bank	Expected Date for EOI or ToR	Expected BID Opening Date	Comments
Component 1: Establishing a Productive and Disaster Responsive Safety Net							
1.1: Establishing a Productive Safety Net							
Implementation of Sub-projects IDB							
	Sub-projects IDB NGAZIDJA	81,000	NCB	Two first contracts on Prior		Jan/Mar 2017	
	Sub-projects IDB NDZOUANI	77,400	NCB			Jan/Mar 2017	
	Sub-projects IDB MWALI	21,600	NCB			Jan/Mar 2017	
1.2Ensuring an Early Recovery Response to Natural Disasters							
	Sub-projects IDB	144,000	Shopping	Post		To be	

CONSULTANTS							
Ord. No.	Description of Contracts	Estimated Amount (in US\$)	Procurement Method	Review by the Bank	Expected Date for EOI or ToRs	Expected BID Opening Date	Comments
	Implementation					determined	

32. **Procurement Filing.** Procurement documents must be maintained in the project files and archived in the safe place for at least two years after the closing date of the project. Staff recruited into the procurement unit within the PIU will be responsible for filing procurement documents.

F. Environmental and Social Safeguards

33. **The FADC has a good track record of complying with social and environmental safeguards.** The FADC has the institutional capacity to manage the safeguard aspects related to the Comoros Social Safety Net Project. More than 50 percent of beneficiaries are female, and this is reflected in the composition of FADC staff. Over time, the institution has been trained in social and environmental safeguards, and thus has developed a strong social and environmental know-how that is translated into the social and environmental clauses included in contractors' contracts. As a consequence, FADC has had no major issues with safeguards to date. The regional directorates of health have had considerable success in raising communities' awareness of HIV/AIDS and STIs with the involvement of district health and sanitary services. Building on this experience, the FADC aims to provide further support for this endeavor in those beneficiary communities that are also part of the National HIV/AIDS Program. Furthermore, the FADC is implementing fewer infrastructure projects and more cash-for-work activities under this Project, which tend to have fewer negative social and environmental impacts. Since the Project has triggered the Involuntary Resettlement Policy (OP/BP 4.12) on the basis of the activities carried out under Component 1, the Borrower has prepared a Resettlement Policy Framework (RPF) to ensure due compliance with the Bank's policy requirements when the areas of interventions are defined. This framework sets forth the basic principles and prerogatives to be followed when the type and locations of sub-projects become known. The RPF was consulted upon, reviewed, and cleared by the World Bank and was publicly disclosed in-country and at the Bank's InfoShop.

G. Environment (including Safeguards)

34. The Environmental Assessment Policy is being triggered due to the fact that the Project will finance key civil works activities, namely the rehabilitation, reconstruction, and construction of small village infrastructure, including that damaged by natural disasters. These civil work activities will be undertaken through a consultative and participatory process meant to foster ownership and social accountability. Overall, the proposed sub-projects are expected to be small in scale and site-specific, which is typical of category B projects. Consequently any potential adverse environmental and social impact will be very limited due to their localized, small-scale, and site-specific nature. However, if adequate mitigation measures are not considered in time to

ensure that these risks are contained and/or minimized to the maximum extent possible, the ultimate impact could be serious.

35. Since the physical locations of the proposed Project activities to be repaired and/or rehabilitated are unknown at this stage, the Environmental Assessment Policy (OP/BP 4.01) suggests that the Borrower should prepare an Environmental and Social Management Framework (ESMF). This framework will set out the basic principles and procedures/directives to be followed by both the Borrower and the World Bank once the physical locations of the proposed activities are known. Since this project builds on its previous project implemented by FADC, the Emergency Crises Response Project, the ESMF therefore also builds upon the ESMF prepared for that operation. The ESMF contains an environmental and social screening form (ESSF) to be used for each proposed sub-project and provides simple guidelines to adequately mitigate, avoid, minimize, or reduce any negative environmental and social impact from financed sub-projects. The ESMF will provide a basic description of the natural and physical environment of the targeted project intervention zones and will clarify the specific roles and responsibilities of government agencies and the implementation unit team, including the World Bank. It also lays out an environmental and social management plan (ESMP) that includes: (i) a detailed capacity building action plan; (ii) details of how stakeholders, including women, youths, and vulnerable groups have been consulted regarding the Project's design; (iii) a grievance redress mechanism setting out how any potential grievances will be handled throughout the Project lifecycle; (iv) a monitoring and evaluation mechanism; and (v) an estimated budget. The ESMF has been reviewed by the Bank's social and environmental safeguards team and cleared by the World Bank regional safeguards advisor. It has been publicly disclosed both in-country and at the Bank's Infoshop.

Monitoring and Evaluation

36. The results of the operation will be monitored through a variety of instruments including the FADC's management information system (MIS), regular field visits by FADC staff and the documentation of their findings, annual operational audits that will provide timely information on the compliance of all stakeholders with the procedures and responsibilities outlined in the Project manuals, the Bank's supervision missions, and the oversight of FADC's Board. The Project manuals for the three components of the Project provide detailed descriptions of how the Project activities will be monitored. An *ex ante/ex-post* evaluation will provide information on the results achieved by the Project.

Role of Partners (if applicable)

37. UNICEF has been selected by the MoH&S to help to implement the nutrition component of the Project. UNICEF is the lead agency working on nutrition in Comoros and can draw on broad international and national experience in the area of nutrition for children and mothers. As described above, a large part of UNICEF's responsibility will consist of strengthening the capacity of government structures (all the way down to community nutrition agents) to deliver nutrition services to communities.

Annex 4: Implementation Support Plan Comoros: Social Safety Net Project

A. Strategy and Approach for Implementation Support

1. The implementation of the project is designed to foster collaboration between the government and its various agencies, including the Planning Commission, the Board of Directors of the FADC (CCC), the FADC, the DGSC, the MoH&S, and development partners, including UNICEF and NGOs.

2. The implementation support is designed to ensure the smooth implementation of the various components and sub-components of the Project taking into account the detailed coordination and supervision arrangements in place. During implementation support missions, the Bank team will hold regular technical and policy discussions with the various stakeholders to ensure that the momentum is sustained and all issues are addressed in a timely manner.

Implementation Support

3. The Bank's task team has members in both the Bank's headquarters and the local office in Madagascar who are working closely together to ensure that any emerging challenges are identified early and that corrective actions are taken to manage any risks that might arise to prevent the achievement of the Project's development objectives. Two kinds of implementation support have been designed as part of the project:

- Implementation support missions from the Bank will be conducted at least every six months throughout the Project's implementation. These missions will rigorously assess progress in implementing the Project and towards the achievement of its development objectives. These support missions will also ensure that any necessary corrective actions are agreed upon and taken to counter any emerging problems.
- From time to time and as needed, experienced Bank staff and/or consultants will visit in between missions to provide technical assistance and implementation support to the government and other stakeholders to address any emerging technical issues. During these technical visits, the task team will provide guidance, operational support, and implementation advice in any areas where there are capacity gaps.

4. Specific technical assistance and capacity building will be mobilized by the World Bank Project team in key areas that are considered critical for the Project's implementation. These may include but are not limited to:

- Targeting
- Planning and implementation of the productive safety net approach
- Operations and implementation management
- Nutrition
- Disaster risk management
- Procurement and financial management
- Monitoring and evaluation

- Data analysis and statistics
- Social accountability.

Table 4.1: Activity Planning for the Main Areas of Implementation Support

Time	Focus	Skills Needed	Resource Estimate	Partner Role
12-36 months	<p>Establishment of the productive and disaster response safety nets</p> <p>Improving the nutrition of young children and mothers from poor communities</p> <p>Strengthening safety net management, coordination, and monitoring and evaluation</p> <p>Preparation of mid-term review (MTR)</p>	<p>Intensive technical and operational support to ensure the effective implementation of the Project components</p> <p>Training, communication, and sensitization skills for the accompanying measures</p> <p>Construction of registry (IT) Evaluation</p> <p>Ensuring that the PDO is satisfactory, components are running smoothly, and monitoring and evaluation, fiduciary aspects, and safeguards are in place</p>		<p>Collaboration with Ministries of Agriculture, Health, etc.</p> <p>UNICEF supported by their regional office</p>
36 months and beyond	<p>Ensuring all three components are implemented (Cycle 2)</p> <p>Lessons learned from the MTR are implemented through an action plan to ensure satisfactory Project rating towards achieving the PDO</p>	<p>Intensive support to implementation</p> <p>Fiduciary and safeguards specialists supervise compliance with Bank requirements</p>		

Table 4.2: Skills Mix Required

Skills Needed	Number of Staff Weeks (annually)	Number of Trips (annually)	Comments
TTL	12	2-3	Based at HQ
Social protection specialist	4	2	Based at HQ
Social protection economist	6	2-3	Based in Madagascar
Health/nutrition specialist	8	2-3	Based in Madagascar
Procurement specialist	3	As required	Based in Madagascar
Financial management specialist	3	As required	Based in Madagascar
Social safeguards specialist	2	As required	Based in Madagascar
Environmental safeguards specialist	2	As required	Based in Madagascar
Engineer	2	1	

Cash-for-works and watershed management specialists (consultants)	2-3	As required	Based globally
M&E specialist	2	As required	Based in Madagascar

Annex 5: Targeting Strategy

Comoros: Social Safety Net Project

1. The targeting methodology for the Project involves three steps. First, the FADC allocates the number of beneficiaries in each of the three islands. Second, FADC then uses geographical targeting to select which villages will benefit from the intervention. In the final step, community committees select the households that are most in need to participate in the Project.
2. The total number of households to benefit from the Project (4,000 households) was derived from the ratio of the total amount available to the wage rate (1,000 KMF per day for 60 days per household) over a three-year period.
3. In the geographic targeting, the localities to be targeted were selected based on the poverty map drawn up by the National Institute of Statistics (INS) in 2003/2004 using data from the 2003 General Census (*Recensement Général de la Population* or RGPH) and the 2004 EIM. This poverty map classifies Comorian villages according to their poverty incidence and includes estimates of their populations. For the Project, the villages were prioritized in terms of their incidence of poverty. The number of selected villages is also related to the number of beneficiaries allowed for each island.
4. The selection of households will be based on community targeting. The methodology used in this Project has been improved over the system used in previous projects. Specific selection criteria, such as the number of dependents in each household, the education level of the parents and the possession of land, have been identified based on household survey analysis, and a form has been created to facilitate and guide the targeting process. Based on these criteria, community committee members will select the poorest 30 percent of households within each selected village. This selection of the 30 percent threshold for each community takes into account cost-benefit considerations.

**Table 5.1: List of Villages for Each Island and the Number of Groupings
in Agricultural Area or Watershed**

MWALI	LOCALITIES	Incidence of poverty
1	WALLAH 1	100
2	HAMAVOUNA	100
3	KANGANI	98,3
4	NDRONDRONI	98,3
5	BARAKANI	98
6	HAMBA	91,5
7	BARAKATI SALAMA (WALLA 2)	85,7
8	MLABANDA	67,1
Number of localities : 8		

ANJOUAN	LOCALITIES	Incidence of poverty
1	OUTSA	100
2	OUZINI	100
3	NOUNGA	100
4	BANDA LADJANDZA	100
5	JANDZA	100
6	TRINDRINI	96,4
7	KIYOI	95,1
8	MNADZICHOU MOE	94,5
9	KONI DJODJO	94,3
10	KOMONI	94
11	JIMLIME	93,4
12	SALAMANI	93,3
13	KONI NGANI	91,6
14	DZIANII	91,3
15	HAMCHACO	71,1
16	CHIRORONI/SADAPOINI	83,6
17	HANTSAHII	91,2
Number of localities: 17		

NGAZIDJA	LOCALITIES	Incidence of poverty
1	MBALENI	100
2	MIRERENI	100
3	NTSODENI	100
4	SADA Oichili	100
5	REHEMANI	97,5
6	DZAHANI Wachili	97,2
7	MILEVANI	97
8	MADJOMA	95,1
9	SADA CHIHOUÉ	95
10	KOURANI/SADA Hmahamet	93,8
11	KANDZILE	93,3
12	FAMARE	92,7
13	MDJIHARI	92,5
14	NKOURANI	92,1
15	BANDADAOUENI	91,6
16	TSINIMOIPANGA	91,4
17	DARISSALAMA	91,3
18	MLIMANI	91,3

19	BANDAMADJI-Mboinkou	90
20	IDJINKOUNDZI	89,8
21	NDZOUANI	88,9
22	KOUHANI	86,8
23	SIDJOU	86,6
24	DIBOINI	86,2
25	MANDZISSANI	85,7
26	MINDRADOU	85,5
27	PANDA	84,8
28	SAADANI Oichili	84,3
29	DZOIDJOU	83,9
30	CHAMRO	83,4
31	SAMBA MADI	83,3
32	NKOURANIMKANGA	82,5
33	SIMBOUSSA Mbadjini	82,4
34	SELEANI	82,2
35	BANDAMADJI LAKOUBOINI	81,8
36	INANI	81,5
37	CHOMONI	81,3
38	IDJOI NDRAJA	80,9
39	MLALOI NKOUDJOU	80,5
40	MOHORO	80,5
41	DIMA	76,4
42	MAOUENI DIMANI	75,5
43	NGNAMBENI	73,2
44	MBAMBANI	71,1
45	IFOUNDIHE CHADJOU	70,6
46	DIDJONI	69,8
47	IFOUNDIHE CHAMBOINI	66,1
Number of localities: 47		

**Table 5.2: Distribution of Beneficiary Households
in the Three Islands and in the Areas within the Islands**

	Number of localities	Estimation of number of beneficiary households
MWALI	8	446
ANJOUAN	17	1759
NGAZIDJA	47	1,844
Total	72	4049

Annex 6: Comparison of the Cash-for-work Wage Rate to Salaries in the Comorian Labor Market

1. This analysis is based on preliminary data from Survey 123, a national household survey carried out in 2013/2014 and a small survey conducted by the FADC in 2014. Survey 123 has three steps, with the first stage being about jobs and employment. In this annex, we compare the daily wage that has been set for the Project's cash-for-work activities (1,000 KMF for five hours of work per day) with the results of Survey 123 regarding the level of wages paid on the Comorian labor market. This analysis is still ongoing so our conclusions are only provisional. For verification and confirmation of the data on unskilled labor wages, the FADC has carried out field surveys in the three islands. Although these surveys did not produce statistically representative data, they were necessary because of the lack of official data on the minimum wage. The FADC's surveys only collected data on wages and did not collect any data on the labor incomes of independent workers or the self-employed because of the difficulties involved in determining their incomes.

2. In the context of standard employment, wages represent all remuneration or benefits provided to an employee in return for the services that he or she has provided. In cash-for-work programs, it is a monetary transfer that is paid to individuals on the condition that they participate in public works activities. The objective is to provide the poorest households with a short-term income supplement by giving one of their members a temporary job. In the cash-for-work sub-projects, the wage rate was fixed at 1,000 KMF for five hours of work per day. The question asked in this annex is: was this level of transfer appropriate and effective?

3. By offering a short term employment opportunity, the cash-for-work activities aim to increase the food security of recipient households. For the targeted population group, the gap between their standard of living and the food poverty line was estimated at nearly US\$60 per head per year. However, providing a transfer of this size would have reduced the number of beneficiaries to nearly 1,500 households instead of 4,000 households. Moreover, this would have increased the wage rate to almost 2,700 KMF for five hours of work. With the benefit set at this level, scaling up the program to the poorest 10 percent would have required about US\$20 million or 3 percent of GDP of the Comoros. In other words, 5.5 percent of GDP would have been needed to cover the extreme poor, which is not affordable for the Government of Comoros at this point.

4. If a wage rate equivalent to the food poverty gap could not be financed, how would a wage rate of 1,000 KMF for five hours of work per day compare with the average salary on the Comorian labor market? We compared it first to the minimum wage and then to the average wage as indicated by Survey 123 data.

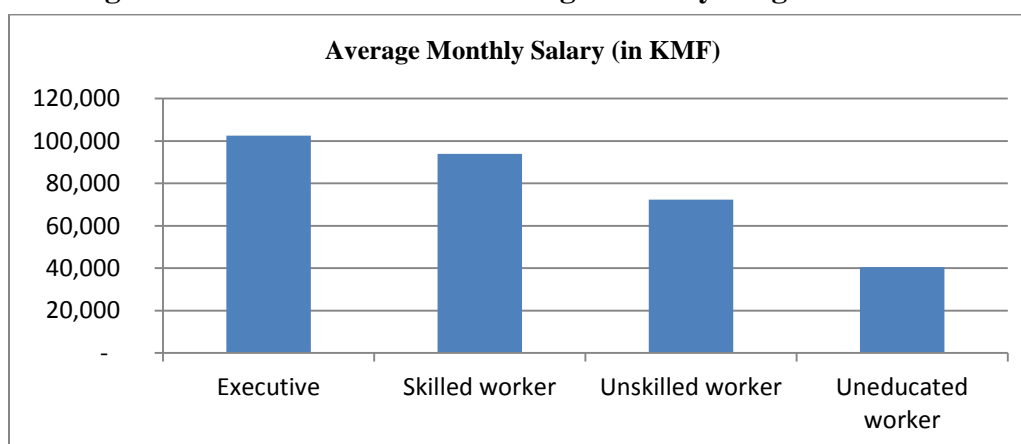
5. There is no official minimum wage in the Comoros. However, according to the Economic Guide Comoros,⁶ in 2003, the minimum wage at that time would have been 37,000 KMF, which would work out to 925 KMF for five hours of work. Revalued at 2014 prices, that wage rate would be about 1,267 KMF (for five hours of work). Thus, the wage rate proposed for the cash-

⁶ Produced by Ministry of Finance, Budget, Economy, International Trade, Investments, and Privatization

for-work sub-projects (1,000 KMF for five hours of work) would be slightly lower (80 percent) than this value.

6. The monthly average salary as indicated by the preliminary results of Survey 123 is about 62,435 KMF. This figure is confirmed by other surveys conducted by the FADC that found the average monthly salary to be about 65,259 KMF. On the basis of these figures, average wages for five hours of work are nearly 1,600 KMF. However, this is an average figure so it is likely to hide any disparities, especially between different socio-professional categories (see Annex Figure 6.1 below). Therefore, the wage rate set for the cash-for-work sub-projects should be compared with the lowest category.

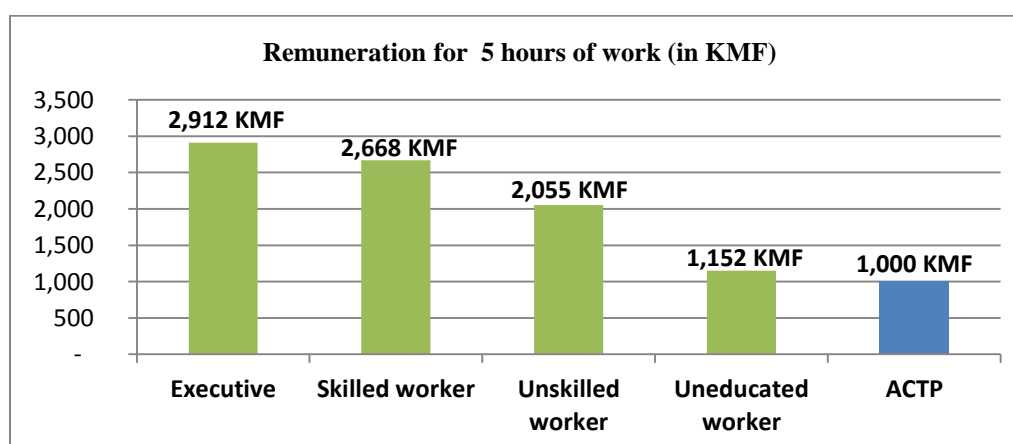
Figure 6.1: Estimation of the Average Monthly Wage in Comoros



Source: World Bank calculations using data from Survey 123 and FADC surveys

7. Reduced to five hours, the average wage of a laborer is estimated at 1,152 KMF. The wage rate set for the Project's cash-for-work sub-projects would therefore be 87 percent of the wage rate of an uneducated worker and only half of the wage rate of unskilled workers (see Annex Figure 6.2 below). This confirms that the wage rate of the cash-for-work sub-projects is not much lower than the prevailing salaries in the Comorian labor market, while being low enough to induce effective self-targeting.

Figure 6.2: Comparison of the Wage Rate for the Comoros Social Safety Net Project with Labor Market Salaries



Source: World Bank calculations using data from Survey 123 and FADC surveys

MAP Comoros: Social Safety Net Project

