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# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

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Concept Stage | Date Prepared/Updated: 18-Oct-2017 | Report No: PIDISDSC22176



**BASIC INFORMATION**

**A. Basic Project Data**

Country Congo, Democratic Republic of	Project ID P163962	Parent Project ID (if any)	Project Name Productive Inclusion Project (P163962)
Region AFRICA	Estimated Appraisal Date Mar 27, 2018	Estimated Board Date Jul 10, 2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Democratic Republic of Congo	Implementing Agency Social Fund of the Democratic Republic of Congo	

**Proposed Development Objective(s)**

The project development objective is to improve the access of poor households to productive safety nets interventions and establish the core building blocks of a safety nets system.

**Financing (in USD Million)**

Financing Source	Amount
International Development Association (IDA)	100.00
<b>Total Project Cost</b>	<b>100.00</b>

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



## B. Introduction and Context

### Country Context

**The Democratic Republic of Congo (DRC) is Africa's third most-populated nation with a population of around 80 million people.** The country has a turbulent history. Since its independence in 1960, the DRC has gone through protracted periods of political instability and armed conflict. Coupled with a legal and regulatory system which suffer many weaknesses, this has torn the social fabric apart and negatively impacted the economy. The numerous challenges include high levels of poverty (two-thirds of the population), lower living standards than comparable countries, weak governance and institutional capacity, and a humanitarian crisis with currently about 3.7 million internally displaced and an estimated 470,000 refugees from neighboring South Sudan, Central Africa Republic, Rwanda and Burundi. The per capita GDP in 2015, at US\$442, was almost thirteen times less than that of neighboring Angola, and current GNI per capita is the third-lowest among the 35 countries in sub-Saharan Africa.

**The country has gone through a period of significant growth with modest progress in poverty reduction, but recently the trend has slowed down.** With an average economic growth of 7.5 percent over 2010-2015, the DRC was one of the fastest growing economies in Africa. The poverty headcount rate decreased from 69.3 percent in 2005 to 64 percent in 2012, but with population growth, the number of poor increased by 7 million. It is estimated that the slowdown in economic growth in 2016 led to a decrease in real per capita GDP, with negative consequences for poverty reduction. Growth is projected to pick up again but at a lower rate than previously. The country is richly endowed with natural resources and extractive industries are one of the main sources of economic growth, representing around 24 percent of GDP. The agriculture sector remains the largest sector for employment, accounting for almost three-quarters of the total labor force. The tertiary and manufacturing sectors have both increased by over four percent since 2010. Population growth, insufficient macroeconomic growth, and unbalanced sectorial growth have combined to push a great many working-aged people into the informal sector, which accounted for 81.5 percent of employment in 2015.

**Although economic inequality seems to be decreasing, large portions of the population remain trapped in extreme poverty with little hope that their living conditions will improve in the near future.** From 2005 to 2012 inequality remained broadly stable, with the Gini index decreasing by just 3 percentage points (from 38 to 35 percent). Access to basic services remains unequal, which exacerbates rural/urban divides and the exclusion of large segments of the society. The overall trend in poverty reduction recorded in 2012 has not been shared across provinces. While all poverty indicators have generally improved in the North-East and East, living standards and extreme poverty have worsened in other parts of the country due to a combination of factors including deindustrialization (in the Kasais), and an increasing number of refugees (in the North). Significant gender gaps exist in education, health care, and economic activity. Lack of job opportunities for the youth, together with the existence of a large bulge of young people not sufficiently skilled to enter the labor market, have moved thousands of young Congolese into underemployment and joblessness, nourishing pockets of violence in a post-conflict DRC.

**There are no significant gender differences in DRC in terms of opportunities in the early years of life.** However, significant gender gaps do form after early childhood, notably in education, health care, economic activity, legal status, land tenure, property ownership, inheritance practices, and decision-making authority, leaving women more vulnerable. The ratio in secondary education, at 0.62 in 2013, remains lower than the average of 0.77 in low-income countries. While progress has been achieved in health care, the maternal mortality rate remains high at 846 per 100,000 live births and shortcomings exist in access to family planning services and to assistance by skilled birth attendants. Although laws in the DRC prohibit discrimination in pay and employment, 56 percent of women earned less than CGF 30,000 a month in 2012, compared with 40 percent of men for identical time at work. The gender gap in legal status is linked to



outcomes, such as fewer girls in secondary school, lower female labor force participation, fewer woman-owned businesses, greater control by husbands of marital property, and the lower rate of access to bank accounts among women (World Bank, 2015). Lower proportions of women than men tend to own property or land (DHS2013-14). Women tend to have low decision making power within the household, with only 11 percent of cases in which she is the main decider on matters that affect her own health (men are the main decision maker in 53 percent of the cases and joint decisions are made in 36 percent of cases) (DHS 2013-14).

**Women in DRC are exposed to high levels of gender-based violence.** An estimated 52 percent of women have experienced physical violence at some point in their life since the age of 15 and more than a quarter (27 percent) were victims of physical violence in the previous 12 months (DHS, 2013-14). The conflict in the eastern provinces contributes significantly to the high levels of sexual and gender-based violence. However, the highest levels of physical violence were not in the conflict-affected East but in the former West Kasai province, indicating that the causes of violence are not entirely conflict related.

**Poverty in DRC is characterized by high levels of nutritional insecurity, which has severe consequences on human capital development and prospects for economic growth.** Despite being home to just 1 percent of the world's population, the DRC is one of the five countries that, together, are responsible for half of all deaths globally among children under five (WHO 2012a). The child mortality rate in DRC of 104 per 1,000 births is higher than the SSA average of 83/1000. About half of these deaths are caused by malnutrition. Children under five are particularly at risk: almost half of them are anemic (43.7 percent moderately and 4.2 percent severely) and 43 percent suffer from chronic malnutrition (a percentage that has remained unchanged since 2007). This prevalence has persisted despite reductions in the prevalence of underweight children under five (which dropped from 34 to 23 percent) and of the wasting of children under 5 (which dropped from 21 to 8 percent). In stark contrast, the reduction in child stunting has seen a decline of just 1 percent over the last four years (DHS 2013-14). The high prevalence of malnutrition is due to a combination of both demand and supply side factors, including inadequate, non-varied and non-fortified food intake and the high prevalence of infectious and parasitic diseases. Breastfeeding immediately after birth is only practiced by 52% of women, exclusive breastfeeding is practiced by only 48% of women, continuous breastfeeding (up to 24 months) is estimated at 66%. Supplementary feeding is mainly based on the consumption of starchy foods (cassava) and cereals. Only 9.3% of those surveyed benefit from a supplement of quality (minimum acceptable diet). Malaria, diarrhea and respiratory infections are the leading causes of under-five mortality and are immediate causes of malnutrition. Access to counseling and basic treatment for childhood illness is nearly 40% according to the Demographic and Health Survey 2013/2014 (DHS). Other causes of malnutrition include: boys' discrimination against girls, low maternal education, lack of improved toilets and water sources. Poorer households are disproportionately affected. According to the DHS 2013-2014, the under 5 child mortality rate is 54% higher among children from poorer households; almost 50% of children in poor households (as opposed to 23% of children in wealthier groups) are affected by malnutrition.

**The overwhelming majority of DRC citizens are extremely vulnerable.** DRC relative ranking on the UNDP's Human Development Index has improved in the past year (176 out of 188 countries), but 63 percent of the population (43 million people) still live under the poverty line and almost three fourth of them are extremely poor. Over the last decade, impoverishment as well as violence, widespread human rights abuse and large-scale displacements resulting from conflict have caused tremendous suffering and a deterioration of the social fabric, overburdening or breaking up families and traditional social safety nets. Although the population faces a large range of risks, an almost complete lack of formal risk management mechanisms leaves individuals extremely vulnerable to becoming --or remaining-- poor. Some of these risks are found throughout Africa, but many are almost unique to DRC (e.g., volcanic eruptions), or found at much higher levels than elsewhere (e.g., gender-based violence and ethnic conflict). Government capacity to deal with these risks or mitigate their impacts is limited, so most households are left to fend on their own.



## Sectoral and Institutional Context

**Current social protection programs, including safety nets, are fragmented and inefficient, and they do not respond to the needs of the chronic poor and most vulnerable.** Social insurance focuses essentially on formal workers and therefore covers only 11% of the population; benefits are often considered insufficient and may take a long time before being available to subscribers. As for non-contributory services, the 2015 Safety Nets Assessment confirmed that their coverage is extremely low. For example, only about 4.5 million people receive some sort of nutritional assistance against 28 million people suffering from food insecurity. There is no national system in place to identify vulnerable individuals, coordinate efforts, and monitor quality and results. Social safety net programs are run primarily by NGOs and are NGO or donor-driven and financed, varying widely in terms of coverage, generosity and performance.

### Relationship to CPF

**The proposed project is aligned with the FY13-16 Country Assistance Strategy for the DRC (CAS, Report No. 66158),** which has been extended to the end of FY17 after the 2015 CAS Performance and Learning Review. The project is consistent with the CAS strategic objective 3, which is to increase access to social services and raise human development. In particular the project will adhere to the core principle of strengthening service delivery systems while contributing towards key outcomes 3.2 and 3.3 on improving access to health services and basic education and 3.4 on strengthening social protection. In addition, the project is likely to expand the geographical coverage of strategic objective 4 (to address fragility and conflicts) to other conflict affected provinces where poverty rates are high and security highly volatile. In doing so, it will contribute to key outcome 4.2 on increasing social and economic opportunities in conflict affected areas.

**The proposed intervention is aligned with the recommendations detailed in Chapter 9 of the draft Strategic Country Diagnostic regarding the establishment of a safety nets system that can foster resilience and consolidate the benefits of human development.** In addition, social benefits to be delivered through this system in the form of cash-for-work and cash transfer programs with accompanying measures will directly contribute to the Sustainable Development Goals (SDGs) of no poverty (goal 1), zero hunger (goal 2), good health and wellbeing (goal 3), decent work and economic growth (goal 8) and reducing inequality (goal 10). Reducing inequality and building resilience through increased access to income, livelihood support and human development for the poorest is also critical to achieving the World Bank's twin goals of ending extreme poverty and boosting shared prosperity. The project will help address inequality by focusing its investments on poor populations in the poorest provinces of the country.

## C. Proposed Development Objective(s)

**Note to Task Teams:** The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

The project development objective is to improve the access of poor households to productive safety nets interventions and establish the core building blocks of a safety nets system.

### Key Results (From PCN)



The project performance in achieving its development objective will be measured through the following key outcome indicators:

1. Beneficiaries of Social Safety Nets Programs (number of individuals), of which % women (CRI).
2. Beneficiaries enrolled in the social registry (number of households)
3. Number of social assistance beneficiaries receiving nutrition/parenting/early learning/stimulation education (Early Year indicator)
4. The share of safety net beneficiary households who live below the poverty line, as a measure of targeting effectiveness (percentage)
5. Percentage of complaints registered in the grievance redress system that have been addressed in line with established procedures (CRI)

#### D. Concept Description

**A momentum has been building over the last years to gather a rich analytical foundation on social protection (SP) programs and their potential to contribute to poverty reduction, establish a framework for SP in DRC, and secure government's commitment to invest in SP.** The proposed intervention builds on this momentum to have a transformational effect by helping the Government establish a non-contributory social protection system that is aligned with contemporary good practice. The following project components will be implemented:

##### **Component 1: Productive Labor-Intensive Public Works Program (approx.US\$55M)**

This component will provide cash-for-work opportunities to the poorest families in selected communities for a minimum of 150 days in a year. The precise length of enrolment and exit strategies will be determined during project preparation, balancing the need to provide a level of assistance meaningful enough to make a difference in the long-term welfare of beneficiaries with the need to cover as large number of households as possible. Works will be selected in collaboration with provincial authorities and local stakeholders based on development plans and community preference, giving priority to investments that can boost productivity. Their labor content will range from 35 percent to (preferably) 70 percent, with the remaining budget paying for technical studies, skilled labor, materials and equipment, and supervision. In rural areas, it is expected that works will be primarily related to transport infrastructure (rural road rehabilitation and maintenance), while in peri-urban and urban areas they will likely include sanitation (street and ditch cleaning, garbage collection). Payments will be in line with prevalent salaries for non-skilled labor, probably around \$3/day (to be confirmed during preparation).

Accompanying measures will be offered to beneficiary households to build their soft assets and increase their resilience, thus providing benefits beyond the duration of the cash-for-work employment. The exact content of these accompanying measures will depend on the context (e.g., rural vs peri-urban/urban) as well as on the result of consultations during project preparation. On the basis of experience, both national and international, measures will likely be of two types: (a) to facilitate the development of sustainable livelihoods (e.g., basic skills and entrepreneurship training, matching grants for savings, financial intermediation, access to agricultural extension services or improved seeds and (b) to provide a "light package" of basic life skills trainings (e.g., hygiene, work ethic, conflict management, etc...)

##### **Component 2: Pilot Cash Transfers for human capital development (approx. US\$25M)**

This component will finance the design and implementation of a pilot unconditional cash transfers program with accompanying measures to support chronically poor and nutritionally insecure households and help them build



resilience. The cash transfer program will provide small and regular payments that will help beneficiary households stabilize their basic consumption and avoid having to resort to negative coping mechanisms when shocks occur. Priority will be given to chronically poor and nutritionally insecure households with children under the age of 5, pregnant women and adolescent girls, in line with (i) priority 1 of the Global Financing Facility Investment Case to achieve nutrition goals in DRC, and (ii) the WB-funded Health System Development Project. Beneficiary communities will also have the option to include labor constrained households—such as those consisting of unsupported elderly or disabled. Upon vetting from the community, beneficiaries of unconditional cash transfers will receive payments over a period of 18-24 months. The exact amount, frequency and duration of the payments as well as the length of enrolment and exit strategies will be determined during project preparation, based on best international practices and experience in DRC with nutrition interventions. For instance, a randomized trial that has been conducted by UNICEF in 2015 to test the impact of non-conditional cash transfers on severe acute malnutrition (SAM) for over 6 months, will inform the design of the project. The study showed better outcomes for treatment groups who benefited from the cash transfers. Specific parameters for the proposed intervention will be designed taken into consideration context specific constraints including transaction costs, capacity constraints, and presence of service providers in the proposed areas of intervention.

Although cash transfers will be unconditional, a package of soft conditionalities will be developed and implemented to maximize the impact of the cash transfers on the welfare and productivity of beneficiary households, as well as support efforts to improve nutritional security and early childhood development. These measures will help households make the necessary investments in the human capital of their families, especially their children, in productive household assets, and possibly in income-generating activities. They will include information on the project's objectives and on beneficiaries' responsibilities and the requirement for them to enter simple moral contracts in which they will agree to invest in the schooling, health care, and nutrition of their household members. The component will also support community campaigns promoting the adoption of proper health and nutrition practices and the prevention of risky behavior, in line with the community-based Essential Newborn and Child Feeding and Essential Family practices that has been adopted by the country and that is delivered through the PDSS. In addition, this component, similarly to component 1, will provide training on basic financial skills and the skills necessary for various income-generating activities that are expected to be related to agriculture. To the extent possible, these activities will also be accessible to households that do not benefit from safety nets, hence extending benefits beyond households nutritionally at-risk.

### **Component 3: Institutional Capacity and System Building (approx. \$20M)**

This component will support the establishment of the core building blocks of a safety nets system. This will include a targeting system, basic elements of a social registry, a reliable payment mechanism and a grievance and redress mechanism. Support will also be provided to set up a sound monitoring and evaluation system as well as relevant implementation manuals. These instruments will be tested on a first batch of at least 5,000 households, evaluated, adjusted as needed, and applied to the remaining households to be covered by the project. The project will finance goods, information technology and consultant services for developing and operationalizing these elements. As mentioned above, an RSR grant (TF0A4845) will contribute to the objective of this component by supporting analytical work (together with ILO) and technical assistance for a targeting system. At the same time, the HD Systems Strengthening Project is financing a study to revamp the Centers for Social Promotion, which represent the interface of the Ministry in charge of social affairs with the public.

System development will be accompanied by institutional capacity building for all institutions involved in implementation. For example, the Centers for Social Promotion may be called to play an important role in running various operational instruments at the provincial level and will therefore need to be strengthened both materially (equipment, supplies, connectivity) and technically (training and technical assistance). Similarly, the central Ministry will



need to be helped in taking an overall coordination and management role, collating and processing information from different provinces, performing quality control and addressing system implementation problems.

This component will also finance day-to-day project management, including consultant services and goods to support the implementation and monitoring of project-related activities and the evaluation of project outcomes.

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## SAFEGUARDS

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

Project activities would be limited to select territories within four or five provinces. The area of interventions will be determined during preparation. Criteria guiding the choice of provinces will include: poverty trends, poverty rates (headcount and severity), vulnerability to nutrition insecurity (using WFP vulnerability maps), provincial governments' capacity and commitment to manage and set up a safety nets system and access to other development funding. Preliminary discussions with government counterparts have tentatively identified: Central Kasai, Kwango, Bas-Uélé, Mongala and Tshuapa. The Labor intensive public works component is expected to focus on both urban and rural areas, while the cash transfer component will be primarily rural.

### B. Borrower's Institutional Capacity for Safeguard Policies

Institutional arrangements are still being assessed. It is expected that the Fonds Social of DRC (Social Fund or FSRDC) will assume fiduciary responsibility, provide oversight and coordinate implementation of the intervention. The FSRDC is an autonomous public organization under the Presidency created in 2002 to improve the living conditions of the poor. They have over 15 years of experience managing World Bank funded projects in social protection and social development since the early 2000, including the Emergency Social Action Project (P118658), the Street Children Project (P115318), the Eastern Recovery Project (P145196) and the Sexual and Gender Based Violence Project (P150651). A recent evaluation of its performance identified some gaps on safeguards, but its capacity to ensure full compliance with related World Bank guidelines is being strengthened. Specific measures would have to be adopted to provide the Fund with adequate resources to effectively manage an additional grant, including the opening of additional provincial offices, staffing of environmental and social specialists in the antennas (provincial offices), and training of the Fund staff on the existing Environmental and Social Safeguards Policies as well as the new Environmental and Social Framework (ESF) when it is comes into effect in 2018.

At national level, the DRC has a legislative and regulatory framework conducive to good environmental and social management. The Government of the DRC has experience with the Bank's Safeguard Policies due to Bank-funded projects but implementation capacity is weak. The Ministry of Environment, Conservation and Sustainable Development (MECND) governs environmental policies and their compliance, and the main department in charge of environmental monitoring and management is the Agence Congolaise de l'Environnement (ACE). ACE is responsible for safeguards compliance of all projects in the country, but with emphasis on environmental category A project. This agency is also familiar with Bank safeguards instruments. The agency is understaffed and has limited capacity, and despite several donor-funded capacity-building initiatives, the unit still largely relies on donor funds to carry out its field supervision duties. At the provincial level, government agencies often do not have the resources necessary to monitor social and environmental impacts, the staff lack training, and management capacity is limited.





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

Lucienne M. M'Baipor, Social Safeguards Specialist  
Grace Muhimpundu, Social Safeguards Specialist  
Joelle Nkombela Mukungu, Environmental Safeguards Specialist

**D. Policies that might apply**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Activities to be financed under component I such as rural road rehabilitation, and other investments in urban areas, may have potential negative environmental and social impacts. The exact locations of investments are not known yet, as specific criteria to conduct geographical targeting are still being developed. Therefore, an Environmental and Social Management Framework (ESMF) will be prepared during project preparation, consulted upon and disclosed in the country prior to Board appraisal. The ESMF will provide guidance on managing environmental and social risks related to the implementation of activities.
Natural Habitats OP/BP 4.04	TBD	Though the exact location for investments is not known yet, activities such as road rehabilitation in rural areas may have potential negative impacts on natural habitats. Therefore, the policy may be triggered, should some roads rehabilitation activities have negative impacts on natural habitats. In this case, Environmental and Social Assessment (ESA) prepared consulted upon, will provide guidance on managing negative impacts on natural habitats, and disclosed in the country.
Forests OP/BP 4.36	No	The project will not intervene in forested areas.
Pest Management OP 4.09	No	The project does not involve the use of pesticides.
Physical Cultural Resources OP/BP 4.11	Yes	In anticipation of the potential impacts on Physical Cultural Resources during project implementation, in particular, during activities related to road rehabilitation, and other infrastructure that require excavation, physical cultural Resources will be integrally part of the ESMF. "chance finds" should be part of every civil work contract, even where risks are deemed low.



Indigenous Peoples OP/BP 4.10	Yes	<p>Activities will mainly take place in urban and peri-urban areas, however, some activities will also take place in rural areas. Therefore the policy is triggered as Indigenous Peoples are found in rural areas of the potential intervention provinces (Central Kasai, Kwango, Bas-Uéle, and Mongala and Tshuapa). In order to ensure the identification of IP groups living in the zones, and to also ensure their inclusion and meaningful consultation, the project will prepare an Indigenous Peoples Plan (IPP) or an Indigenous Peoples Policy Framework (IPPF). The instrument(s) will be publicly disclosed and on Infoshop prior to board.</p> <p>The project will also ensure to consult the Réseau des Associations des Peuples Autochtones (REPALEF) representing IPs on a national level and its partner associations currently drafting the national IP strategy. The project will collaborate with the different Bank-funded projects supporting IP groups to consolidate efforts and avoid duplication.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The policy is triggered for any activities that may induce land acquisition under component 1 (Productive Labor Intensive Public Works). Given that sub-projects/activities under the component will be determined during project preparation based on consultations with key stakeholders, it is difficult to assess the impact at this stage. During project preparation, the project will prepare a Resettlement Policy Framework (RPF) or Resettlement Action Plans (RAPs) if the areas of intervention have been identified, to mitigate any negative impacts. The instrument(s) will be publicly disclosed and on Infoshop prior to board.</p> <p>As a preemptive measure to ensure resettlement, compensations are appropriately managed, and in order to prevent delays linked to compensations (as has been some Bank-funded projects in the DRC), the Borrower will establish an escrow account of US \$500,000 for resettlement compensation that may arise in the first year(s) of project implementation</p>
Safety of Dams OP/BP 4.37	No	The project does not involve dams.



Projects on International Waterways OP/BP 7.50	No	The project does not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project will not intervene in disputed areas.

### **E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 28, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Safeguards related studies will be launched as soon as the provinces of interventions are identified during project preparation.

### **CONTACT POINT**

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**APPROVAL**

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**Approved By**

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