

INTEGRATED SAFEGUARDS DATA SHEET

CONCEPT STAGE

Report No.: ISDSC1053

Date ISDS Prepared/Updated: 25-Nov-2014

Date ISDS Approved/Disclosed: 16-Feb-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Uganda	Project ID:	P149965
Project Name:	Uganda Safety Net Program for Productivity and Inclusion (P149965)		
Task Team Leader(s):	Endashaw Tadesse Gossa		
Estimated Appraisal Date:	30-Mar-2015	Estimated Board Date:	28-May-2015
Managing Unit:	GSPDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (100%)		
Theme(s):	Social Safety Nets/Social Assistance & Social Care Services (100%)		
Financing (In USD Million)			
Total Project Cost:	130.00	Total Bank Financing:	130.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			130.00
Total			130.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The Project Development Objective (PDO) is to support the Government of Uganda to expand income-earning opportunities for poor and vulnerable households and put in place the building blocks for a social protection system.

C. Project Description

The proposed project will have three components: (i) Labor-intensive public works that will provide employment opportunities for poor and vulnerable households; (ii) Livelihood Investment Support

for poor and vulnerable households; and (iii) Institutional support to build the social protection system. The project is currently estimated to be equivalent to US\$ 130 million and will operate over a period of four years.

Component 1: Labor-Intensive Public Works (USD\$80 million):

The public works component of the project will provide regular, seasonal employment opportunities to the poor and vulnerable households in selected districts through labor-intensive public works. It will also provide direct support to households that are eligible to participate in the project but have no labor capacity. The aim is to provide income-support to poor and vulnerable households in selected districts to smooth their consumption, promote investments in their human and productive capital and strengthen their resilience to shocks. The use of labor-intensive public works to transfer income to households provides an opportunity for the government to address the environmental degradation that is exacerbating the effects of shocks, such as the frequent floods and droughts in the country. In addition, public work component will also provide support to the more predictable shocks the poor and vulnerable households are facing, such as chronically food insecurity, a situation in which households are not able to produce enough for their own consumption. Due to the frequent occurrence of droughts, especially in the northern and western parts of the country, poor and vulnerable households remain chronically food insecure. Chronically food insecure households are not able to produce enough for the family's consumption and are exposed to food shortages during lean season. The public work component will provide poor and vulnerable households a seasonal transfer and smooth consumption during the lean season.

The proposed project will operate within a national framework for public works programs, which the government is putting in place with support from multiple partners. This framework aims to promote the use of common norms and standards for the delivery of labor-intensive public works, such that high rates of coverage can be achieved even when delivery is fragmented across many small initiatives. Within this framework, the project will provide support in a limited number of districts, prioritizing the 55 districts in the north and east of the country that participated in the NUSAF 2. It will also coordinate with the WFP-implemented Cash/Food for Assets program to minimize overlap in these areas. Preliminary estimates suggest that this component would provide support to 100,000 households per year. Given the aim of integrating the project into the national public works framework and the emerging social protection system more generally, the targeting criteria and methodology will consider the interface of the public works with the SAGE social pension to provide coherent support to poor and vulnerable households in project areas (see paragraph 26 for more on this point).

The public works activities will create assets that provide benefits to households and communities. While the exact assets to be created will be identified by communities through a local planning process, these could include the creation or maintenance of rural access roads, tree nurseries, afforestation, construction of different soil and water conservation measures, and flood control structures, rainwater harvesting, rehabilitation and construction of market shelters, rural health facilities, and schools, among others. The project will finance capital and technical inputs for these works, such as masons carpenters, as well as the tools required for the labors to help ensure that the public works are built to a high quality.

The labor-intensive public works will be designed to respond to the specific needs of women. A quota will be established to ensure that at least 40 percent of public works participants are women. Quotas will also be put in place to ensure that women are represented on local committees and through the community-planning processes to increase the likelihood that the assets benefit them as

well as men. Steps will also be taken to facilitate their participation in the public works, including the provision of childcare at public works sites and procedures to allow pregnant and breast-feeding women to be exempt from the work requirements for a specified period.

The public works component would specifically finance: (a) Wages/transfers for the beneficiaries participating in the public works activities, including direct support to households that are eligible for support but without able-bodied members. The frequency, duration and amount to be transferred will be determined during the preparation process; (b) Equipment, materials and skilled labor to promote the quality of the public works.

Component 2: Livelihood Investment Support (US\$ 35 million):

This component will support the government's aim to extend livelihood support to poor and vulnerable households to increase the productive assets and incomes of beneficiary households. The focus of this component is to stabilize and improve the existing livelihoods of poor households in farm and in non-farm sectors and subsequently support households to diversifying their livelihoods. As agriculture is the mainstay for a large proportion of the rural poor, the livelihood component will lay special focus on sustainable agriculture and allied activities like animal husbandry, non-timber forest produce, fisheries and value addition to agricultural produce. The experience from the NUSAF 1 and 2 has demonstrated the effectiveness of this approach (see paragraph 32). The proposed operation aims to build on this experience to further improve the efficiency, effectiveness and coverage of livelihood activities.

More specifically, Livelihood Investment Support component will provide grants to participating households that have completed a set of activities (e.g. have a business plan in place, have participated in training programs and have demonstrated willingness to save). These grants are complemented with business support, which includes training and skills development, coaching and mentoring. Building on the experience of NUSAF 1 and 2, participating households will be encouraged to form groups to access the grants and business support.

The livelihood component will have three interventions:

- a. Livelihoods Enhancement through value-addition to existing family-based small income generating activities. This will enhance and expand existing livelihoods options and tap new opportunities within the key livelihoods like agriculture, livestock, fisheries and forest produce collection. To this effect, it will provide support to add value to the existing income generating activity and make it more effective and increase its income and profit. This will stabilize and improve the existing livelihoods of poor households;
- b. Training and support for self-employment: training, small grant and business support services will be provided to beneficiaries of this component to access gainful self-employment. Experience of NUSAF 2 showed that groups of poor and vulnerable households, particularly those who are in the rural areas, often lack business skills to be able to manage their productive assets effectively to generate income. Through this component, business management skills training will be provided to groups before they can access small grants to increase their productive assets. Business skills training could focus on basic financial, marketing and operations management, including support to developing a business plan; and
- c. Small grants to youth (both male and female) groups to support skills training, tools and materials in a vocation of the youth's choosing. The Youth Opportunities Program (YOP) which was the livelihood support component of the NUSAF 1, provided cash grants to groups to support skills training, tools and materials in a vocation of the youth's choosing, and enable them to practice their trade individually or as a group. The findings of the impact evaluation of YOP indicated that this

approach is highly effective.

While this component will operate in the same areas as component one, poor and vulnerable households will choose between the two forms of support. At the same time, the project will explore whether the provision of public works and the livelihood support could graduate people out of poverty. This will be carried-out through a pilot that will be rigorously evaluated.

Component 3: Institutional support to build the social protection system (US\$ 15 million). The aim of this component is to support the government to lay the foundation for the social protection system that is envisioned in the draft Uganda Social Protection Policy. The Ministry of Gender, Labour and Social Development (MGLSD) is responsible for overseeing the social protection sector and has been spearheading the formulation of the USSP. The component will thus support the MGLSD to establish and strengthen systems to promote the harmonization of the direct income support elements of the social protection sector, such as the national framework for public works that was discussed above. It will also invest in the systems and procedures that are required to deliver predictable, multi-annual labor-intensive public works. Finally, it will contribute to the DIS system by building on the success of the governance and accountability mechanism of the NUSAF 2.

Given the mandate of OPM to manage the project, and the mandate of the Ministry of Local Government and the communities to implement the project areas, the following activities led by these institutions:

a. To contribute towards laying the foundation for the social protection system in Uganda, the project will support the establishment of the national framework for labor-intensive public works. It will also seek to improve the delivery of labor-intensive public works, specifically focusing on the planning of the public works, the targeting of households, the systems used to pay beneficiaries, and the monitoring and evaluation of the activities, as a means of contributing to strengthening these elements within the social protection sector more broadly. Investments in the targeting and payments systems, in particular, will be carried-out in a manner that would aim to promote harmonization and lesson learning across the direct income support sub-sector. To this effect, the project will create common targeting and payment systems that will avoid overlapping of programs and promote efficiency and effectiveness of DIS intervention. There is little evidence on the effectiveness of targeting systems for direct income support in Uganda, although there are suggestions that simple, transparent systems are more likely to be supported by communities. In general, programs tend to use a mix of categorical and poverty-targeting, although there is a general sense that poverty-targeting is costly and ineffective. As such, there is significant scope to improve the targeting of labor-intensive public works programs, with potential lessons for the sector more generally. In relation to delivery of payments, the component will support the use of Private Sector Payment Service Providers (PSP) which will ensure secure and timely payment of beneficiaries. While there is experience in Uganda with the use of third-party PSPs, to date, these have been used by projects that operate outside of government systems.

b. The project will also establish the foundation to enable the public works program to scale-up in response to shocks, such as drought and floods. Internationally, there is a growing consensus that responding to shocks through an established safety net is more effective than providing humanitarian response. While food aid saves lives, it often arrives too little and too late to allow people to protect their livelihoods. In contrast, increasing the coverage, frequency of transfers or transfer values of a safety net program before the shock occurs has been shown to enable people to protect their livelihoods and assets. Such scalable support thus reinforces the protective function of regular safety net transfers. The proposed operation will use, to the full extent possible, the existing early warning system to inform a response to shocks through the public works in project areas.

c. Concurrently, this component will support the establishment of the systems and procedures that are required to deliver the labor-intensive public works and the livelihood investment support activities. Significant investment in operational systems, procedures and capacity at national and local-levels, including the hiring of staff and procurement of vehicles and equipment, will be availed through component 3. It will also require that measures be put in place to mitigate the fiduciary risks arising from the delivery of cash transfers to a large number of beneficiaries. The experience with the NUSAF 2 will inform the detailed activities to be financed under this component. However, care will be taken during the design of the project to reflect on the lessons learned from the administration of the NUSAF 2, which was very effective but also relatively expensive as compared with international experience.

Finally, this component will finance the Transparency, Accountability and Anti-Corruption (TAAC) activities that were initiated under the NUSAF 2 project. The objective of the TAAC activities under NUSAF 2, which is implemented by the Inspectorate of Government (IG), has been to strengthen transparency, accountability and anti-corruption efforts in northern Uganda. The NUSAF 2 project is used as an entry point to develop stronger systems for communities and local authorities to promote improved governance in development. To this end, Social Accountability Committees (SAC) were elected at the community-level, as a requirement for a community to receive funding for a NUSAF 2 sub-projects in their community. The IG provides, in collaboration with Civil Society Organizations, training to SACs to build the capacity of communities to promote transparency and be able to identify corrupt tendency and thereby improve accountability. The SACs are responsible for holding the Community Project Management Committee (CPMC), government officials, and also the private contractor hired for the sub-project, to account. SACs act as the first point of call for any project grievance.

The Office of the IG has developed a reasonably effective system to address grievances which encompasses the application of sanctions against local government officials proven to have mismanaged funds or circumvented project procedures. Because the IGG is legally equipped to administer sanctions, their proactive role in enforcing compliance of project regulations appears to have served as a powerful deterrent to corruption. As a third party monitoring agency, the IGG's proactive role in training the SAC members, regular monitoring of the project at various levels and enforcing compliance of project regulations have served as a powerful deterrent to corruption. The design of the new operation will incorporate the experience and lessons learned during the implementation of the NUSAF 2 and will continue to use IGG as a third party monitoring.

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

The project will provide support in a limited number of districts, prioritizing the 55 districts in the north and east of the country that participated in the NUSAF 2. It will also coordinate with the WFP-implemented Cash/Food for Assets program to minimize overlap in these areas.

The project will support interventions designed to improve livelihoods and access to basic socio-economic services in selected districts. The salient physical characteristics relevant to safeguard analysis relate to project Component 1: Labor-Intensive Public Works and Component 2: Livelihood Investment Support. Component 1 involves public works which will focus on a variety of asset creation activities, including rural access roads, tree nurseries, afforestation, construction of different soil and water conservation measures, and flood control structures, rainwater harvesting, rehabilitation and construction of market shelters, rural health facilities, and schools, among others. Component 2 will support livelihood investments which may involve Value-addition to existing

family-based small income generating activities.

The overall environmental and social impacts of the project is expected to be positive through alleviating pressures on the poor that lead to unsustainable exploitation of natural resources and environmental degradation. The community sub-projects may involve limited land acquisition and displacement of land-uses and/or livelihoods. Therefore, by their nature, project components 1 and 2 may have limited and localized negative environmental and social impacts. For this reason, the project is rated as EA category B. The project ties in the twin goals of the World Bank group of alleviating poverty and promoting shared prosperity.

The potential environmental and social impacts can be adequately managed by integrating environmental and social due diligence into the sub-project cycle. Since the multiple CDD sub-projects and locations are not yet known at this time, Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) shall be prepared and disclosed both in-country and at infoshop before project appraisal.

E. Borrowers Institutional Capacity for Safeguard Policies

The Office of the Prime Minister (OPM) would be the implementing agency of the project and work with a wide range of institutions at central and district levels to deliver the project. Building on the positive experience from NUSAF 2 project implementation, the districts will assign an officer (civil servant) who will be a full-time focal person for the new project and will be supported by the District Environment Officer, District Community Development Officer, and District Engineer, among others. Multi-sectoral Technical Planning Committees (TPC) at the district, sub-county, and at Parish levels will provide support to the project focal person, and his or her team at the district-level, to ensure that the project's activities are: appropriately appraised, approved and integrated into the budgets and work programs of the respective local governments and line ministry's technical agencies; and that the appropriate environmental screening and assessment are carried-out for each sub-project and any mitigation measures are adequately implemented. This institutional arrangement essentially reinforces the mainstreaming of the project into the existing structures at the national and local government levels. The actual project activities of planning for the public works activities, the selection of beneficiaries, overseeing the public works activities and providing technical inputs, monitoring at the district, county, sub-county and village levels would be coordinated by the local government entities.

The OPM has been overseeing the implementation of the NUSAF 2 project since 2009. The OPM has been coordinating different stakeholders in the implementation of the project through the Technical Support Team (TST), composed of highly qualified project management specialists including Safeguard Specialist. The TST provided technical support to the OPM and districts implementing the NUSAF 2 project in the day-to-day running of the project operation.

The implementing agency therefore has adequate safeguards capacity to undertake environmental and social tasks of proposed project. However, due to staff turnover at the District Local Government Level, there will be need to take stock of the existing capacity during compilation of the ESMF and RPF, so that appropriate capacity building and development measures are put in place.

F. Environmental and Social Safeguards Specialists on the Team

Constance Nekessa-Ouma (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Because of the public works and livelihoods support projects there are likely negative environmental and

		social impacts to be generated, though localized and readily manageable. Since the specific multiple sub-projects and their locations are not yet known, Environmental and Social Management Framework will be prepared to guide implementation of the environmental and social aspects. The ESMF shall be prepared in a consultative manner, and disclosed both in-country and at info-shop before project appraisal. Specific safeguard instruments (ESIA, ESMPs) shall be prepared during project implementation following guidance in the ESMF.
Natural Habitats OP/BP 4.04	No	The project shall not support any activities that affect natural habitats.
Forests OP/BP 4.36	TBD	The project is supporting afforestation activities. By appraisal, the team will determine if the scale of the activities is enough to justify triggering the policy. Guidance and mitigation measures for forest activities will be included in the ESMF.
Pest Management OP 4.09	Yes	Under project Component 2 Livelihoods Support, the project may support CDDs that involve small scale use of pesticides that may be applied to veterinary care of animals. A Pest Management Plan shall be prepared as part of the ESMF.
Physical Cultural Resources OP/BP 4.11	Yes	The civil works involved in Component 1 of Public Works may impact on known and/or unknown PCRs and therefore a Chance Finds Procedure will be developed as part of the ESMF.
Indigenous Peoples OP/BP 4.10	TBD	Depending on the criteria developed for selection of project beneficiary districts, this Policy may apply if IPs districts are among them.
Involuntary Resettlement OP/ BP 4.12	Yes	Because of the likely small scale land acquisition and impact on the livelihood of communities, this Policy is triggered. Since the multiple CDDs are not yet known including their location, a Resettlement Policy Framework shall be prepared in a Consultative manner, and disclosed both in-country and at infoshop.
Safety of Dams OP/BP 4.37	TBD	The project involves the construction of flood control structures for which dam safety provisions may have to be prepared. This will be confirmed before appraisal.
Projects on International Waterways OP/BP 7.50	No	The project will not be implemented in International Waterways.
Projects in Disputed Areas OP/ BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 19-Mar-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed.
The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

To be launched in November 2014 and completed and disclosed by March 2015.

IV. APPROVALS

Task Team Leader(s):	Name: Endashaw Tadesse Gossa	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Alexandra C. Bezeredi (RSA)	Date: 25-Nov-2014
Practice Manager/ Manager:	Name: Manuel Salazar (PMGR)	Date: 16-Feb-2015

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