



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

Appraisal Stage | Date Prepared/Updated: 16-Dec-2020 | Report No: PIDISDSA30335



BASIC INFORMATION

A. Basic Project Data

Country Djibouti	Project ID P174566	Project Name Integrated Cash Transfer and Human Capital Project Additional Financing	Parent Project ID (if any) P166220
Parent Project Name Integrated Cash Transfer and Human Capital Project	Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 09-Feb-2021	Estimated Board Date 10-Mar-2021
Practice Area (Lead) Social Protection & Jobs	Financing Instrument Investment Project Financing	Borrower(s) Republic of Djibouti	Implementing Agency Ministry of Social Affairs and Solidarity

Proposed Development Objective(s) Parent

The Project Development Objectives are to: i) support an expanded and more enhanced social safety nets system; and ii) support access to basic services in targeted poor communities.

Note: for the purpose of the PDO statement, "enhanced" is taken to mean (i) improved targeting of program beneficiaries, (ii) an enlarged social registry, and (iii) effective accompanying measures in conjunction with conditional cash transfers.

Components

- Conditional cash transfers
- Strengthening social protection delivery systems
- Community-based investments in basic services to improve human capital
- Project Management
- Household food security response to COVID-19
- Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

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



DETAILS

World Bank Group Financing

International Development Association (IDA)	10.00
IDA Credit	10.00

Environmental Assessment Category

B-Partial Assessment

Decision

B. Introduction and Context

Country Context

Djibouti is a small lower-middle income country with a strategic geopolitical and trade position in the Horn of Africa and Gulf of Aden. Real Gross Domestic Product (GDP) increased by an average of 4.8 percent per year from 1999 to 2019 and per capita GDP grew by 3 percent on average per year in the same period. The GDP growth averaged 8.4 percent in 2018 and 7.9 percent in 2019. Taking advantage of its geographical location, Djibouti has benefited from the rising economy of Ethiopia, its land-locked neighbor and has become a key re-exporter of Ethiopian goods. Djibouti’s location has also driven economic growth through the rents of foreign military bases located in the country. GDP growth is largely dependent on the tertiary sector, with more than two-thirds of its GDP coming from it.

Poverty in recent years has declined in line with the economic growth noted above. Still, despite the rapid growth in recent years, extreme poverty remains high particularly in the suburb of Balballa and in rural areas. In 2017, an estimated 21 percent of the Djiboutian population lived in extreme poverty. Poverty reduction has also been affected by the numerous and continuous shocks that have hit the country in recent years. The COVID-19 pandemic has interrupted the encouraging trends in growth and poverty reduction. With the disruption in global supply chains and the preventive social distancing measures implemented by the Government such as restriction on movement and gatherings, both the supply and demand for goods and services were constrained which will slow economic growth in 2020. Under the baseline scenario, economic growth will contract by 1 percent, the first time since the 2006. The locust outbreak in 2020 constituted an additional shock to the economy in addition to COVID-19, with over 1,700 agropastoral farms across the country and nearly 50,000 hectares of pastureland destroyed by the swarms.

Sectoral and Institutional Context



For equitable and sustained growth, substantial investments are needed in human capital development, especially for young children that represent the country's future. Djibouti ranks 172 out of 188 in the Human Development Index (HDI), while data is not available to produce a ranking for Djibouti in the new Human Capital Index. The most urgent priority for human capital development is for the youngest children, given that a large body of scientific and economic research has shown that the early years of a child's life are critical for development of cognitive, physical, and socioemotional skills, and that high-quality investments in the early years can have returns that surpass investments in primary or secondary education.

Investments are needed both the demand for and supply of basic services that promote development of human capital. Djibouti's education sector is characterized by low enrolment, inequitable outcomes, and relatively poor quality. More than half of students fail to complete primary school, and overall 30% of the school-age population remains out of school. Access to early learning opportunities, including quality preschool, is virtually absent for low-income populations. In rural areas especially, access to clean water and improved sanitation is very low. Finally, climate, disease, and economic shocks continue to threaten poor and vulnerable households' ability to meet basic needs or invest in human capital. Famine and prolonged food and nutrition deprivation negatively affect cognitive development of young children.

Djibouti has made promising progress in building its social safety net (SSN) system, which is crucially important to alleviate poverty and promote human capital development (in addition to interventions in health, education, water, nutrition, infrastructure, and other areas). International evidence shows that SSNs not only have an immediate impact on poverty, but also enable households to increase their use of basic services which contribute to increased human capital. This can happen through two key pathways: first, the income from cash transfers can help to cover the cost of schooling, health care, water and sanitation, and other services; and second, the conditionalities associated with conditional cash transfers can encourage utilization of services as well as behavior changes that promote development of human capital.

The Government is aiming to expand the delivery of services outside of the capital and spark regional development. To expand delivery of services, including to the poorest, the country requires additional physical infrastructure, including in education, health, water and sanitation. This is compounded by significant infrastructure challenges including lack of provision of electricity and transport, among other services. Decentralization is a key element of Government's strategy to strengthen service delivery, and accordingly in 2016 it established a Ministry 'délégué' charged with implementing its decentralization policy. Increased community and local involvement in development of infrastructure is one way in which the Government seeks to expand access to basic services.

C. Proposed Development Objective(s)

Original PDO

The Project Development Objectives are to: i) support an expanded and more enhanced social safety nets system; and ii) support access to basic services in targeted poor communities.



Note: for the purpose of the PDO statement, "enhanced" is taken to mean (i) improved targeting of program beneficiaries, (ii) an enlarged social registry, and (iii) effective accompanying measures in conjunction with conditional cash transfers.

Current PDO

The Project Development Objectives are to support: i) an expanded and enhanced social safety nets system; ii) access to basic services in targeted poor communities, and iii) a rapid targeted food security safety net response to the COVID-19 pandemic.

Note: for the purpose of the PDO statement, "enhanced" is taken to mean (i) improved targeting of program beneficiaries, (ii) an enlarged social registry, and (iii) effective accompanying measures in conjunction with conditional cash transfers.

Key Results

The parent project was approved by the World Bank's Board of Executive Directors on May 15, 2019. The project became effective on November 29, 2019 due to the recess of Djibouti's National Assembly, but preparatory activities had already been underway through a Project Preparation Advance. With about one year of implementation since effectiveness, the project has already disbursed about 60 percent of its resources. Progress towards achievement of the PDO and overall Implementation Progress is rated satisfactory.

Quarterly cash transfers began on April 1, 2020 in targeted areas in the five regions of the interior for approximately 5,000 households. The implementing entity, the Ministry of Social Affairs and Solidarity (*Ministère des Affaires Sociales et des Solidarités*, MASS), has adapted the payment process for cash transfers to incorporate physical distancing, hand-washing, physical protective equipment, and other protective measures to prevent the transmission of COVID-19. Education of beneficiaries on prevention of COVID-19 has been added the cash transfer accompanying measures, which also focus on behavior change communication on nutrition, health, education, child stimulation and parenting, gender-based violence, income generation, and refugee inclusion. MASS has continued strengthening the social registry, which now includes about 73,000 households (over one-third of the country's population with an emphasis on poor and vulnerable households). For component 3 (Community-based investments in basic services to improve human capital), 50 beneficiary communities have been identified in the 5 regions of the interior and development of community training modules is underway.

In response to the Government of Djibouti's request for assistance in responding to the COVID-19 pandemic, the Bank restructured the project on May 8, 2020. The restructuring reallocated US\$5 million to a new "Household food security response to COVID-19" component from resources initially allocated to finance conditional cash transfers in 2021 and 2022, as well from financing for systems strengthening activities and project management. Over a three-month period from April to June 2020, this new component financed food vouchers for 27,567 poor and vulnerable urban households, exceeding the target of 27,000 households. The intervention was made possible by the Government's investment in the national social registry in recent years, with support from the Bank, and targeted approximately 16,000 households under the poverty line, and approximately 11,000 households active in day labor, temporary and/or independent work.

D. Project Description

The Project has six components: (1) provision of conditional cash transfers, including accompanying measures to



improve human capital; (2) institutional capacity building support for social safety net system building and for establishing a community driven-development platform; (3) community-based investments in basic services to improve human capital;(4) project management; (5) Household food security response to COVID-19, and (6) Contingency Emergency Response Component (CERC). Components 5 and 6 were added in the restructuring to respond to the COVID-19 pandemic.

E. Implementation

Institutional and Implementation Arrangements

The project is implemented under the overall responsibility of MASS.

MASS has fiduciary responsibility for all components of the project. It is directly implementing sub-component 1.1 (Financing of Cash Transfers), component 2 (Strengthening social protection delivery systems), component 4 (project management), component 5 (Household food security response to COVID-19), and component 6 (CERC).

MASS has signed an agreement with the Djiboutian Agency for Social Development (ADDS) to execute on its behalf sub-component 1.2 (Community-based accompanying measures to improve human capital) and component 3 (Community-based investments in basic services to improve human capital). ADDS, an autonomous administrative public institution overseen by MASS, has the mission of contributing to the fight against poverty and vulnerability by supporting sustainable development projects in a participatory, partnership-based approach.

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

The locations of the interventions of the project will be in the capital Djibouti-ville and its surrounding area as well as the regions of Ali Sabieh, Arta, Dikhil, Obock and Tadjourah.

G. Environmental and Social Safeguards Specialists on the Team

Eloise Sophie Fluets, Social Specialist
Melissa C. Landesz, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The sub-projects under component 3 community-based investments in basic services to improve



human capital will support the construction and rehabilitation of physical infrastructures and other tangible assets in the areas of water supply and sanitation, water resource management, schools, markets, rural roads, environmental resource management, and other investments of similar scale and impact.

The project has been categorized B, the potential environmental and social impacts associated with activities to be funded have the propensity to trigger small scale and site specific environmental Risks/impacts that are easily manageable. The main Risks/impacts identified are linked to solid and liquid waste management during works, Occupational Health and safety of workers and community Health and safety during works and operation phases.

An ESMF was prepared by the borrower for the parent project and revised for the Additional Financing (an Addendum was also prepared for the restructuring in April 2020, which has now been integrated into the new revised ESMF). The main changes in the revised ESMF are discussed below under “Key Safeguard Policy Issues and Their Management.” The revised ESMF was disclosed in Djibouti on January 20, 2021 by by the Bank on Febraury 1, 2021.

Performance Standards for Private Sector Activities OP/BP 4.03	No	Not applicable
Natural Habitats OP/BP 4.04	No	The project activities would not result in any conversion or degradation of critical natural habitats.
Forests OP/BP 4.36	No	The project will not finance activities related to forest exploitation, harvesting, direct or indirect forest degradation, and increased access to forest.
Pest Management OP 4.09	No	The project will not finance acquisition transport, distribution, storage or use of pesticides or similar chemicals that could threaten environmental and human health.
Physical Cultural Resources OP/BP 4.11	No	The ESMF stipulates that if physical cultural resources are found during civil works, a “chance find procedure” will apply.
Indigenous Peoples OP/BP 4.10	No	Djibouti has no population that would qualify as indigenous people, as defined by OP 4.10. Project



		activities will therefore not affect areas inhabited by indigenous people..
Involuntary Resettlement OP/BP 4.12	Yes	Under component 3, sub-projects will support the rehabilitation and construction of social and economic infrastructure such as water supply and sanitation, water resource management, schools, markets, rural roads, environmental resource management, and other investments of similar scale and impact. These activities could lead to restriction of access to assets or sources of livelihood and they could also entail some acquisition of land and/or losses of assets and thus the OP 4.12 is triggered. The RPF sets out the principles governing involuntary resettlement risks and provides the roadmap for preparing Resettlement Action Plans as necessary.
Safety of Dams OP/BP 4.37	No	The project will not finance dam works or activities associated to existing dams.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activities that will interfere with international watercourses; either in terms of water withdraw or discharge of pollutants.
Projects in Disputed Areas OP/BP 7.60	No	The project intervention areas are not under dispute.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

The parent project supports the following activities: cash transfers under the National Program for Solidarity and Family (Programme Nationale de Solidarité Famille, PNSF) and accompanying measures for around 5,000 beneficiaries in rural areas (Component 1); the strengthening of social protection delivery systems (Component 2); the construction and rehabilitation of small-scale community infrastructure (Component 3), such as latrines, the rehabilitation of school classes, market stalls, the construction of bore holes or water points or small works enabling pedestrian access or rehabilitating rural tracks, with a budget of around USD 28,000 for each infrastructure. This component will be implemented under a community-based development approach under the supervision of the Djiboutian Agency for Social Development (Agence Djiboutienne de Development Social- ADDS); and project management (Component 4). In April 2020, the project was restructured to finance food vouchers for poor and vulnerable urban households (Component 5) in response to the COVID-19 pandemic. All components besides Component 5 are being implemented by the Ministry of Social Affairs and Solidarity (Ministere des Affaires Sociale et de la Solidarite-MASS).

The proposed additional financing will mobilize US\$10 million to complement the original US\$ 15 million. This will replenish resources reallocated to finance Component 5 in response to to the COVID-19 pandemic and scale up the



project. In addition, the following changes to the parent project are also proposed: the extension of the conditional cash transfers under Component 1 to around 2,000 households in urban areas, the addition of income-generating accompanying measures to the cash transfer component, and the revision of the project Results Framework to reflect the expanded scope and geographical coverage of the project.

To date, the majority of activities have started. In terms of component 1, cash transfers began in April 2020 and have reached 4,888 beneficiaries out of 5,000, achieving 98% of the target. Cash transfer accompanying measures have been launched, and now focus on COVID-19 prevention as well as behavior change communication on nutrition, health, education, child stimulation and parenting, gender-based violence, income generation, and refugee inclusion. MASS is undertaking upgrades and improvements to the national social registry, which now includes about 73,000 households. All the activities under component 5 have been completed and food vouchers were distributed to 27,567 beneficiaries. With regards to Component 3, none of the civil works associated with the community infrastructures has started, but progress include the identification of 50 sites in the 5 regions of the interior to benefit from this component, and the creation of village development committees to select the infrastructure in a participatory manner. The subprojects to be financed are expected to commence in the first quarter of 2021.

The key risks associated with the project and its additional financing include potential exclusion of vulnerable and disadvantaged groups from project benefits (although this risk has been greatly minimized by the project design), grievances related to project implementation, as well as generic environmental health safety risks associated with small civil works under Component 3 (small waste management, dust emissions and occupational health and safety). The risks of economic displacement has also been identified as a potential risk, although it is likely to be minimal given that infrastructures located on privately owned land or involving physical displaced are excluded from project financing.

The activities of the parent project and additional financing have been screened for sexual abuse and exploitation and sexual harassment and the risks have been rated as moderate. The risk of exposure to and propagation of SARS-CoV-2 has been identified as a transversal risk across all project activities. Overall, the risks associated with the project are moderate, localized and easily mitigated with appropriate mitigation measures.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No irreversible or long term impacts are expected as a result of this intervention.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
No other project alternatives were considered given that the impacts were considered small and reversible.

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

The parent project was prepared under the safeguard policies prior to the applicability of the Environmental and Social Framework (ESF) and triggered OP 4.01 and OP. 4.12. In order to expedite provision of additional resources to support the Government's continued COVID-19 response, a waiver has been granted to allow Additional Financing under safeguard policies rather than the Environmental and Social Framework.

As per the conditions of the waiver, the ESMF was updated to ensure that the environmental and social (E&S) risks and impacts are managed in line with the principles of the ESF and revised to take into account the implementation of E&S mitigation measures and consultation activities undertaken to date.



The updated ESMF includes: (i) the description of the eligibility criteria and participatory beneficiary selection process; (ii) an exclusion list and procedures to screen out all Category A-type (and high B) sub-projects. Among the exclusion list are activities located on privately owned land or leading to physical relocation; (iii) a screening sheet to document the resettlement impacts; (iv) mitigation measures to address COVID-19 exposure; (v) E&S clauses to be included in contractual documents; (vi) a checklist for water treatment; (vii) simple labor management procedures; (viii) measures to minimize and address the risks of sexual exploitation and abuse and sexual harassment; and (ix) an updated grievance redress mechanism that can address SEA/SH and labor grievances.

The updated ESMF complies with the principles of the General EHS Guidelines, Water & Sanitation EHS Guidelines, Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, ESF/Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects, COVID-19 and the Gender-Based Violence Guidance Note. The updated ESMF was disclosed in Djibouti on January 20, 2021 and on the World Bank website on February 1, 2021.

The ESMF will be implemented by MASS, ADDS and the village committees to be constituted under Component 3. An E&S focal point in MASS and another in ADDS have been appointed. E&S focal points in the village committees will also be nominated and trained to implement the proposed mitigation measures prior to the start of the civil works.

The implementation of the ESMF for the parent project is on track and MASS and ADDS have been responsive in integrating recommendations from World Bank E&S specialists during supervision missions or ad hoc interactions. The eligibility criteria, selection process and grievance mechanisms for components 1 and 5 have been widely disseminated. All activities carried out from March 2020 onwards have integrated rigorous COVID-19 prevention measures and awareness activities.

The grievance mechanism has been operational since the beginning of the beneficiary identification process of Component 1 in September 2019. The mechanism has different grievance submission windows for each component to make it easily accessible to beneficiaries at the various locations of project activities. To date, 2,613 grievances have been submitted regarding the components that have started implementation (cash transfers-Component 1 and food vouchers- Component 5). Grievances mostly relate to requests to be included as beneficiary in the program, spelling errors with the name of the beneficiary, requests for information on the location of the food stores that participate in the food voucher distribution program, and complaints about price inflation of certain food staples. 97% of all grievances have been resolved. The grievance mechanism proposed in the updated ESMF has been enhanced to allow for grievances from workers and SEA/SH.

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

Key stakeholders include direct beneficiaries, defined as poor and vulnerable households in both urban and rural areas, community residents who will be benefitting from the community, relevant government agencies and sector ministries, local representatives and civil society who will be participating in the implementation of project activities. Consultation on the original ESMF were conducted on December 2, 2018 prior to the disclosure of the ESMF and resettlement policy framework (RPF) on the Bank's and MASS' websites.

Consultations with over 30 representatives of central and local government agencies, project workers and civil society were conducted from December 14-17 2020. Given the context of the pandemic, consultations were undertaken in a



virtual format or in small groups with proper public health measures (mask and social distancing). Participants had questions on certain measures proposed in the ESMF, in particular related to SEA/SH prevention measures that were clarified during the discussions. The ESMF was disclosed in Djibouti on January 20, 2021 and on the World Bank website on February 1, 2021.

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

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
20-Jan-2021	01-Feb-2021	

"In country" Disclosure
 Djibouti
 20-Jan-2021
 Comments

Resettlement Action Plan/Framework/Policy Process		
Date of receipt by the Bank	Date of submission for disclosure	
07-Feb-2019	07-Feb-2019	

"In country" Disclosure
 Djibouti
 07-Feb-2019
 Comments

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.
 If in-country disclosure of any of the above documents is not expected, please explain why:

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



OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

TBD

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

No

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

World Bank

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Borrower/Client/Recipient

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APPROVAL

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Approved By

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