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Report No: PAD2306

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 20.7 MILLION
(US\$28 MILLION EQUIVALENT)

TO THE
CENTRAL AFRICAN REPUBLIC

FOR A
CAR-SERVICE DELIVERY AND SUPPORT TO COMMUNITIES AFFECTED BY
DISPLACEMENT PROJECT

MAY 3, 2017

Social, Urban, Rural and Resilience Global Practice
Social Protection and Labor Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2017)

Currency Unit = CFA Francs BEAC (XAF)

US\$1 = XAF 623

SDR 1 = US\$0.73700114

FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

| | |
|--------|------------------------------------------------------------------------------------------------------|
| ADC | Community Development Agents (<i>Agents de développement communautaire</i>) |
| AFD | French Development Agency (<i>Agence française de développement</i>) |
| AGETIP | Public Works Agency (<i>Agence d'exécution de travaux d'intérêt public</i>) |
| CAR | Central African Republic |
| CLPR | Local Committees for Peace and Reconciliation (<i>Comités Locaux de paix et de Réconciliation</i>) |
| CPMP | Cultural Property Management Plan |
| CT | Cash transfers |
| DDRR | Disarmament, Demobilization, Reinsertion and Reintegration |
| ECOP | Environmental Code of Practice |
| ESSAP | Environmental and Social Safeguards Action Plan |
| ESIA | Environmental and Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| FA | Fiduciary agent |
| FM | Financial Management |
| GDP | Gross Domestic Product |
| GNI | Gross National Income |
| GRS | Grievance Redress Service |
| HDI | Human Development Index |
| IDA | International Development Association |
| IDP | Internally Displaced Person |
| IFR | Interim Financial Report |
| IOM | International Organization for Migration |
| ISC | Inter-ministerial Steering Committee |
| MASRN | Ministry of Social Affairs and National Reconciliation |
| M&E | Monitoring and Evaluation |

| | |
|-----------|--------------------------------------------------------------------------------------------------|
| MINUSCA | United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic |
| MOU | Memorandum of Understanding |
| MTR | Mid-term review |
| NGO | Non-Governmental Organization |
| O&M | Operations and Maintenance |
| PAP | Project-affected people |
| PCU | Project Coordination Unit |
| PIM | Project Implementation Manual |
| PIU | Project Implementation Unit |
| PPA | Project Preparation Advance |
| PPSD | Project Procurement Strategy for Development |
| PSC | Project Steering Committee |
| RAP | Resettlement Action Plan |
| RPF | Resettlement Policy Framework |
| RSR | Rapid Social Response |
| SOE | Statement of Expenditures |
| STEP | Systematic Tracking and Exchanges in Procurement |
| SYSCOHADA | <i>Système Comptable de l'OHADA</i> |
| TTFP | Transport Transit Facilitation Project |
| TU | Technical Unit |
| UN | United Nations |
| UNDP | United Nations Development Program |
| UNHCR | United Nations High Commissioner for Refugees |
| UNOPS | United Nations Office for Project Services |
| WA | Withdrawal Applications |

Regional Vice President: Makhtar Diop

Country Director : Ahmadou Moustapha Ndiaye

Senior Global Practice Director: Ede Jorge Ijjasz-Vasquez

Practice Manager: Jan Weetjens

Task Team Leaders: Ana Paula Fialho Lopes, Giuseppe Zampaglione



BASIC INFORMATION

| | | |
|--------------------------------------------|--------------|------------------------------------------------------|
| Is this a regionally tagged project? No | Country(ies) | Financing Instrument Investment Project Financing |
|--------------------------------------------|--------------|------------------------------------------------------|

- Situations of Urgent Need of Assistance or Capacity Constraints
- Financial Intermediaries
- Series of Projects

| | | |
|------------------------------|-----------------------------|-------------------------------------------------------------|
| Approval Date 16-May-2017 | Closing Date 30-Jun-2021 | Environmental Assessment Category B - Partial Assessment |
| Bank/IFC Collaboration No | | |

Proposed Development Objective(s)

The PDO is to increase access to basic services, infrastructure and safety nets for communities affected by forced displacement.

Components

| Component Name | Cost (US\$, millions) |
|------------------------------------------------------------------------------------------------------|-----------------------|
| Component 1 – Access to basic services and infrastructure | 15.00 |
| Component 2 – Safety nets | 8.00 |
| Component 3 - Community mobilization, capacity building, technical assistance and project management | 5.00 |

Organizations

Borrower : Ministry of Economy, Plan and Cooperation
Implementing Agency : Ministry of Social Affairs and National Reconciliation



Safeguards Deferral

Will the review of safeguards be deferred?

Yes No

PROJECT FINANCING DATA (IN USD MILLION)

| | | | | | |
|----------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------|
| <input type="checkbox"/> Counterpart Funding | <input type="checkbox"/> IBRD | <input type="checkbox"/> IDA Credit <input type="checkbox"/> Crisis Response Window <input type="checkbox"/> Regional Projects Window | <input checked="" type="checkbox"/> IDA Grant <input type="checkbox"/> Crisis Response Window <input type="checkbox"/> Regional Projects Window | <input type="checkbox"/> Trust Funds | <input type="checkbox"/> Parallel Financing |
|----------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------|

Total Project Cost:
28.00

Total Financing:
28.00

Financing Gap:
0.00

Of Which Bank Financing (IBRD/IDA):
28.00

Financing (in US\$, millions)

| Financing Source | Amount |
|------------------|--------------|
| IDA Grant | 28.00 |
| Total | 28.00 |

Expected Disbursements (in US\$, millions)

| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------|------|------|------|-------|-------|-------|
| Annual | 0.03 | 2.95 | 5.54 | 8.03 | 9.77 | 1.68 |
| Cumulative | 0.03 | 2.98 | 8.52 | 16.55 | 26.32 | 28.00 |



INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Social Protection & Labor

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

| Risk Category | Rating |
|-----------------------------------------------------------------|---------------|
| 1. Political and Governance | ● Substantial |
| 2. Macroeconomic | ● Substantial |
| 3. Sector Strategies and Policies | ● Substantial |
| 4. Technical Design of Project or Program | ● Substantial |
| 5. Institutional Capacity for Implementation and Sustainability | ● Substantial |
| 6. Fiduciary | ● Substantial |
| 7. Environment and Social | ● Moderate |
| 8. Stakeholders | ● Substantial |



| | |
|-------------|------|
| 9. Other | High |
| 10. Overall | High |

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

Yes No

Environmental Assessment OP/BP 4.01

✓

Natural Habitats OP/BP 4.04

✓

Forests OP/BP 4.36

✓

Pest Management OP 4.09

✓

Physical Cultural Resources OP/BP 4.11

✓

Indigenous Peoples OP/BP 4.10

✓

Involuntary Resettlement OP/BP 4.12

✓

Safety of Dams OP/BP 4.37

✓

Projects on International Waterways OP/BP 7.50

✓

Projects in Disputed Areas OP/BP 7.60

✓

Legal Covenants

Sections and Description

The Recipient shall furnish to the Association, not later than November 30 of each year, the annual work plan and budget, as prepared by the MASRN Technical Unit and approved by the Project Steering Committee, for the Association’s review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than two (2) months after Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association are eligible to a financing from the proceeds of the Financing.



Sections and Description

The Recipient shall, not later than four (4) months after the Effective Date, adopt the ESMF and RPF, in form and substance satisfactory to the Association, and shall ensure that said ESMF and RPF are consulted upon in advance with affected communities and disclosed in the territory of the Recipient and at the InfoShop.

Sections and Description

The Recipient shall prepare and furnish to the Association as part of the project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

Sections and Description

Each audit of the Financial Statements shall cover the period of one fiscal year of the recipient commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Conditions

| Type | Description |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Effectiveness | The Service Agreement has been executed on behalf of the Recipient and the Service Provider. |
| Effectiveness | The Recipient has adopted the PIM in form and substance satisfactory to the Association. |
| Effectiveness | The Recipient has established the Project Steering Committee with mandate, composition, staff and resources satisfactory to the Association, as further set out in Section I.A of Schedule 2 to this Agreement. |
| Disbursement | No withdrawals shall be made under Category (2) until a Preliminary List of beneficiaries of the Cash Transfer Program has been submitted to, and approved by, the Association. |

**PROJECT TEAM****Bank Staff**

| Name | Role | Specialization | Unit |
|-------------------------------------|-----------------------------------------|------------------------------|-------|
| Ana Paula Fialho Lopes | Team Leader(ADM Responsible) | social and urban development | GSU19 |
| Giuseppe Zampaglione | Team Leader | social protection | GSP07 |
| Haoussia Tchaoussala | Procurement Specialist(ADM Responsible) | procurement | GGO07 |
| Tahirou Kalam | Financial Management Specialist | financial management | GGO26 |
| Albert Francis Atangana Ze | Safeguards Specialist | environmental safeguards | GEN07 |
| Carine-Reine Mbedo Ngassia | Team Member | team support | AFMCF |
| Cheikh A. T. Sagna | Safeguards Specialist | social safeguards | GSU01 |
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| Foluso Okunmadewa | Peer Reviewer | social protection | GSP07 |
| Gbetoho Joachim Boko | Team Member | social protection | GSP07 |
| Jana El-Horr | Team Member | social development | GSU06 |
| Jean Charles Amon Kra | Team Member | financial management | GGO26 |
| Joseph-Antoine Ellong | Team Member | team support | GSU01 |
| Mamadou Diedhiou | Safeguards Specialist | social safeguards | GSU01 |
| Markus Kostner | Peer Reviewer | forced displacement | GSUSD |
| Patrice Joachim Nirina Rakotoniaina | Team Member | infrastructure | GSU19 |
| Paula Andrea Rossiasco Uscategui | Peer Reviewer | forced displacement | GSU01 |
| Siobhan McInerney-Lankford | Counsel | legal | LEGAM |
| Sung Heng C. Kok Shun | Team Member | team support | GSU19 |

Extended Team

| Name | Title | Organization | Location |
|------|-------|--------------|----------|
|------|-------|--------------|----------|



CENTRAL AFRICAN REPUBLIC
CAR-SERVICE DELIVERY AND SUPPORT TO COMMUNITIES AFFECTED BY DISPLACEMENT PROJECT

TABLE OF CONTENTS

| | |
|--------------------------------------------------------------------------|-----------|
| I. STRATEGIC CONTEXT | 9 |
| A. Country Context | 9 |
| B. Sectoral and Institutional Context | 10 |
| C. Higher Level Objectives to which the Project Contributes | 12 |
| II. PROJECT DEVELOPMENT OBJECTIVES..... | 12 |
| A. PDO | 12 |
| B. Project Beneficiaries..... | 12 |
| C. PDO-Level Results Indicators | 13 |
| III. PROJECT DESCRIPTION..... | 13 |
| A. Project Components..... | 14 |
| B. Project Cost and Financing..... | 16 |
| C. Lessons Learned and Reflected in the Project Design..... | 16 |
| IV. IMPLEMENTATION..... | 17 |
| A. Institutional and Implementation Arrangements..... | 17 |
| B. Results Monitoring and Evaluation | 18 |
| C. Sustainability | 19 |
| D. Role of Partners..... | 20 |
| V. KEY RISKS | 21 |
| A. Overall Risk Rating and Explanation of Key Risks | 21 |
| VI. APPRAISAL SUMMARY..... | 21 |
| A. Economic and Financial (if applicable) Analysis..... | 21 |
| B. Technical | 24 |
| C. Financial Management..... | 24 |
| D. Procurement..... | 25 |
| E. Social (including Safeguards)..... | 26 |
| F. Environment (including Safeguards) | 28 |



| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| G. Other Safeguard Policies (if applicable) | 29 |
| H. World Bank Grievance Redress | 29 |
| VII. RESULTS FRAMEWORK AND MONITORING | 30 |
| | |
| ANNEX 1: DETAILED PROJECT DESCRIPTION | 41 |
| ANNEX 2: IMPLEMENTATION ARRANGEMENTS | 56 |
| ANNEX 3: IMPLEMENTATION SUPPORT PLAN | 72 |
| ANNEX 4: ENVIRONMENTAL AND SOCIAL SAFEGUARDS ACTION PLAN (ESSAP) | 75 |
| ATTACHMENT 1: LIST OF NEGATIVE PROJECT ATTRIBUTES | 80 |
| ATTACHMENT 2: ENVIRONMENTAL AND SOCIAL ASSESSMENT SCREENING FORM | 81 |
| ATTACHMENT 3: GUIDELINES FOR LAND AND ASSET ACQUISITION | 89 |
| ATTACHMENT 4: PROCEDURES FOR THE PROTECTION OF CULTURAL PROPERTY, INCLUDING THE CHANCE DISCOVERY OF ARCHAEOLOGICAL ARTIFACTS, UNRECORDED GRAVEYARDS AND BURIAL SITES | 95 |
| ATTACHMENT 5: CODES OF PRACTICE FOR PREVENTION AND MITIGATION OF ADVERSE ENVIRONMENTAL AND SOCIAL IMPACTS | 96 |
| ATTACHMENT 6: SAMPLE ENVIRONMENTAL AND SOCIAL SAFEGUARDS PROCEDURES FOR INCLUSION IN THE TECHNICAL SPECIFICATIONS OF CONTRACTS. | 101 |
| ANNEX 5 – ECONOMIC ANALYSIS OF COMPONENT 2 | 105 |



I. STRATEGIC CONTEXT

A. Country Context

- 1. The Central African Republic (CAR) is a highly fragile country with a history of recurrent conflict.** The most recent conflict took place in 2013 between multiple armed groups. As a result, at the peak of the crisis, roughly one-quarter of the population was internally displaced or had fled as refugees to neighboring countries. The conflict has had a devastating impact on economic activity as well, with Gross Domestic Product (GDP) falling by 36 percent in 2013. At the same time, a 46 percent drop in food production, 55 percent drop in livestock, and a one-third drop in the hunting and fishery sectors put half of the country into a situation of food insecurity.
- 2. The most recent crisis has further increased poverty in CAR.** Gross national income (GNI) per capita, in purchasing-power parity, fell sharply between 2012 and 2013, from US\$917.4 to US\$574.5. By 2014 CAR's GNI per capita of US\$569.3 was the lowest in the world. Recent estimates indicate that CAR's poverty rate—at the international poverty line of US\$1.90 per day in 2011 purchasing-power parity terms—surged from 66 percent in 2008 to 76 percent in 2013. Bangui has the lowest poverty rate, with 45 percent of its population being below the poverty line. Elsewhere, the spatial distribution of the poor is concentrated in three regions: Yadé, Kagas and Fertit. These are also the regions with the highest concentration of internally displaced persons (IDPs), in addition to Bangui.
- 3. The majority of the population lacks access to services and basic infrastructure.** In 2014, CAR ranked 187th out of 188 countries on the UN's Human Development Index (HDI). The infant mortality rate in 2010 was 116 deaths per 1,000 live births, and the under-five mortality rate was 179 deaths per 1,000 live births, both far above the Sub-Saharan Africa's averages of 65.8 and 101.2, respectively. The prevalence of stunting or chronic malnutrition was 40.8 percent in 2014, a level the World Health Organization defines as "critical" and the prevalence of wasting or acute malnutrition was 6.6 percent. Nearly half the population lacks access to safe drinking water.
- 4. The violence that followed the 2013 crisis altered the demographic composition of urban areas, weakened social ties and decreased economic activity.** What started as a political conflict has permeated and polarized communities throughout CAR. The so-called pro-Christian militias (the "anti-balaka") and the "ex-Seleka" (supposedly pro-Muslim), created during the government of President Djotodia, polarized communities along religious lines and resulted in the displacement of both Muslim and Christian populations. Displacement camps reflect the social polarization that has occurred in society.
- 5. Despite these challenges, the recent political transition presents an opportunity to move towards a phase of recovery.** In March 2016, the newly democratically elected President, Faustin-Archange Touadera, was inaugurated. In his inauguration speech, President Touadera put durable security and defense of national territory, peacebuilding, reconciliation and national cohesion as his top priorities. In spite of political will, the absence of a comprehensive political peace agreement between opposing fractions of society curbs progress towards disarmament, demobilization, and reintegration of ex-combatants and episodic violence continues to have a negative effect on rebuilding of the social



fabric.

B. Sectoral and Institutional Context

6. **Forced displacement is an on-going phenomenon in CAR, prevalent in specific geographic areas and driven by recurrent violence and social polarization.** A total of 411,785 people were internally displaced in CAR in December 2016, up from 384,314 in July 2016. IDPs are concentrated in Bangui (62,774 in December 2016), in the Prefectures of Ouaka (57,543), Nana Gribizi (34,618), and Ouham (48,831) as well as in other areas. Within those Prefectures, large number of IDPs sought refuge in urban areas, i.e. Bambari, Kaga Bandoro, Batangafo, Bria and other centers. It is estimated that 65 percent of IDPs took shelter with host families whereas 35 percent are in displacement camps managed by the Catholic Church and humanitarian agencies.¹

7. **Displacement has disrupted livelihoods, depleted the assets of the displaced and host families, and put an enormous strain on already limited infrastructure and services.** It has accelerated urbanization, as people have sought refuge in urban areas close to sites protected by the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) forces. It has intensified overcrowding in host communities and put pressure on rental prices in areas receiving IDPs. The overall wellbeing of the displaced has been severely affected by the deterioration of living conditions, exposure to atrocities and violence, including gender-based, and fear of continuous community tensions and insecurity. Hosting families and communities are also directly affected as their living space become more constrained as they often take on the burden to provide for extended families.²

8. **The government has adopted an approach to promote sustainable solutions in support of the displaced.** A comprehensive national strategy to promote the social and economic reintegration of displaced people is being prepared and will serve as a blueprint to coordinate interventions. The strategy will address the information-gathering process to identify the needs and intentions of the displaced as well as measures to strengthen existing conflict-resolution mechanisms, address disputes between the displaced and other groups, and establish compensation mechanisms for lost assets.³ In the absence of state authorities outside Bangui, basic services are mostly provided by humanitarian agencies and self-help groups. A decentralization law is before parliament, granting substantial service delivery responsibilities upon local governments but effective implementation will take several years.

9. **In addition, support to rebuilding social cohesion necessitates a concerted effort at the community and individual level.** Legal and psychosocial counseling assistance and special provisions for the protection of the rights of the most vulnerable households and groups, including children, women and the disabled, will also be a priority to ease the reintegration process. Regarding expectations pertaining to the return of the displaced to areas of origin or secondary locations, the government and humanitarian partners agree that conditions for a sustainable return are, for now, limited primarily to

¹ *Commission Mouvement de Populations/UNHCR*, December 2016.

² On the economic and social impact of forcible displacement, see the recent: *Forcibly Displaced. Toward a development approach supporting refugees, the internally displaced, and their hosts*. The World Bank, 2016

³ Judicial prosecutions or reparations for human rights violations are the purview of the national legal system or of dedicated special courts.



Bangui and the South West of the country and context specific.

10. **Various dynamics are at work in CAR regarding the return or not of the displaced.** Surveys undertaken by humanitarian agencies indicate that, in principle, IDPs have a strong desire to return to their areas of origin, provided that security, livelihoods, and services are guaranteed. IDPs' decision to return is also intrinsically related to i) overall perception of security and fear of intercommunity violence; ii) community dynamics and household ties to their own social group; iii) support by aid groups in areas of displacement and return; and iv) available information allowing for informed decision. Pull and push factors coexist and are difficult to anticipate. However, the situation outside Bangui remains very volatile, preventing the return of the displaced. Activities in support of IDPs, including the rehabilitation of services and infrastructure or cash transfers, will need to remain flexible during implementation and adjust accordingly in the case improved security in the future would lead to a process of return or resettlement will take place in the future.

11. **The sustainable return of IDPs will only occur if security conditions improve over a sustained period of time.** That will require a political settlement between the parties and the effective demobilization and reintegration of armed groups. Today, insecurity is prevalent in areas of displacement (northwest, center and southeast, or the Z zone) and continues to cause new movements of populations. In addition to Bangui, the return of populations has been observed in the southwest of the country, where security and stability are pull factors. It is estimated that about 42 percent of the displaced populations in the Bangui-Bimbo axis have left the camps. However, in the Z zone, new waves of displacement towards urban areas take place when fighting erupts.

12. **The project will intervene primarily in four urban areas with the highest concentration of IDPs.** In addition, component 1 will also support some investments in Bangui. The priority areas of intervention are in the Z zone, namely Batangafo, Kaga Bandoro, Bambari and Bria. The project will seek to alleviate poverty, improve living conditions and economic opportunities for both IDPs and host communities through the provision of safety nets and improvements in services and investments in infrastructure, which will also lead to temporary job creation. The project will focus primarily on infrastructure outside IDP camps, in particular, investments that can benefit both the displaced and the host communities. The cash transfer program will apply vulnerability and community based criteria for household targeting and will not target IDPs per se; the transfers will not be conditional to leaving the site, nor to return to the original villages or neighborhoods. The project will adopt a flexible approach to be able to adjust to shifting patterns of displacement and return. It will take a gradual, locally sensitive approach to implementation. For instance, where there is sustained return, the project will work closely with humanitarian agencies to support their activities through investments in infrastructure. The cash transfer component could support the return if desired by populations and conditions allowing. The amount of cash transferred to beneficiaries could vary during the life of the program, be higher at the beginning of the program, and then be progressively reduced so as to mitigate any incentive to stay.

13. **Infrastructure investments will focus on a mix of basic services, urban roads and roadside drainage that can benefit the general population, have limited maintenance requirements, and are labor intensive.** Other investments in services will be selected through a community consultation process. The combination of migration of IDPs to urban areas, the very weak baseline of services and



infrastructure, and the fleeing of frontline workers and state representatives has led to a near collapse in service delivery, particularly in the four areas of intervention outside Bangui. Only humanitarian agencies are making some limited investments in services and infrastructure in those areas. For instance, a 2014 United Nations Development Program (UNDP) assessment⁴ found that 42 percent of the country's markets, which are critical to local economic activity and municipal revenue generation, required full or partial repairs. In Bangui, the focus will be on the 3rd and 5th *arrondissements* (neighborhoods) which were particularly disrupted by displacement and have seen the return of some IDPs.

14. **Cash transfers will complement investments in services and infrastructure and improve the living conditions of the most vulnerable households among the displaced and host communities.** To date, efforts to support the most vulnerable households in areas of displacement have largely focused on humanitarian needs or cash-for-work programs. The cash transfers will serve as relief to vulnerable households in areas affected by forced displacement. Community mobilization activities and accompanying measures to cash transfers will seek to promote the participation of various groups in project activities, support collaboration and dialogue among groups, and lay the groundwork for peaceful coexistence.

C. Higher Level Objectives to which the Project Contributes

15. **The proposed project directly contributes to the achievement of the World Bank's priorities for CAR as presented in the Turnaround Eligibility Note for the Central African Republic (September 2016).** In particular, the project is expected to contribute to the country's stabilization through support to displaced populations. The project also contributes to the government's stabilization objectives as described in the Recovery and Peace Consolidation Plan (*Plan de Relèvement et Consolidation de la Paix*), 2017-2021, presented at the Brussels Conference, with the support of the World Bank, United Nations, and European Union. In particular, the objectives of Pillar 1 – Support to Peace, Security and Reconciliation, are to support reconciliation and promote social cohesion as well as to facilitate sustainable solutions in support of the displaced.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

16. The PDO is to increase access to basic services, infrastructure and safety nets for communities affected by forced displacement.

B. Project Beneficiaries

17. The project's direct beneficiaries will be communities affected by forced displacement, i.e. IDPs in camps and in host families, host communities and other groups in the areas of project intervention.

⁴ Programme des Nations Unies pour le Développement en Centrafrique, *Rapport d'Enquête : Evaluation rapide des besoins en redéploiement de l'administration préfectorale et services sociaux de base*. December 2014.



The overall total number of beneficiaries is estimated at around 190,000, of which 50 percent are women, but could be higher as official population estimates are outdated. The project's main geographic areas of intervention outside Bangui, namely Batangafo, Kaga Bandaro, Bria and Bambari account for about 30 percent (or 124,000 IDPs) of the overall internally displaced population in CAR (estimated at about 411,785 IDPs in December 2016). About 40 percent or more of those are expected to directly benefit from project activities. The total number of households that will directly benefit from cash transfers are estimated at 15,000, for a total 75,000 number of individual beneficiaries. Some activities under component 1 will be implement to benefit specific neighborhoods in Bangui. Finally, local authorities in the four main targeting areas will benefit from participation in investment planning and consultation processes. The implementing agency, the Ministry of Social Affairs and National Reconciliation (or *Ministère des Affaires Sociales et Réconciliation Nationale*, MASRN) will benefit from technical assistance and capacity building activities aimed at improving their ability to supervise and manage investments projects as well as to implement future social protection policies and programs.

C. PDO-Level Results Indicators

- Direct project beneficiaries (number) of which women, displaced people (percentage)
- People provided with improved urban living conditions under the project (number)⁵, of which women, displaced people (percentage)
- Beneficiaries of social safety net programs (number), of which women, displaced people (percentage)

III. PROJECT DESCRIPTION

18. **The project adopts a multifaceted approach in support of communities affected by displacement in CAR.** On the one hand, it seeks to improve access to services and infrastructure by communities affected by displacement and, on the other hand, to provide financial support to the most vulnerable households living in those communities, displaced and non-displaced. Together, these two approaches will provide a broad range of services in the areas of intervention, at the community level and household level, and pave the way for increased economic activity and poverty alleviation. The project will work with host communities and the displaced to engage in dialogue and promote peaceful coexistence while enabling local authorities and deconcentrated authorities to participate in the planning and maintenance of infrastructure and services financed by the project. The approach recognizes the need to anchor project activities on an in-depth knowledge of social dynamics in the four project locations. For that matter, the on-going Project Preparation Advance (PPA) includes a needs assessment of infrastructure and service needs, a study on social dynamics and on-going social cohesion activities, and modalities for cash transfers. Those studies will be pivotal to improve project interventions and roll out of activities. If successful, the approach could be replicated and expanded to other areas in CAR affected by high levels of displacement.

⁵ This indicator measures the cumulative number of people provided with improved living conditions, including but not limited to those measured under intermediate indicator "number of people in urban areas provided with access to all-season roads within a 500 meter range under the project".



A. Project Components

Component 1 – Access to basic services and infrastructure (SDR11 million; US\$15 million equivalent)

19. **The objective of this component is to improve access by communities affected by displacement to basic services and infrastructure by financing the construction and rehabilitation of infrastructure.** The component will intervene in the same priority areas as components 2 and 3, namely Bambari, Bria, Kaga Bandoro and Batangafo, in addition to Bangui (3rd and 5th arrondissement). The identification of investments in the four areas outside Bangui will be based on an assessment, initiated under the PPA, and consultations with communities, under component 3, to assure the project responds to the needs of the beneficiaries. The component activities and investment selection process have been designed to promote community dialogue, provide employment opportunities to local populations through use of labor-intensive methods, incorporate consideration of sustainability, and foster economic activities. Component 1 will also fund investments in Bangui based on ongoing beneficiary consultations and needs-setting processes in the 3rd and 5th *arrondissements* (neighborhoods) led by Non-Governmental Organizations (NGOs) in consultation with local authorities. In addition to responding to needs in the capital, this will also provide early visibility to the project and demonstrate results on the ground.

20. **The component funds are allocated based on factors of population and numbers of displaced in the areas of project intervention.** Annex 1 presents the allocation of funds per area, based on a combination of these factors. The total amount corresponds to about US\$78 per capita, which is quite high compared to other projects in sub-Saharan Africa, but should be seen in the context of historic underinvestment and absence of even the most basic services in project areas, including all-season roads, water and sanitation, etc.

21. **The component will prioritize impact by investing part of the funds in a few key sectors.** The investments will be in structuring works (roads, roadside drainage, street lights, or others) to be identified based on an assessment financed under the PPA and selected by communities, facilitated by NGOs recruited under component 3. The same NGOs will facilitate elaboration of simple local development plans to serve as an entry point for identifying investments in e.g. water, health, and education. Given the extremely low capacity in project areas and the urgent needs, works will be implemented by third party entities: i.e. investments that are relatively complex and require specific engineering skills and construction capacity will be directly executed by United Nations (UN) agencies with support from MINUSCA. Smaller works will be contracted out to local private sector or NGOs.

Component 2 – Safety nets (SDR6 million; US\$8 million equivalent)

22. **The objective of this component is to provide timely and regular cash transfers (CT) to selected households.** These transfers will serve as relief to vulnerable households in areas affected by forced displacement so as to meet immediate consumption needs. It is also expected that by ensuring the timeliness of transfers over a period of two years the project will progressively build lost private assets. The amount expected to be transferred and the duration of the program is guided by the need to transfer an adequate level of cash while not discouraging productive activities. Based on the results of the economic analysis (see Annex 5), and on the experience of CT programs run by NGO partners in CAR,



the amount transferred will be F CFA 25,000 per household per quarter or F CFA 100,000 per household over a period of 12 months. Such level of transfer is approximately 10-15 percent of the food consumption level of a household of five people. The small, regular payments will enable beneficiaries to stabilize and improve their general household consumption over the period. The project will reach about 15,000 households or up to 75,000 individuals for two years.

23. **Through a community targeting mechanism, an NGO will select beneficiary households for the cash transfers and will deliver the accompanying measures.** Community targeting will be preceded by a basic, simple and easy-to-deliver assessment of the economic conditions of the households as measured by existing targeting tools or quick surveys, which will include questions on ownership of specific goods and assets⁶. Beneficiaries would be the heads of households who are IDPs themselves, or who are hosting IDP returnees, or are particularly vulnerable, and who have been identified through the community targeting process. Members of beneficiary households will be registered in a database. As for the cash transfers, they will be unconditional and there will be no strict requirement to comply with predefined conditions. However, there will be an expectation that beneficiaries attend all accompanying measures, which will include sessions on topics such as community reconciliation, peaceful coexistence, prevention of violence, community sanitation, children's health and nutrition, family health and hygiene and financial literacy and promotion of savings behaviors. To ensure a synergic effect between the two components and economies of scale and scope, this component will intervene in the same localities, outside of Bangui, targeted by component 1, namely Batangafo, Kaga Bandaro, Bria and Bambari.

24. **A payment mechanism will be used to distribute the cash benefits to eligible households.** Mindful of the security volatility and significant logistical challenges in the country, this component will be implemented under a gradual and flexible approach. A pilot phase prepared under PPA financing will test key steps of the component in one of the four priority areas, from targeting to the payment of benefits, reporting and monitoring and evaluation. The pilot will inform the rollout phase of the approach to the other three areas.

Component 3 - Community mobilization, capacity building, technical assistance, and project management (SDR4 million; US\$5 million equivalent)

25. This component will finance the costs associated with community mobilization and accompanying measures foreseen for components 1 and 2, capacity building, technical assistance to national and local institutions and costs associated with project management.

Sub-component 3A: Community mobilization and accompanying measures (SDR737,000; US\$1 million equivalent)

26. Activities under this sub-component will directly support and enable the implementation of components 1 and 2 by promoting community participation in selecting infrastructure priorities, targeting of beneficiaries for cash transfers, deliver accompanying measures, foster community dialogue

⁶ Some of the key assets determining the level of poverty of households, include a bed/mattress, a table with chairs, a radio and a hoe. Annex 5 of this document has a brief discussion on criteria determining extreme poverty and vulnerability.



and promote the notion of peaceful co-existence among different groups.

Sub-component 3B: Capacity building and technical assistance (SDR737,000; US\$1 million equivalent)

27. This sub-component will provide technical assistance to the Ministry of Social Affairs and National Reconciliation as well as in a more limited way to other ministries involved in service delivery at the local level. A small envelope will be included for local government capacity building.

Sub-component 3C: Project management (SDR2.2 million; US\$3 million equivalent)

28. This sub-component will finance project management costs, including the environmental and social safeguards management requirements, and other costs associated with the recruitment of the main service provider that will support implementation of all project activities. The main service provider will execute the infrastructure works and cash transfers, subcontract NGOs to execute the community mobilization activities, and provide technical support to MASRN.

B. Project Cost and Financing

29. The cost of the proposed Investment Project Financing is estimated at US\$28 million equivalent, to be fully financed through an IDA grant for a period of four years. Table 1 below breaks down the project cost by component.

| Project Components | Project cost | IBRD or IDA Financing | Trust Funds | Counterpart Funding |
|--------------------|---------------------------------|-----------------------|-------------|---------------------|
| Component 1 | | 15 | | |
| Component 2 | | 8 | | |
| Component 3 | | 5 | | |
| Total Costs | | 28 | | |
| | Total Project Costs | 28 | | |
| | Total Financing Required | 28 | | |

C. Lessons Learned and Reflected in the Project Design

30. The emerging lesson is that projects in CAR have given primacy to the creation of employment and the injection of funds in the local economy to the detriment of sustainability of infrastructure. Under component 1, sustainability considerations, including for operation and management of infrastructure, will be an integral part of the investment selection process (and, when relevant, as part of feasibility studies). Also, it is expected that a sizeable amount of component 1 will be invested in road paving by cobble-stone which is labor intensive and highly durable.

31. Another important lesson from previous experience indicates that, given the enormous



infrastructure needs in CAR, significant amounts need to be invested in specific geographic areas in order to achieve a tangible and measurable impact. The project will support activities in four priority geographic areas, in addition to some investments in Bangui under component 1. Also, about half of component 1 financing will be reserved for road paving by cobble-stone and other structuring investments.

32. Lessons learned from implementation of cash transfer in similar contexts have concluded that the use of biometrics for the identification of beneficiaries of cash transfers has proved to be an effective way of strengthening the governance of programs. It improves transparency as well as security of personal information of individual beneficiaries. Given the improvement of technology and the drop in prices, this project will use biometric identification features to reduce fraud.

33. Empirical studies also show that programs that combine cash benefits with accompanying measures such as training and sensitization activities (essential family practices, for example) help graduate the ultra-poor and vulnerable groups more effectively than programs providing only cash or only training.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

34. Project implementation arrangements have been calibrated to the existing limited capacity within government while taking a gradual approach to building capacity and ensuring that fiduciary requirements are met.

Institutional arrangements

35. **Ministry of Social Affairs and National Reconciliation.** The Ministry of Social Affairs and National Reconciliation (MASRN) will have the responsibility for the overall implementation of the project.

36. **Project Steering Committee.** At the policy level, a Project Steering Committee (PSC) will assume overall institutional responsibility of the project. The Committee will provide overall policy oversight and will review and validate the project's annual work plan and budget. The Committee will be chaired by the Minister of Social Affairs and National Reconciliation and co-chaired by the Ministry of Planning. Other members will include the Ministries of Interior, Agriculture, Health, Education, Transports, Urbanism and a representative of the Strategic Committee for the Return and Reinstallation of Displaced Persons⁷.

Implementation arrangements

⁷ The *Comité Stratégique de retour/relocalisation des personnes déplacées en République centrafricaine* was established by Presidential Decree 16/316, August 19, 2016 and is chaired by the President of the Republic. Its mandate is to: i) define an overall strategic vision on returns of displaced people in CAR; validate the return/reinstallation projects prepared by its Technical committee; ensure mobilization of national and international funds; and ensure the monitoring and evaluation of activities.



37. **Fiduciary agent.** The Project Coordination Unit (PCU) in the Ministry of Transport (or the Fiduciary agent, FA) will assist MASRN with the fiduciary responsibilities pertaining to the implementation of the project. Inter alia, the FA will arrange and manage the contract with the main service provider and prepare unaudited interim financial reports and the procurement plan, manage the designated account and direct payments, arrange for independent audits, and co-manage the Memorandum of Understanding (MoU) with the MASRN Technical unit.

38. **MASRN Technical Unit.** The MASRN Technical unit (TU) is responsible for overall coordination and technical oversight of project activities. The MASRN TU will prepare the annual work plan and budget to be submitted to the ISC, the annual report of the project, quarterly reports, and other project reports. The MASRN TU will advise the FA on payment requests from main service provider. The TU will be headed by a Coordinator who will be the focal point for the FA and the World Bank. A phased approach is envisioned whereas implementation arrangements will be revised at the end of year two of project implementation or at Mid-Term Review (MTR) to consider the transfer of fiduciary responsibilities to MASRN.

39. **Main service provider.** The government will recruit the main service provider and will contract out project activities. UNOPS is the main service provider for the PPA and is expected to be the main service provider for the whole project. The main service provider will support the MASRN TU in key areas, including, but not limited to: i) project management; ii) procurement of services; iii) reporting on project progress and present payment requests; iv) supporting supervision missions; v) providing financial information to prepare the financial reports; vi) preparation of MTR and the closing of the project; vii) assessments of project performance and technical quality of infrastructures, etc. The MASRN TU will also benefit from the On-track approach of UNOPS, which aims to provide hands-on technical assistance to civil servants by integrating them directly into project execution. During the first twelve months of the project, UNOPS will develop a strategy for capacity building to transfer technical responsibilities of certain activities/components to MASRN. Assessment of the implementation of the action plan and role of the main service provider will take place during MTR.

40. **Other service providers.** The main service provider will contract one or more service providers (NGOs, UN agencies, consultants) to: i) carry out community mobilization activities to select infrastructure and services to build and rehabilitate (component 1); ii) in the same areas and through common arrangements, identify and register beneficiaries of cash transfers, and ensure their timely and secure payment (component 2); iii) develop and deliver accompanying measures to all members of targeted communities (component 3); iv) support the implementation of environmental and social mitigation measures; v) support existing (or to be established) local community committees in view of the implementation of components 1 and 2; vi) report to the main service provider on project progress and prepare and maintain all required financial statements; vii) carry out independent technical studies and impact and process assessments.

B. Results Monitoring and Evaluation

41. The project's monitoring and evaluation (M&E) approach reflects the significant capacity constraints and operational challenges associated with implementation of proposed activities in CAR. As such, it relies on systems and procedures set up by the main service provider as well as other service providers such as NGOs. The main service provider will recruit the necessary capacity and set up



monitoring and evaluation systems to monitor implementation progress and achieved results against the PDO and intermediate level indicators on a quarterly basis. These systems will rely on data collected directly by the main service provider or provided by other service providers, namely NGOs in charge of execution of component 2 and 3. The quarterly reports will be shared with MASRN TU for review and comments before they are shared with PCU and the World Bank. In the case security constraints limit access to some project sites by World Bank teams, or for any other reason, the project could retain a Third Party Monitoring (TPM) agency to provide complementary information on project activities and results.

42. Systems, procedures and tools set up by the main service provider for M&E will be described in detail in the Project Implementation Manual (PIM). Bi-annual reports will be prepared by the main service provider and transmitted by MASRN to the project Inter-ministerial Steering Committee. As component 1 adopts a framework approach in key sectors, yearly and end of project results targets in those areas will be established once investments have been identified. Regarding component 2, the World Bank team will seek support from trust funds to carry out an impact evaluation of cash transfers. During implementation, the project will explore the possibility of setting up joint coordination and monitoring mechanisms with other intervening partners in the four geographic areas.

C. Sustainability

43. Sustainability of investments under component 1 will be supported in a number of ways to increase likelihood of continued flow of benefits after the project. The investment-selection process (described in detail in Annex 1) will contribute to a high level of correspondence between beneficiaries' expressed needs and project investments. Through community mobilization, the beneficiaries will be involved in assessing and developing operations and maintenance arrangements and implementing these as relevant. Investment selection criteria include assessment of likely sustainability of investments. Investments will include provisions for minimum maintenance and be accompanied by a realistic (considering the circumstances) operations and maintenance (O&M) plan, including written confirmation by line ministry of availability of personnel upon completion, if required (e.g. teachers and health personnel), and clear revenue collection arrangements for income generating assets.

44. It should be recognized that assuring sustainability of infrastructure in CAR is difficult, due to the general lack of funds for maintenance and the limited organizational capacity of state authorities, to the extent they are present outside the capital. In addition to the strategy above, an indicator is included in the results framework to monitor the percentage of sub-projects or investments for which arrangements for community engagement in post-project sustainability and/or operations and maintenance are established. This will require the main service provider to continuously monitor the sustainability of investments and make any adjustments necessary to correct shortcomings.

45. From the perspective of the beneficiary household, under component 2, the cash transfers will ease consumption during a period of two years and will also help increase assets. After this period, and with support of accompanying measures, it is expected that households will be in a much stronger position to make key decisions in areas such as returning to their villages of origin, investing in new productive activities and human capital. Such expectation is supported by other experiences with cash transfers, and project impacts will be monitored through an assessment to be carried out during the



pilot phase by the Harvard Humanitarian Initiative / Brigham and Women's Hospital⁸.

46. Moreover, the sustainability of project interventions will depend on the transfer of responsibilities to national authorities regarding support functions to returnees, displaced people and hosting communities. One important aspect of the project is its support to such transfer of responsibilities. The project will support the building of MASRN capacities, through technical assistance but also the implementation of a specific capacity building plan endeavored to the main service provider. The MTR will evaluate progress and capabilities within the MASRN to take over responsibility for project implementation, even if only partially.

47. A Rapid Social Response (RSR) funded activity will also support the government in designing a sustainable and inclusive National Social Protection Policy where development responses to forced displacement are fully integrated and operationalized. The RSR resources will support a number of capacity development activities for MASRN officials and technical staff. Lessons from the implementation of the safety nets (component 2) will be capitalized into the design of the National Social Protection Policy.

48. Finally, the sustainability of project investments will also rely on their contribution to sustaining peace. In conjunction with accompanying measures financed under component 3, by targeting the most vulnerable households affected by displacement, the cash transfer program will contribute to the process of peace building, stabilization, and national reconciliation. Mobilizing communities around selection, implementation and operation of investments under component 1 will contribute to the same objectives, in addition to creating employment and economic opportunities. Although the project cannot address the underlying political forces driving the conflict and tensions run deep, these are contributions to long term sustainability of project interventions.

D. Role of Partners

49. Project implementation will be closely aligned with on-going activities financed by development partners to expedite preparation of investments, to facilitate complementarity of interventions, to avoid burdening communities with multiple requests, and to minimize disruption of already weak national institutions. Coordination with partners will happen primarily on site in the four geographic areas. Of particular interest to the project are activities undertaken by MINUSCA. The project may rely on the civil engineer battalion to support execution of works when needed, including the use of MINUSCA's heavy equipment, and on security patrols in neighborhoods of project activity. MINUSCA's role in securing contractors and transportation of cash is also relevant. Finally, close collaboration with MINUSCA's political affairs department, as launched during project preparation in the four areas outside Bangui, will hopefully mitigate security risks and inform the community mobilization activities under component 3.

⁸ A proposal is being presented to the UK-DFID Trust Fund Call for Proposals, Building the evidence on protracted forced displacement. If unsuccessful, the proposal will be revised and financed by other sources, including the already approved RSR funding.



V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

50. The project's overall project risk rating is High. The political and governance risk remains substantial as on-going negotiations with armed groups have not yet resulted in a comprehensive peace agreement. The presence of armed groups in the areas of project intervention may undermine project implementation. Subsequently, the macroeconomic risk is substantial as the country's economy is under stress as the government struggles to improve revenue collection. This could hamper the redeployment of workers and the operation and maintenance (O&M) of services that the project seeks to improve. The project will seek to invest in infrastructure that requires minimal maintenance or for which O&M arrangements are in place. The sector strategies and policies as well as technical design of project risks are substantial given the fact that the government is now preparing an overall strategy to support the displaced. The project will align its interventions with approaches adopted by UNHCR and other key actors on matters pertaining to the support to the displaced. The institutional capacity risk is substantial. The capacity of the MASRN as well as local authorities is very limited and the project will seek to support their institutional strengthening through component 3. In addition, the main service provider will supplement the lack of capacity within government agencies.

51. The stakeholders risk is substantial based on the social polarization within communities. Through community mobilization activities and accompanying measures (component 3), the project will provide opportunities for dialogue and ensure that the targeting of beneficiaries of cash transfers and the selection of infrastructure investments are done in a transparent way and fully reflect a consensus among communities. Finally, the security risk remains high as project activities will take place in areas of high concentration of armed groups and affected by periodic violence. The project will work closely with MINUSCA to ensure that security measures to protect service providers are in place during activities.

VI. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

1. Briefly describe Project's development impact in terms of expected benefits and costs

52. It is expected that the processes and investments to be selected by communities will provide a broad range of socio-economic benefits. Overall, the project will contribute (through community consultative processes, employment generation and cash transfers, improved basic services and infrastructure, and increased responsibility of local authorities in service delivery) to reduce some of the driving forces that have led to recurring cycles of violence in the CAR. As noted in the World Development Report 2011 "Security, Conflict and Development"⁹, the developmental and economic impacts of conflict are extremely high. This is evident in direct economic costs of conflicts including the widespread destruction and degradation of physical capital and infrastructure, lost employment opportunities and livelihoods options, capital flight, and indirect costs including reduced levels of human

⁹ The World Bank, 2011. *World Development Report, Conflict, Security, and Development*. Pages 59-65.



capital, weakened institutions, prevention cost, and a decline of social capital as well as trust.

53. The consultative processes preceding the construction phase for component 1 will be designed to include different groups within communities and hence contribute to increased social cohesion, which will in turn contribute to reducing the likelihood of reoccurring violence, with resulting costs to the economy. During the construction phase, salary benefits will accrue to local workers employed at the sites and to the (likely mostly local) firms responsible for construction. This will contribute to distributing monetary means in the local communities and increase economic welfare. After completion of construction, the infrastructures will, depending on the investment choices made by communities, deliver socio-economic benefits such as improved education outcomes, improved health, reduced time and money spent on getting water, reduced travel time, improved security, local economic development, and improved local government revenues that can be reinvested in service delivery.

54. Ex-ante benefits associated with the project's investments in infrastructure cannot be quantified since the choice of investments will result from feasibility studies and investment-selection process. It is expected that beneficiaries will prioritize investments in infrastructure such as urban roads, small bridges/culverts, schools, health clinics, buildings for local governments or deconcentrated services, water points, neighborhood markets, veterinary facilities, income-generating activities, etc. This is based on the visits to potential project cities during project preparation and the priorities expressed in the recent commune survey.

55. There is evidence to support the hypothesis that the foreseen investments do have substantial benefits. Although limited economic analysis is available from previous projects in CAR, unit costs have been reported in the Implementation Completion and Results Reports of closed Bank-funded projects. This data will serve as comparators during implementation, but should not be used as benchmarks for evaluating efficiency due to differences in such aspects as service level, accessibility of locations, and inflation. Cost-benefit data from other countries in the region indicate that the types of investments included in the proposed Project are substantially above the opportunity cost of capital, at 5 percent. It is expected that economic rates of return will be similar to previous investments in the Democratic Republic of Congo, e.g. the Emergency Urban and Social Rehabilitation Project (closed in 2013), for which investments in water, education and roads had average economic rates of return ranging from 20 percent to 74 percent. Market rehabilitation under the Public Works and Employment Project in Burundi had an average economic rate of return of 13 percent. Rates of return for investments in road rehabilitation in Rwanda under the Urban Infrastructure and City Management Program ranged from 33 to 120 percent. Research on labor-intensive road construction methods in Africa and Asia has shown that these types of investments are 10 to 30 percent less costly than machine-intensive construction techniques, and hence the intended investments in labor-intensive road rehabilitation under the project, which could make up about half of investments, are expected to have substantial efficiency.

56. To help communities select investments with widely shared benefits, all investments will be screened for cost-effectiveness in terms of benefits per dollar invested. Revenue-generating investments, such as markets, will be subjected to feasibility analysis that includes management arrangements and flow-of-funds considerations. An economic analysis will be carried out on a representative sample of investments as part of the mid-term review, and can feed back into selection of further investments. This analysis will be repeated at the end of the project.



57. In a context of widespread extreme poverty and vulnerability, even before the 2013 political crisis started, social protection was already in high need. Unfortunately, as is the case for basic services provision, inherent and systemic state weaknesses have left poor people in CAR in desperate need of social assistance. This assistance comes only in times of crisis, in the form of humanitarian, short-term assistance to help people survive. Yet, it is well recognized and documented that social protection tools such as safety nets can effectively contribute to development policy, as well as reduce vulnerabilities, by: (i) ensuring that income is redistributed to the poorest and most vulnerable; (ii) enabling households to make better investment in their future; (iii) helping households to manage risks; (iv) and allowing the government to make choices that support efficiency and growth¹⁰. Social safety nets programs are now being widely used in different contexts, such as in Rwanda with the Umurenge Program which helped cut down poverty incidence by 12 percent¹¹, or the *Juntos* Project in Peru, a conditional cash transfer which helped halve stunting among under-five children from 29 percent to 14 percent in less than a decade¹².

58. In CAR, existing safety nets programs are overwhelmingly financed and implemented by the country's development partners and donors. This exposes financing flows to high unpredictability and volatility, where the majority of safety nets spending finances a wealth of relatively small, uncoordinated, short-term interventions. Furthermore, these programs tend to focus on immediate humanitarian goals, such as food support, while devoting less attention to long-term challenges, such as the reintegration of IDPs or the return of refugees.¹³

59. Providing cash assistance to communities of displaced people will provide immediate relief for people in dire conditions. The level of transfer anticipated is F CFA 25,000 per quarter during a period of two years, which – depending on targeted area- may range from 10 to 15 percent of the extreme poverty line for a household of five members on average (see Annex 5 for more details). This is consistent with international practice for cash transfer programs. With this level of regular transfers, it is expected that beneficiary households would be able to increase their level of food consumption, invest in a household asset such as a goat, chickens, etc. as well as in other social expenditures such as health or school related expenses. Cash transfers are proven to be an efficient way of providing social assistance, as they significantly cut down program costs such as logistics cost associated with other forms of assistance such as food assistance, etc., as well as offering a certain flexibility to beneficiaries, in the use of the assistance, while reducing disincentive for local food production.

60. Importantly the proposed project will also lay the foundation of a safety nets system which would be adaptive and scalable in nature, depending on the circumstances and on the need to respond to shocks and help poor and vulnerable households cope with future potential crises, including the reoccurrence of civil and security disturbances, the impact of extreme weather conditions, and economic and financial shocks including the changes in price of basic commodities and of agriculture produce and livestock. The project will help conceptualize, design and test the building blocks of

¹⁰ Grosh, Del Nino, Tesliuc, Ouerghi, 2008. *For Protection and Promotion: The Design and Implementation of Effective Safety Nets*, pages 1-2.

¹¹ John Podesta and Casey Dunning, 2013. *Social safety nets don't handicap economies, they save lives and provide continued opportunities to grow out of poverty*. The Guardian 7 May 2013.

¹² Dan Collyns, 2016. *The Country That Cracked Its Stunting Crisis*. The Guardian 30 September 2016.

¹³ For a review of existing safety nets as of early 2016, see: *CAR Policy notes*, The World Bank, July 2016.



sustainable and efficient safety nets, including targeting approaches, social registry, payment systems, accompanying measures and monitoring and evaluation.

61. Economic analysis of the cash transfer component of the project will focus on its benefits in terms of poverty reduction impact, both in terms of incidence on the extreme poverty line and on its contribution in reducing the poverty gap of average beneficiaries. Beyond the immediate relief such cash transfers provide to beneficiaries, they can have indirect benefits for members of targeted households, including children and elderly. Moreover, when investment in safety nets (or cash transfer) programs reach a sizeable share of a country's GDP, they can reduce poverty headcount.¹⁴ Likewise, it is proven that investing in cash transfers has a multiplier effect on for example local food production. Putting in place a solid monitoring and evaluation system for the project will help track and capture those effect in such a way that they may be used to conduct a strong cost-benefit analysis of the component.

B. Technical

62. **The project will adopt a gradual, flexible and locally sensitive approach to implementation based on past experience.** Project design reflects accumulated experience and operational practices adopted by the World Bank, NGOs and UN agencies that have intervened in insecure areas in CAR, outside the capital, Bangui. PPA financing will allow for the beginning of activities and will improve project readiness upon approval. Given the high level of security volatility, an assessment of the operating environment will be carried out in each project area before the beginning of activities to confirm local conditions for project execution. Based on current security conditions, it is expected that PPA funded activities will start in Bambari and Bangui. The project, upon effectiveness, will be rolled out to other areas, starting implementation in those that are relatively safer and logistically easier. As the security situation improves and logistical capacity of the main service provider is strengthened, the project will roll out to all project localities. However, implementation flexibility will also be necessary to adapt to a changing environment. Other technical aspects of project design include:

- (i.) Adopt a set of Do No Harm principles, based on knowledge of local context, to guide implementation.
- (ii.) Use existing and tested criteria, developed by NGOs and others, for the targeting of households (cash transfers) and beneficiaries (temporary job opportunities).
- (iii.) Promote shared benefits of investments between host populations and the displaced to avoid further social polarization.
- (iv.) Ensure inclusive and participatory processes when possible to support opportunities for community dialogue, collaboration among groups and peaceful coexistence of communities.

C. Financial Management

63. The Project Coordination Unit (PCU) of the ongoing Transport Transit Facilitation Project (PFTT-CEMAC, in French) under the Ministry of Transport (or the Fiduciary agent, FA) will have the overall fiduciary responsibility of the project. The financial management arrangements for this project will be based on the arrangements in place under the PFTT in CAR. The overall performance of the PFTT-CEMAC

¹⁴ Slater, 2008. *Cash Transfers, Social Protection and Poverty Reduction*. Overseas Development Institute (ODI).



in financial management is **Satisfactory**. Staffing has remained adequate and proper books of accounts and supporting documents have been kept in respect of all expenditures. The audit for the year ended on December 31, 2015 was submitted on time, and was unqualified. The interim un-audited financial reports for the on-going project are also submitted on time and acceptable to IDA.

64. The overall risk for the Service Delivery and Support to Communities Affected by Displacement Project is rated **Substantial** due to fact that, despite activities being carried out by UNOPS as the main service provider, they will take place in different locations. The financial management satisfies the World Bank's minimum requirements under OP/BP 10.00, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by the World Bank. The Project Implementation Manual (PIM), including fiduciary procedures, will be updated to include specific arrangements related to the new project.

D. Procurement

65. **Applicable procurement rules and procedures:** All goods, Works and non-consulting and consulting services required for the project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to the World Bank Procurement Regulations for Borrowers under Investment Project Financing, dated July 1, 2016 "Procurement Regulations" and the provisions of the Procurement Plan.

66. **Assessment of the Ministry of Social Affairs and National Reconciliation's capacity to implement procurement procedures.** An assessment of the MASRN's capacity to implement procurement activities for the project was carried out by the World Bank's Procurement Specialist in January 2017. It showed that the MASRN has a Procurement Unit (*Service de Passation des Marches Publics*) with knowledge of national procurement procedures but no experience with procurement and management of projects funded by the World Bank. The MASRN has no qualified Procurement Specialist and its system for filing and archiving procurement documentation is inadequate.

67. **Procurement risk assessment.** A summary procurement risk assessment of the PCU of PFTT (or the FA), based in the Ministry of Transport and Equipment, in charge of the implementation of procurement activities for the project was carried out and the overall procurement risk rating is Moderate. It will be important to reveal that the PCU has been created most than ten years ago and it has extensive experience working with the World Bank and applying related policies and procedures.

68. **Measures to mitigate procurement risk.** The main procurement-related risks identified are: (a) lack of knowledge and practice in application of the New Procurement Framework; and (b) lengthy government approval processes. The following mitigation measures are proposed: (a) The PCU of the PFTT will apply the procurement procedures detailed in the Project Implementation Manual (PIM) and will develop detailed checklists to ensure consistent and compliant project procurement; and (b) the PCU of PFTT will also develop a contract management system to ensure that all contracts under the project are effectively and efficiently managed; this will include the tracking of key contract milestones and performance indicators as well as capturing all procurement and contract records.

69. **Procurement Plan.** The Procurement Plan for the first 18 months was finalized during project negotiations. The Procurement Plan will be updated by the PCU of the PFTT on an annual or as-needed



basis to reflect actual project implementation needs. Updating of the Procurement Plan will be submitted to Bank No Objection and the PPSD updated accordingly.

70. **Procurement Planning and Tracking Tool.** In accordance with paragraph 5.9 of the “World Bank Procurement Regulations for IPF Borrowers” (July 2016) (“Procurement Regulations”) the Bank’s Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the Project.

Project Procurement Strategy for Development (PPSD) summary.

(A) Institutional Arrangement for procurement of contracts

71. The government, through MASRN and with the support of the Fiduciary Agent, within the Ministry of Transport, will sign a contract for the provision of services, using the direct selection method, with the main Service Provider, in this case UNOPS, for the implementation of project activities including procurement of goods and services, financial management and accounting. This recruitment through the direct selection method is justified based on the provisions of paragraphs 7.13 to 7.15 of the "Procurement Regulations for Borrowers Applying for Financing of Investment Projects".

(B) Brief Summary of the Procurement Plan

72. The current environment in CAR justifies the direct selection of UNOPS for the implementation of the project on the basis of its local experience in the country through implementation of two projects financed by the World Bank, knowledge of the World Bank's procurement and financial management procedures, its field presence and its strong capacity to mobilize human, material and technical resources.

(C) Risks and Mitigation Measures

73. The main procurement risks have been identified and corresponding mitigation measures are proposed. The project implementation manual will incorporate procurement related mitigation measures.

74. **Procurement in Situations of Urgent need of Assistance or capacity constraints.** In Situations of Urgent need of Assistance or capacity constraints described under paragraph 12 of OP 10.00 the Bank may accept the use of the Borrower’s national procurement arrangement in accordance with the relevant provisions of the Procurement Regulations.

E. Social (including Safeguards)

75. The project is being classified as a Category B due to the moderate level of social risks and impacts of its foreseen activities, which scope will be rather site specific, and thus easily manageable. The project has national coverage with a specific focus on four urban areas, in addition to some investments in Bangui, where IDPs are mostly located. Such a project in a post-conflict country like CAR



is expected to bring positive social impacts to its beneficiary populations while carrying some negative impacts for which specific mitigation measures will be designed. However, given the emergency situation in CAR and the country's relative fragility, and the limited technical capacity in the country, it was agreed to defer the preparation of safeguards instruments prior to project implementation. Consequently, and in light of the provisions of paragraph 12 of OP/BP 10.00, an Environmental and Social Safeguards Action Plan (ESSAP), consistent with World Bank operational policies and procedures for Projects in Situations of Urgent Need of Assistance or Capacity Constraints, was prepared by the World Bank to guide the processing of this emergency operation.

76. The objective of the ESSAP is to ensure that planned project activities and related social and environmental assessment and management instruments and processes meet the required technical quality and are in compliance with the national legislation of CAR and the World Bank's operational safeguards policies and standards.

77. The expected project activities trigger one social safeguard policy: OP/BP 4.12 (Involuntary Resettlement). In compliance with paragraph 12 of OP/BP 10.00, the government will prepare relevant safeguards instruments within four months of project effectiveness.

78. **OP/BP 4.12-Involuntary Resettlement.** This is triggered because the need for involuntary resettlement or land acquisition in specific subproject areas will only be known during project implementation, when site-specific plans are available in the extension zone. Therefore, subprojects will be screened for applicability of the resettlement policy and any subprojects involving involuntary resettlement or land acquisition with restriction to access to livelihood supports areas, etc. will only be approved after preparation of a Resettlement Action Plan (RAP) acceptable to the Bank. Several issues could increase the complexity of land acquisition - the lack of reliable land record systems, and the inability of people losing land to either document ownership or be physically present to make their claims for eligibility. The RPF would therefore include procedures for identifying eligible project-affected people (PAP), calculating and delivering compensation, and mechanisms for land dispute grievance redress, as well as satisfactory institutional arrangements for monitoring effective implementation of the RAP.

79. **OP/BP 4.12 covers persons displaced by project activities.** Given the long lasting post-conflict crisis and possible land disputes between residents, the borrower will prepare a Resettlement Policy Framework during project execution and implement measures to minimize and mitigate adverse social impacts, particularly on poor and vulnerable groups. Well documented consultation mechanisms will be required to establish eligibility for compensation. Absent refugees or displaced PAPs who later claim compensation will require clear legal remedies to resolve or adjudicate disputes.

80. More details are being offered in the attached Environmental and Social Safeguards Action Plan (ESSAP) in annex 4. Nonetheless, the below provides a quick overview of actions needed and way forward.

81. **Institutional Arrangement for Safeguards Processing.** The overall responsibility of safeguards processing relies on the MASRN Technical Unit, with support from the main service provider, working closely with the Ministry of Environmental Affairs, more specifically on the Social and Environmental Specialist of the project, which the project will be hiring in due course. The Social and Environmental



Safeguards Specialist will be responsible for following up on all safeguards concerns. S/he would also ensure that all safeguard concerns are properly dealt with. S/he will further be supported by the World Bank Social and Environmental Safeguards Specialists who will ensure his/her technical capacity are further strengthened. S/he will lead the systematic screening of all subprojects as well as the development of any additional safeguards instrument. The safeguards documents will be properly consulted upon and publicly disclosed both in-country and at the InfoShop prior to the start of the civil works.

82. **Public Consultation and Disclosure of Safeguards Instruments:** To facilitate safeguards understanding and implementation, the final ESSAP will be consulted with government and project stakeholders and then translated into French for broader public dissemination in CAR, particularly in project areas, as well as at the InfoShop prior to the project effectiveness. Likewise, the project safeguards instruments (ESMF/ESMP; RPF/RAP) will also be consulted and publicly disclosed both in-country and at the InfoShop prior to the start of projects civil works. Each of these instruments, including the ESSAF, requires a participatory Grievance Redress Mechanism, well-grounded in local practices, that PAPs and stakeholders could use to seek redress.

83. **Social inclusion, Gender equality and Citizen Engagement:** During implementation, the project will use a participatory approach, involving stakeholders in design and planning for implementation. Gender and vulnerability issues have been factored in, and the project is meant to bring more value to women, youth and elderly people, both with regards to IDPs, as well as their local hosts.

F. Environment (including Safeguards)

84. The project is being classified as a Category B operation due to the low level of environmental risks and impacts of its foreseen activities, which scope will be rather site specific, and thus easily manageable. Two environmental safeguards policies are triggered: OP 4.01 (Environmental Assessment); OP 4.11 (Physical Cultural Resources).

85. **OP 4.01 Environmental Assessment.** This policy is triggered as the project activities (mostly under component 1) are likely to have an environmental impact. An ESMF will be prepared, no later than four months after effectiveness, to guide the way that potential negative environmental and social impacts of future activities will be identified and mitigated during the project implementation.

86. **OP 4.11 Physical Cultural Resources.** This policy is triggered as component 1 may involve excavation and movement of earth. The ESMF will include clear procedures required for identification, protection of cultural property from theft, and treatment of discovered artifacts that may be identified during implementation.

87. Preparation time for safeguards instruments, including Bank review, revisions, clearance, and approval steps. The preparation of the ESMF and RPF, including the negative list and the training modules is estimated to require a maximum time period of about four months, including Bank review and approval, disclosure, consultations and finalization. The ESMF and RPF will be disclosed after World Bank review as final draft versions, for a period no less than 30 days, during which the Recipient will organize consultations for the affected stakeholders.



88. Implementation of safeguards instruments, if applicable, development of secondary instruments (e.g., subproject ESIA/ESMPs to be developed, and specifying by whom—e.g., contractors or other implementing entities—and by when). After finalization of the ESMF and RPF, the capacity building program, and the negative list, the implementing agency will be responsible for screening and development of subproject ESIA/ESMP where applicable.

89. Responsibilities for Safeguard Screening and Mitigation. The MASRN Technical unit, with support from main service provider, and in close collaboration with the Ministry in charge of Environment, will be responsible for following up all safeguards concerns and would also ensure that all safeguard screening and mitigation requirements to each subproject will be applied.

90. Climate change screening was done for this project. The results show that drought and extreme temperature, precipitation, and flooding pose a moderate risk as future drivers of risk in the country context. However, the project outcome itself is a low risk from these events. All urban infrastructure will be constructed to be resilient to future risk posed by climate changes, and the project's contribution to preparing a national social protection and safety nets strategy will also contribute to increasing resilience of vulnerable communities to climate shocks.

G. Other Safeguard Policies (if applicable)

H. World Bank Grievance Redress

91. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Central African Republic

Service Delivery and Support to Communities Affected by Displacement Project

Project Development Objectives

The PDO is to increase access to basic services, infrastructure and safety nets for communities affected by forced displacement.

Project Development Objective Indicators

| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|------------------------------------|------|-----------------|----------|------------|-----------|------------------------------------------------------------------------------|---------------------------------------------------------------|
| Name: Direct project beneficiaries | | Number | 0.00 | 190000.00 | Annually | MASRN Technical unit, the main service provider, and other service providers | MASRN Technical Unit supported by the main service provider. |
| Female beneficiaries | | Percentage | 0.00 | 50.00 | Annually | MASRN technical unit, main service provider, other service providers | MASRN technical unit, supported by the main service provider. |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| of which displaced | | Percentage | 0.00 | 30.00 | | | |
| <p><i>Description:</i> Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.</p> | | | | | | | |
| Name: People provided with improved urban living conditions | | Number | 0.00 | 99000.00 | Annually | MASRN Technical unit, main service provider, local governments, and other service providers | MASRN technical unit, local government agencies, supported by the main service provider. |
| of which female | | Percentage | 0.00 | 50.00 | | | |
| of which displaced | | Percentage | 0.00 | 30.00 | | | |
| <p><i>Description:</i> Corporate Results Indicator (CRI)</p> | | | | | | | |
| Name: Beneficiaries of safety nets programs | | Number | 0.00 | 75000.00 | Bi-annually. | Main service provider and other service providers. The information comes from the registry the service providers put in place in each implementing area. | MASRN Technical unit, main service provider and other service providers. |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|-----------|--------------------------------------------------------------------------|------------------------------------|
| | | | | | | The main service provider aggregates this information in its M&E system. | |
| of which female | | Percentage | 0.00 | 50.00 | | | |
| of which displaced | | Percentage | 0.00 | 30.00 | | | |
| <p>Description: This indicator measures the number of individual beneficiaries covered by safety nets programs supported by the Bank. Safety nets programs intend to provide social assistance (kind or cash) to poor and vulnerable individuals or families, including those to help cope with consequences of economic or other shock.</p> | | | | | | | |

Intermediate Results Indicators

| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|---------------------------------------------------------------------------------------------|------|-----------------|----------|------------|-------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Name: Participants in consultation activities during project implementation (number) | | Number | 0.00 | 1000.00 | Bi-annually | MASRN Technical unit, local government agencies, the main service provider, and other service providers. | MASRN Technical Unit supported by the main service provider. |
| Participants in consultation activities during project implementation - female | | Number | 0.00 | 500.00 | Bi-annually | MASRN Technical Unit, main service provider, local governments, and other | MASRN Technical Unit supported by the main service |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|---------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|-------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| | | | | | | service providers. | provider. |
| of which displaced | | Number | 0.00 | 300.00 | Bi-annually | MASRN Technical unit, local government agencies, the main service provider, and other service providers. | MASRN Technical unit, supported by the main service provider. |
| Description: This indicator measures the level of community engagement in project implementation. | | | | | | | |
| Name: Training sessions (accompanying measures/peaceful co-existence activities) successfully delivered to beneficiaries | | Number | 0.00 | 100.00 | Bi-annually | MASRN Technical unit, the main service provider, and other service providers. | MASRN Technical unit, supported by the main service provider. |
| Beneficiaries who report accompanying measures/peaceful co-existence activities have benefitted their community | | Percentage | 0.00 | 70.00 | Bi-annually | The MASRN Technical Unit, the main service provider and other service providers. | MASRN Technical unit, supported by the main executing agency |
| of which women | | Percentage | 0.00 | 50.00 | Bi-annually | Main executing agency, and service providers | MASRN Technical unit, supported by the main executing agency |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|--------------------|------|-----------------|----------|------------|-------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| of which displaced | | Percentage | 0.00 | 30.00 | Bi-annually | MASRN Technical unit, local government agencies, the main service provider, and other service providers. | MASRN Technical unit, supported by the main service provider. |

Description:

| | | | | | | | |
|--------------------------------------------------------------------------------------------------|--|------------|------|-------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Name: Cash transfer payments received by beneficiaries within five days of scheduled date | | Percentage | 0.00 | 90.00 | Quarterly | The indicator will be generated through the establishment of a beneficiaries' registry and it's updating with payment information in each implementing area by service providers, and aggregated in the M&E system of the main service provider. | MASRN Technical unit and the main service provider. |
|--------------------------------------------------------------------------------------------------|--|------------|------|-------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|

Description: This indicator measures the percentage of cash transfer payments made to beneficiaries within five days of the scheduled date. The indicator captures delays in payment of cash transfers to beneficiaries.

| | | | | | | | |
|---------------------------------------------------------------|--|--------|---|---|----------|---------------------------------------------------------------------|-------------------------------------------------------|
| Name: Registry of beneficiaries of safety nets program | | Yes/No | N | Y | Annually | M&E system of the main service provider and other service providers | MASRN Technical unit, main service provider and other |
|---------------------------------------------------------------|--|--------|---|---|----------|---------------------------------------------------------------------|-------------------------------------------------------|



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| | | | | | | | service providers |
| Description: This indicator captures the availability of the registry of beneficiaries for the cash transfer component of the project. | | | | | | | |
| Name: Beneficiary households reporting to have increased their assets because of the safety nets program | | Percentage | 0.00 | 60.00 | Every two years | Technical studies conducted after two years of implementation for project mid-term review. | MASRN Technical unit, main service provider and other service providers |
| Description: This indicator measures the percentage of households reporting to have increased their assets because of the safety nets program. | | | | | | | |
| Name: Beneficiary households reporting to have better met their consumption need because of the project | | Percentage | 0.00 | 80.00 | Annually, starting in year 2 of project implementation | Technical studies conducted in preparation of the project mid-term review in year 2 of project implementation. | MASRN Technical unit, main service provider and service providers. |
| Description: This indicator captures the percentage of beneficiaries reporting to have met their consumption needs because of the cash transfer program of the project. | | | | | | | |
| Name: Grievances registered related to delivery of project benefits addressed (%) | | Percentage | 0.00 | 80.00 | Annually | MASRN Technical unit, the main service provider and other service providers. | MASRN Technical unit supported by the main service provider. |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|-----------|-----------------------------------------------------|---------------------------------------------------------------|
| <p>Description: This indicator measures the transparency and accountability mechanisms established by the project so the target beneficiaries have trust in the process and are willing to participate, and feel that their grievances are attended to promptly. It is understood that local sensitivities and tensions will not allow grievance or redress mechanisms to be established in all projects.</p> | | | | | | | |
| Name: Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project | | Number | 0.00 | 99000.00 | Annually | MASRN Technical unit and the main service provider. | MASRN Technical unit supported by the main service provider. |
| of which female | | Number | 0.00 | 45000.00 | Annually | MASRN Technical unit and main service provider. | MASRN Technical unit, supported by the main service provider. |
| <p>Description: All-season road is defined as a road that is motorable all year by the prevailing means of transport (e.g. a car, fire truck or ambulance which may not have four-wheel-drive). Predictable interruptions of short duration during inclement weather (e.g. heavy rainfall) are acceptable, particularly on low volume roads. Road access in slums often does not exist and presents additional risks to residents in the case of emergencies as ambulances or fire trucks cannot enter. It also reduces ability for home based income generating activity as it is difficult to bring goods and supplies in and out without road access. Guidance on people with access: The data on the number of people provided with access will come from estimates by TTLs, and can be measured by assessing the kilometers of roads constructed or rehabilitated, and estimates of the population in the project area within a 500 meter range that will access these roads (based on population density estimates). 500 meters is roughly equivalent to 5-10 minutes walking time. It is expected that the baseline value for this indicator will be zero.</p> | | | | | | | |
| Name: Roads rehabilitated, Non-rural | | Kilometers | 0.00 | 11.00 | Annually | MASRN Technical unit and the main service provider. | MASRN Technical unit supported by the main service provider. |



| Indicator Name | Core | Unit of Measure | Baseline | End Target | Frequency | Data Source/Methodology | Responsibility for Data Collection |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------|----------|------------|-------------|-----------------------------------------------------|---------------------------------------------------------------|
| <p>Description: Kilometers of all non-rural roads reopened to motorized traffic, rehabilitated, or upgraded under the project. Non-rural roads are roads functionally classified in various countries as Trunk or Primary, Secondary or Link roads, or sometimes Tertiary roads. Typically, non-rural roads connect urban centers/towns/settlements of more than 5,000 inhabitants to each other or to higher classes of road, market towns and urban centers. Urban roads are included in non-rural roads.</p> | | | | | | | |
| Name: Person-days of employment created | | Number | 0.00 | 1000000.00 | Bi-annually | MASRN Technical unit and the main service provider. | MASRN Technical unit supported by the main service provider. |
| of which displaced | | Percentage | 0.00 | 30.00 | Annually | MASRN Technical unit, and main service provider. | MASRN Technical unit, supported by the main service provider. |
| of which female | | Percentage | 0.00 | 30.00 | Quarterly | The MASRN Technical unit and main service provider. | The MASRN Technical unit and main service provider. |
| <p>Description:</p> | | | | | | | |



Target Values

Project Development Objective Indicators

| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | End Target |
|-------------------------------------------------------|----------|----------|-----------|-----------|-----------|------------|
| Direct project beneficiaries | 0.00 | 75000.00 | 113180.00 | 151360.00 | 190101.00 | 190000.00 |
| Female beneficiaries | 0.00 | 45.00 | 48.30 | 47.40 | 50.00 | 50.00 |
| of which displaced | 0.00 | 20.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| People provided with improved urban living conditions | 0.00 | 0.00 | 34000.00 | 68000.00 | 99000.00 | 99000.00 |
| of which female | 0.00 | 30.00 | 40.00 | 50.00 | 50.00 | 50.00 |
| of which displaced | 0.00 | 20.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| Beneficiaries of safety nets programs | 0.00 | 35000.00 | 75000.00 | 75000.00 | 75000.00 | 75000.00 |
| of which female | 0.00 | 40.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| of which displaced | 0.00 | 20.00 | 30.00 | 30.00 | 30.00 | 30.00 |

Intermediate Results Indicators

| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | End Target |
|------------------------------------------------|----------|--------|--------|--------|---------|------------|
| Participants in consultation activities during | 0.00 | 300.00 | 500.00 | 700.00 | 1000.00 | 1000.00 |



| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | End Target |
|--------------------------------------------------------------------------------------------------------------------|----------|--------|--------|--------|--------|------------|
| project implementation (number) | | | | | | |
| Participants in consultation activities during project implementation - female | 0.00 | 125.00 | 250.00 | 350.00 | 500.00 | 500.00 |
| of which displaced | 0.00 | 100.00 | 200.00 | 300.00 | 400.00 | 300.00 |
| Training sessions (accompanying measures/peaceful co-existence activities) successfully delivered to beneficiaries | 0.00 | 20.00 | 40.00 | 70.00 | 100.00 | 100.00 |
| Beneficiaries who report accompanying measures/peaceful co-existence activities have benefitted their community | 0.00 | 50.00 | 600.00 | 70.00 | 70.00 | 70.00 |
| of which women | 0.00 | 30.00 | 40.00 | 50.00 | 50.00 | 50.00 |
| of which displaced | 0.00 | 20.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| Cash transfer payments received by beneficiaries within five days of scheduled date | 0.00 | 50.00 | 70.00 | 90.00 | 90.00 | 90.00 |
| Registry of beneficiaries of safety nets program | N | Y | Y | Y | Y | Y |
| Beneficiary households reporting to have increased their assets because of the safety nets program | 0.00 | 0.00 | 60.00 | 60.00 | 60.00 | 60.00 |
| Beneficiary households reporting to have better met their consumption need because of the project | 0.00 | 0.00 | 80.00 | 80.00 | 80.00 | 80.00 |



| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | End Target |
|---------------------------------------------------------------------------------------------------------------------|----------|-----------|-----------|-----------|------------|------------|
| Grievances registered related to delivery of project benefits addressed (%) | 0.00 | 50.00 | 70.00 | 80.00 | 80.00 | 80.00 |
| Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project | 0.00 | 0.00 | 34000.00 | 68000.00 | 99000.00 | 99000.00 |
| of which female | 0.00 | 0.00 | 7000.00 | 15000.00 | 40000.00 | 45000.00 |
| Roads rehabilitated, Non-rural | 0.00 | 0.00 | 4.00 | 8.00 | 11.00 | 11.00 |
| Person-days of employment created | 0.00 | 150000.00 | 300000.00 | 600000.00 | 1000000.00 | 1000000.00 |
| of which displaced | 0.00 | 20.00 | 20.00 | 25.00 | 30.00 | 30.00 |
| of which female | 0.00 | 20.00 | 25.00 | 30.00 | 30.00 | 30.00 |





ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY : Central African Republic

CAR-Service Delivery and Support to Communities Affected by Displacement

1. **The project adopts a multifaceted approach in support of communities affected by displacement in CAR.** On the one hand, it seeks to improve access to services and infrastructure by communities affected by displacement and, on the other hand, to provide financial support to the most vulnerable households living in those communities, displaced and non-displaced. Together, these two approaches will provide a broad range of services in the areas of intervention, to improve living conditions and to bridge the gap between humanitarian responses provided by the government, UN agencies and NGOs. The project will work with host communities and the displaced to engage in dialogue and promote peaceful coexistence while enabling local authorities and deconcentrated authorities to participate in the planning and maintenance of infrastructure and services financed by the project.

2. **The project is part of a programmatic approach to promote local development opportunities in CAR and establish a safety nets system.** The project will coordinate with, build on and complement activities implemented under the on-going World Bank-funded LONDO project, and the Disarmament, Demobilization, Reinsertion and Reintegration (DDRR) project currently under preparation. Coordination is also ongoing with a large (potentially US\$120 million) Local Development Program under preparation by the UNDP. The project will rehabilitate and/or construct local infrastructure, support service delivery and create temporary job opportunities for local labor force in areas where there is a large concentration of IDPs. The project could indirectly support the implementation of the DDRR process with the inclusion of ex-combatants as beneficiaries of components 1 and 3. The project will contribute to the establishment of a safety nets system, based on targeting strategies, transparent payment systems, relevant accompanying measures, and efficient monitoring and evaluation systems.

3. **Geographic targeting is based on four key criteria.** The geographic areas of project intervention were selected on the basis of four main criteria: i) the concentration of displaced populations and the size of the host community in which they are living; ii) government priorities so as to ensure full alignment with the overall policy on IDPs and returnees; iii) the presence of other projects in view of avoiding overlapping and/or ensure complementarity, and; iv) presence of MINUSCA forces as to support presence of service providers. Based on the application of the above criteria to various geographic areas affected by displacement in CAR, the following priority areas of intervention have been retained:

4. Batangafo and Kaga Bandaro in the Center/North West, and Bambari and Bria in the South East.¹⁵ Bangui also responds to these criteria and the neighborhoods most affected by displacement in Bangui (3rd and 5th arrondissement) will also benefit from investments under component 1. However,

¹⁵ In the event of a further deterioration of security situation in one of these sites by end of year one of project implementation, preventing project activities from taking place, another location will be selected from a secondary list selected based on the high number of displaced and trends of return. The locations are: Bocaranga in Ouham Pende; Boda in Lobaye; or Berberati in Mambere Kadei.



activities in Bangui will be limited to component 1 because there is a plethora of actors already intervening in Bangui. The project could finance activities in other areas if need arises or security in selected areas deteriorate.

5. Implementation sequencing. The approach recognizes the importance of knowledge of local conditions and social context to inform design and implementation of activities. For that matter, studies will be undertaken under the on-going PPA and will include needs assessment of infrastructure and service needs, assessment of social dynamics and action plan for social cohesion activities, and implementation modalities for cash transfers.

6. The proposed project will have three components:

Component 1 – Access to basic services and infrastructure (US\$15 million equivalent)

7. **The objective of this component is to improve access by communities affected by displacement to basic services and infrastructure by financing the construction and rehabilitation of infrastructure.** The expected beneficiaries of this component include people directly affected by forced displacement, i.e. IDPs in camps and in host households, as well as other communities in the areas of project intervention. The component will intervene in the same priority areas as components 2 and 3, namely Bambari, Bria, Kaga Bandoro and Batangafo, which account for about 30 percent of the displaced population in the country (estimated at 411,785 in December 2016). Component 1 will also fund investments in Bangui based on ongoing beneficiary consultations and needs-setting processes in the 3rd and 5th *arrondissements* led by NGOs in consultation with local authorities. In addition to responding to needs in the capital, this will also provide early visibility to the project and demonstrate results on the ground.

8. **The identification of investments will be based on several assessments and consultations to assure the project responds to the needs of the beneficiaries.** These assessments are: (1) a light infrastructure and services needs assessment carried out with funds from the PPA; and (2) inclusive light consultations with local stakeholders such as the local government, deconcentrated services (wherever present) and beneficiary communities that will result in a local development plan. The component activities and investment selection process are designed to ensure that communities' buy-in raise the visibility of the activities, provide employment opportunities through use of labor intensive methods, incorporate consideration of sustainability, and foster economic activities. As the investments were not known at appraisal, the exact benefits are not known. However, it is expected that investments will contribute to improved living conditions through access to better services in health and education and water, as well as increased economic opportunities and poverty reduction by supporting local economic development, employment opportunities, and creating the basis for income-generating activities.

9. **While local governments and deconcentrated services currently play a very limited role in the planning of service delivery, the project will create opportunities for their incremental involvement.** Local authorities have almost no financial and human resources at their disposal and do not provide services to any substantial extent. This was one of the driving factors behind the crisis, and other local stakeholders such as NGOs and community organizations have taken on the role of providing services in the absence of the State. Because the mayors are currently nominated, they are also more upwards accountable to the prefects and sub-prefects than to the urban populations. However, the process of



investment planning, selection, implementation, and operation and maintenance will be designed to associate the authorities and hence contribute – in however limited a way – to a gradual return of the state as service provider and start to create social accountability of local authorities towards the population.

Investment selection criteria

10. **Investments selected by communities will have to comply with certain criteria to assure they are feasible and contribute to the objective of the project.** A key principle is to ensure that both the selection process and the investments themselves do no harm in already polarized communities and, to the extent possible, contribute to social cohesion in the beneficiary communities. The criteria are that investments:

- Bring socio-economic benefits at the community level, including a significant percentage of displaced people and surrounding communities, and not to individuals.
- Involve minimal relocation impact.
- Benefit different religious and ethnic groups within the areas of project intervention in an equitable manner.
- Have a potential for local economic development and/or poverty reduction.
- Are implemented by labor-intensive construction methods and use locally available building materials whenever feasible.
- Be developed to require minimum maintenance and be accompanied by a realistic (considering the circumstances) operations and maintenance plan, including written confirmation by line ministry of availability of personnel upon completion, if required (e.g. frontline teachers and health personnel), and clear revenue collection arrangements for markets and other income generating assets.
- Be technically feasible and environmentally and socially sound and include a focus on vulnerable groups.
- Be constructed on lands for which ownership is clearly established, and not subject to dispute.

Allocation approach

11. **In line with the objective of supporting communities affected by displacement, the investment funds are allocated based on factors of population and numbers of displaced in each urban area and its surroundings.** The table below presents the allocation of funds per urban area, based on a combination of these factors. The amounts in the table are the maximum investment amounts per area, within which the communities can select investments in line with the above criteria, and based on the process outlined below. The total amount corresponds to about US\$78 per capita in the four areas outside Bangui, which is quite high compared to other projects in sub-Saharan Africa, but should be seen in the context of historic underinvestment and absence of even the most basic services in project areas, including all-season roads, water and sanitation, etc. The amount allocated for Bangui is indicative and will allow some investments, based on the government's strong wish to include some activities in the capital to support communities affected by displacement there.



Table 1.1: Indicative allocation of Component 1 funds per city¹⁶

| City | Population (estimate, 2017) | Number of IDPs (latest figures) | Estimated total people present | Weight (percentage of total people) | Maximum Allocation |
|------------------------------------------------------------|-----------------------------|---------------------------------|--------------------------------|-------------------------------------|---------------------|
| Bambari | 58,580 | 35,403 | 93,983 | 0.32 | \$4,141,198 |
| Batangafo | 23,259 | 36,639 | 59,898 | 0.20 | \$2,639,288 |
| Bria | 49,866 | 20,184 | 70,050 | 0.24 | \$3,086,622 |
| Kaga Bandoro | 34,932 | 32,624 | 67,556 | 0.23 | \$2,976,732 |
| Total 4 Urban areas | 166,635 | 124,850 | 291,485 | 1.00 | \$13,000,000 |
| Bangui and other potential urban areas¹⁷ | | | | | \$2,000,000 |
| Total Component 1 | | | | | \$15,000,000 |

Source: Population census 2003, GeoHive, OCHA. City population estimate 2017 based on total urban population 2003 and 2015, extrapolated to 2017; same growth rate applied to all cities. Numbers of displaced from *Commission sur les Mouvements de Populations/UNHCR*, January 2017.

Priority Sectors and Allocation Breakdown

12. **While local infrastructure needs in CAR are enormous and in all sectors, the component will seek to maximize impact by investing part of the funds in a few key sectors.** To avoid spreading the resources too thin and assure that investments have substantial impact, about half of the envelopes for investments outside Bangui will be reserved for investments in infrastructure that contribute to structuring the urban space. During project preparation, the feasibility of upgrading roads by cobblestone paving, a technique not used in CAR, and implementing a program of street lighting by solar panels was studied. Road paving is labor intensive, thus generating temporary work during construction, and the infrastructures themselves are highly durable, which will contribute to sustainability. A standardized Labor-Intensive Public Works Manual is available and generally applied in the CAR and it will be used for the proposed project. Some recent experience exists in installing solar street lights in Bangui, but the issue of maintenance in the longer term has not been solved. Street lights contribute to increased security, but entail a number of technical, financial, and organizational issues, that will have to be worked out before the investments can be launched under the project. If the studies are conclusive, an investment envelope will be reserved in each city for these types of investments, thus assuring that the project makes a substantial impact. This part of the investments is estimated, based on costs elsewhere in the region, to suffice for funding 2-3 kilometers of roads in each city, with street lighting in place. If the feasibility of these investments is not demonstrated, the project will invest in other trunk structuring infrastructure, such as rehabilitation of the water network where such a network exists (e.g. Bambari, where the service has been interrupted for the past 5 years), or upgrading of main city markets. In Bangui, investments will flow from ongoing processes to determine service priorities in communities affected by displacement, led by various NGOs in collaboration with local authorities. The

¹⁶ The component cost includes all feasibility and technical studies and implementation of Environmental Management Plans.

¹⁷ Selection of investments will follow the same criteria used in the four other regions under component 1.



project may also make use of already available technical design studies for investments to assure early visibility to the project in the capital.

13. **The other part of investment funds will cover a broader gamut of services and smaller-scale infrastructure.** These include services that responds directly to the everyday needs of the beneficiaries, such as schools, health clinics, buildings for local governments or deconcentrated services, water points, smaller roads, neighborhood markets, veterinary facilities, income-generating activities, repairs to small bridges/culverts, etc. The overall principle is that the project will not pay for salaries and operation of services, but this principle is not absolute. The project can finance these on exceptional basis if the communities' primary expressed needs cannot be covered otherwise and there is a credible exit strategy for transition to regular operation.

14. **Flexibility of approach and risk management is a key aspect of the implementation schedule, with due consideration of security in project areas of intervention.** The investment selection process and construction will be phased to correspond with the sequencing of implementation of activities of components 2 and 3. This means that investments will not necessarily start in all project localities at once, and that other cities could be included in the project if operation in any of the initially targeted areas becomes impossible for extended periods of time. While the investments will respond to community needs, and hence increase the prospect of ownership and maintenance, it is also recognized that the volatility of the situation at appraisal, combined with lack of any culture of maintenance in the CAR, will lead to a high risk of infrastructure not being maintained. The criteria of selecting investments with limited maintenance requirements and requiring operation and maintenance plans in place before investments are undertaken will mitigate this risk, but will not remove it.

Selection Process, Implementation and Facilitation

15. **Investment selection and implementation will be done in ways that promote engagement by all beneficiary communities and assure tangible impact in the urban areas.** It will be structuring investments (roads, roadside drainage, street lights, or others as outlined above) or neighborhood-level investments (schools, health clinics, buildings for local governments or deconcentrated services, water points, smaller roads, neighborhood markets, income-generating activities, repairs to small bridges/culverts) to be selected based on a needs assessment (during PPA) and priority-setting by beneficiaries, facilitated by NGOs recruited under component 3. Some of the investments will likely be relatively complex and will require specific engineering skills and construction capacity to design and implement. Hence, the main service provider will implement these investments directly, by including the needed expertise in the Project Unit, or through direct contracting with MINUSCA or via contracting with the private sector. The same NGO will facilitate elaboration of simple local development plans to serve as entry point for selecting investments corresponding to the remaining investment funds per city. This process will entail a higher level of community mobilization and involvement in investments, beyond investment selection and participation to implementation of works as temporary workers. Social cohesion will be built in beneficiary communities through direct involvement and mobilization of community members in implementation of works and income-generating activities, such as assuring equitable repartition of benefits, identifying and targeting vulnerable groups, and developing grievance redress mechanisms. The NGO will implement this part of investments directly with the communities in two rounds, assuring that the local development plans remain living documents and that consultation



and mobilization of beneficiaries take place over a longer period of time.¹⁸

16. **The selection of investments by communities will be based on the lessons learned from previous projects in the CAR and elsewhere, which supported community-based reconstruction and employment generation through labor-intensive works.** Experiences include the ongoing Bank-funded LONDO Project operating throughout the country and the recently closed Emergency Urban Infrastructure Rehabilitation and Maintenance Project which operated only in Bangui, as well as many other investments funded by other donors. The emerging lesson in CAR is that projects have given primacy to the creation of employment as a means to pay salaries to workers (cash for work) and inject funds in the local economy, often to the detriment of sustainability of infrastructures constructed through the projects. Therefore, as mentioned above, sustainability considerations, including for operation and management of infrastructure, will be an integral part of the investment selection process (and, when relevant, as part of feasibility studies). In addition, the project will provide limited support to communities and local authorities to set up basic systems, where possible, for revenue generation dedicated to maintenance. This will also be supported by the NGOs recruited under component 3, and in collaboration with relevant ministries, most notably the Ministry of the Interior, Public Security, and Territorial Administration. The support to development of simple local development plans will in particular draw on the lesson of the closed Bank-funded Support to Vulnerable Groups Community Development Project, which implemented infrastructure in smaller localities based on local development plans.

Coordination of Interventions

17. **Coordination of investments will be key in a context where multiple interventions are taking place simultaneously.** Currently, the National Commission for the Redeployment of Public Administration (*Commission Nationale pour le Redeploiement de l'Administration Publique*), chaired by the Ministry of the Interior, Public Security, and Territorial Administration is responsible for coordinating investments in institutional infrastructure but its mandate is being broadened to include all investments in the country. To avoid duplication of efforts, this commission will be involved in coordination, which will also include any concerned sector ministries (e.g. those responsible for energy, water, public works, health and education) and utility companies. Coordination will also be done with OCHA and UNHCR to assure geographic targeting can be changed to respond to any future fluctuation in patterns of displacement. In addition, relevant World Bank sector specialists in the country team will be consulted prior to investments in the respective sectors. Currently the AFD is funding PDRSO, which supports smaller communities in the South East and is contemplating investments in Berberati, similar to this project. The UNDP is supporting reconstruction of institutional infrastructure and the return of the administration as well as some limited capacity building for local governments. A larger multi-UN-agency Local Development Program is in preparation and could be implemented starting in 2018. The project will also be coordinated in each locality with the many NGO-supported interventions.

¹⁸ In addition, the project support to elaboration of Local Development Plans will feed into elaboration of a national investment program, supported by the Bank-funded Public Administration Modernization Project, and will make use of the *vérificateurs* (investment monitors) of the Ministry of Planning to be deployed in all 16 prefectures with support of this project.



Component 2 – Safety nets (US\$8 million equivalent)

18. **The objective of this component is to provide timely and regular cash transfers (CT) to selected beneficiary households.** These transfers will serve as relief to vulnerable households in areas affected by forced displacement, so as to meet immediate consumption needs. It is also expected that by ensuring the timeliness of transfers over a period of two years the project will progressively build lost private assets.

19. **Cash transfers will be supported by accompanying measures financed under component 3.** These measures will include training and sensitization activities. The combination of timely and predictable cash transfers and accompanying measures has proved to help the ultra-poor and vulnerable groups escape extreme poverty and support them in time of crisis. As discussed in recent analytical work, the proposed multifaceted approach helps graduating the ultra-poor in much more sustainable ways than households receiving just cash or just training and inputs.¹⁹ It has been demonstrated that such approach is also relevant in post conflict and fragile contexts.²⁰ Accompanying measures are also expected to help support reconciliation mechanisms and peace stabilization efforts, improve basic hygiene and nutrition practices by beneficiaries, and strengthen livelihoods.

20. **The amount expected to be transferred and the duration of the program is guided by the need to transfer an adequate level of cash while avoiding discouraging productive activities.** As discussed in the literature, the objective of cash transfers is to help households increase consumption. Other objectives include strengthening livelihoods and human capital through acquisition of small productive assets such as tools, agricultural inputs, and small animals. As such, the level of CT needs to be high enough to support such objectives. At the same time, the level of the CT should not be too high as to discourage existing or new productive activities carried out by beneficiaries. Based on the results of the economic analysis (annex 5), and on the experience of CT programs run by NGO partners in CAR, and other CT programs in the sub-region, the amount transferred will be F CFA 25,000 per household per quarter or F CFA 100,000 per household over a period of twelve months. Such level of transfer is approximately 10-15 percent of the food consumption level of a household of five people. The small, regular payments will enable beneficiaries to stabilize and improve their general household consumption over the period.

21. **Transfers will be unconditional but will be supported by accompanying measures.** The transfer is unconditional and there will be no strict requirement to comply with predefined conditions. However, there will be an expectation that beneficiaries attend all accompanying measures, which will include training awareness raising sessions on topics community reconciliation, peaceful coexistence, prevention of violence, and effective leadership. Furthermore, training and information sessions, will provide to all community members basic notions on other topics including community sanitation, children's health and nutrition, family health and hygiene and financial literacy and promotion of savings behaviors. Beneficiaries of component 2 are expected to attend these training and sensitization

¹⁹ *A multifaceted program causes lasting progress for the very poor: Evidence from six countries.* Abhijit Banerjee, Esther Duflo, et alia, in *Science*, 15 May 2015. Also, *An End in Sight for Ultra-Poverty*, Scaling up BRAC 's graduation model for the poorest, BRAC, Briefing Note #1, November 2013

²⁰ *Show them the money*, Christopher Blattman and Paul Niehaus, *Foreign Affairs*, May/June 2014



sessions, and peer pressure will help in reaching such objective.

22. **If security conditions improve and IDPs return to their original communities, cash transfers are not expected to be affected.** Project implementation will ensure that households are supported even when they move out of their current settlements, i.e. IDPs camps (formal or informal settlements) and hosting communities. It is envisaged that while the total amount of cash transferred during the period will remain unchanged (F CFA 200, 000 over two years), in some specific cases, in particular with IDPs in camps, such amount may vary during the life of the program, being higher at the beginning and then be progressively reduced so as to mitigate any incentive to stay.

23. **The project will reach a significant number of people in the areas affected by displacement.** About 15,000 households are planned to be reached under the program. With the assumption of an average of five persons per household, the program will benefit up to 75,000 individuals for two years.

24. **This component will intervene in the same geographic areas as component 1.** To enhance overall impact of the activities, ensure a synergic effect between the two components and economies of scale and scope, this Component will intervene in the same localities which are targeted by component 1. Hence, the cash transfer intervention will be implemented in the Prefectures of Batangafo, Kaga Bandaro, Bria and Bambari and surroundings. Table 1.2 presents the allocation of beneficiary households and the amounts in US\$ across the targeted areas.

Table 1.2 Indicative allocation of Component 2 funds per city

| City | Population (estimate, 2017) | Number of IDPs (latest figures) | Estimated total people present | Weight (percentage of total people) | Min N. Households | Maximum allocation In US\$ |
|----------------------------|-----------------------------|---------------------------------|--------------------------------|-------------------------------------|-------------------|----------------------------|
| Bambari | 58,580 | 35,403 | 93,983 | 0.32 | 4800 | 2,400,000 |
| Batangafo | 23,259 | 36,639 | 59,898 | 0.20 | 3000 | 1,500,000 |
| Bria | 49,866 | 20,184 | 70,050 | 0.24 | 3600 | 1,800,000 |
| Kaga Bandoro | 34,932 | 32,624 | 67,556 | 0.23 | 3450 | 1,702,500 |
| Total 4 Urban areas | 166,635 | 124,850 | 291,485 | 1.00 | 15,000 | 7,402,500 |
| Unallocated | | | | | | 597,500 |
| Total Component 2 | | | | | | 8,000,000 |

Source: Population census 2003, GeoHive, OCHA. City population estimate 2017 based on total urban population 2003 and 2015, extrapolated to 2017; same growth rate applied to all cities. Numbers of displaced from *Commission sur les Mouvements de Populations/UNHCR*, January 2017.

25. **Households will be selected through a community targeting mechanism combined with a simple survey on households' assets.** Beneficiaries would be the heads of households who are IDP themselves, or who are hosting IDP returnees, or are particularly vulnerable, and who have been identified through a community targeting process. Indeed, in the absence of any recent household survey and in a context of widespread extreme poverty, community targeting is the best available option to select beneficiary households. To that end, existing community committees will be trained and



used to conduct the process. Community targeting will be preceded or accompanied by a basic, simple and easy-to-deliver assessment on the economic conditions of the households as measured by existing targeting tools (such as the Household Economic Assessment carried out by OXFAM in the North of CAR) or quick surveys, which will include questions on ownership of specific goods and assets²¹. Such criteria will be further developed in the Project Implementation Manual (PIM).

26. **Registration of beneficiaries will be a key feature of the project.** All members of each beneficiary households will be registered in a database, to be administered by the implementing agency for the cash transfer component. To avoid duplication of efforts, the project will seek the best possible collaboration with agencies working on IDPs registration, UNHCR in particular. The head of each beneficiary household will receive the transfer. In the context of the CAR where individual identification is not immediately available and the issuing of ID documents is very limited, the use by the project of individual ID basic biometric technologies will help circumvent fraudulent behaviors.²² With that approach, the project will also lay the foundation of a safety nets system which would be adaptive and scalable in nature, so as to respond to shocks and help poor and vulnerable households build economic resilience and cope with future crises, including the reoccurrence of civil unrest, the impact of extreme weather conditions, and economic and financial shocks.

27. **A grievance redress mechanism will be set up at the community level to handle complains and grievances.** The details of the grievance redress mechanism will be further discussed in the PIM, but at a minimum, it will involve the Community Development Agents (*Agents de développement communautaire, ADC*) of the Ministry of Social Affairs and National Reconciliation and community members. In areas of intervention where ADC are not present, such agents will be competitively recruited and paid by the project, under the same conditions as those already in place. Resources available under Component 3 will support their salaries and trainings, and more generally the building of their capacities.

28. **A payment mechanism will be used to distribute the cash benefits to eligible households.** In line with the objectives of the program, the payment system should ensure timely and predictable cash transfers to households. To ensure the selection of the best payment arrangements, the PPA is financing a study to identify the best options for delivery of the cash. However, the payment mechanisms may differ according to the choice of targeting areas: Indeed, inside and around Bangui coverage by mobile phone networks is good, and payments may rely on mobile telephone technologies. On the other hand, in areas without good coverage, the only option is to have cash distributed directly. This is the most common practice in CAR outside Bangui and requires strong security arrangements, with the support of the MINUSCA.

29. **The implementation of this component reflects dire logistical and operational constraints in CAR.** Mindful of the security volatility and of the limited capacity and significant logistic challenges in the country, this component will be implemented under a gradual and flexible approach, in particular in two phases. A pilot phase financed under the PPA will test key steps of the component, from targeting to the payment of benefits, reporting and monitoring and evaluation. A quick assessment on the impact of the

²¹ Some of the key assets determining the level of poverty of households, include a bed/mattress, a table with chairs, a radio and a hoe. Annex 5 of this document has a brief discussion on criteria determining extreme poverty and vulnerability.

²² Indeed, in other cash transfer programs, the use of biometric technologies reduced fraud by as much as 40 percent.



transfer and on the process used to target and pay beneficiaries is being designed as part of the pilot, and if eligible, it will be financed by the recently approved UK DFID trust fund to which the World Bank team has applied.²³ The second phase, or rollout phase, will be implemented in the other project sites pending acceptable security conditions.

Component 3 - Community mobilization, capacity building, technical assistance, and project management (US\$5 million equivalent)

30. This component will finance the costs associated with community mobilization and accompanying measures foreseen for components 1 and 2, capacity building, technical assistance to national and local institutions and costs associated with project management. Under the on-going PPA, an assessment of social dynamics in each geographic area will be undertaken and inform the design and implementation of community mobilization and social cohesion activities as well as accompanying measures.

Subcomponent 3A: Community mobilization and accompanying measures (US\$1 million)

31. **This subcomponent will ensure an integrated and consistent community participation in the implementation of components 1 and 2 so as to reach the PDO.** Activities under this subcomponent will directly support and enable the implementation of components 1 and 2 by promoting community participation in identifying investments priorities, targeting of beneficiaries for cash transfers and for infrastructure works, foster community dialogue deliver accompanying measures, and promote the notion of peaceful co-existence among different groups.

32. **Component 1 and 2 will use the same community mobilization mechanisms to ensure coherence across activities.** The capacity of communities in CAR to coexist peacefully and to collaborate has been extremely weakened by the conflict. Communities are more than ever divided, mainly socially and spatially, particularly in urban areas. To this end, this subcomponent will carefully rely on community participation and will use the same process of consultations for the following activities: identification of vulnerabilities of different communities, selection of the location of infrastructure investments, and identification of entry points for activities promoting social cohesion. Global experience of working on displacement shows that community participation does not only encourage citizen engagement in project activities (with participatory planning leading to better informed project choices), it also creates spaces for beneficiaries to work together to make development decisions for the benefit of the displaced as well as host communities and all groups inhabiting areas of project intervention.

33. **In response to the polarization of communities, development partners in CAR have made community participation a priority.** The participatory approach is based on active engagement and consultation with various groups, vulnerable groups (displaced people, indigenous peoples, persons with disabilities, older persons, girls and boys up to 25 years old, people living with HIV and AIDS, refugees)

²³ UK-DFID Trust Fund (TF) - Impact evaluations of policies and programs targeting population groups that are affected by forced displacement situations.



disadvantaged groups (host families, women’s organizations, informal sector workers, youth organizations), local authorities (prefects, mayors, heads of districts), opinion leaders (crowned heads, traditional leaders, teachers and religious groups). The objective of the participatory approach is to give voice to these different groups, collectively select and confirm priorities of interventions, build ownership and support for project activities, socially and civically engage population that have been marginalized during the crisis, and help build the social fabric of the country. Furthermore, this approach will help identify specific social cohesion activities to support community mobilization around issues of reconciliation and peaceful coexistence. Recent experiences by OIM in Kaga Bando and Ndele, Catholic Relief Services in Berberati, and Mercy Corps in Bambari showed that this approach—combining community participation and mobilization around social cohesion—has been proven to set the basis for a progressive rapprochement of communities. This subcomponent will build on the experience of development partners in CAR and will complement existing activities in areas of project interventions to avoid duplication.

34. While the activities will be streamlined for component 1 and 2, the expected results of community participation under component 1 are:

- Final selection of infrastructure subprojects to be undertaken under the project
- Implementation of activities that promote collaboration and dialogue among communities in target areas
- Targeting mechanism for selection of workers in infrastructure rehabilitation
- Development of a support mechanism (such as grievance redress mechanism) for local workers.

35. These results will be reached through (i) contextualization of the participatory approach through a quick mapping existing stakeholders in each of the targeted regions, (ii) preparing a participatory approach for identification and confirmation of selected infrastructure works; (iii) developing activities that can promote dialogue across communities that can result in opportunities for strengthening social cohesion activities based on experience by other agencies and organizations, (iv) building a mechanism to support and local authorities so as to ensure sustainability of projects, and (v) selection of local workers expected to be employed under the rehabilitation activities.

36. For component 2, activities under this subcomponent will support a community-based approach for household targeting of beneficiaries and implementing accompanying measures. In the absence of any recent household survey and in a context of widespread extreme poverty, local and international NGOs have adopted community targeting as the best available option to select beneficiary households and have trained, existing community committee to conduct the process. The community targeting is preceded or accompanied by a basic, simple and easy-to-deliver assessment on the economic conditions of the households as measured by existing targeting tools (such as the Household Economic Assessments in the North) or quick surveys, which will include questions on ownership of specific goods and assets²⁴. This methodology has been tested and conducted by international NGOs in CAR, such as OXFAM, Catholic Relief Services, and Mercy Corps, and proven to be successful especially in confirming vulnerability criteria given the limitation of data.

²⁴ Some of the key assets determining the level of poverty of households, include a bed/mattress, a table with chairs, a radio and a hoe. Annex 5 of this document has a brief discussion on criteria determining extreme poverty and vulnerability.



37. **The targeting criteria and the ensuing beneficiaries’ registration will allow to develop contextualized accompanying measures.** The accompanying measures are envisaged to be provided to beneficiaries of component 2 in addition to beneficiaries under component 1 to complement planned activities in social cohesion. Themes of accompanying measures could include (i) community sanitation, (ii) children's health and nutrition (breastfeeding, vaccination, de-worming, etc.), (iii) family health and hygiene (family planning, birth spacing, handwashing, etc.), (iv) financial literacy and promotion of good savings behaviors, (v) prevention of all type of violence and peaceful coexistence, and (vi) civic engagement, responsibility and respect and self-promotion. Therefore, additional expected results of this subcomponent include:

- Development of a beneficiaries’ registry
- Implementation of selected accompanying measures

38. While the cash transfer is considered as an unconditional cash transfer program, attendance to the training and information sessions organized under the accompanying measures will be highly encouraged, especially by cash beneficiaries but open to non-beneficiary households. To ensure the impact of these accompanying measures, it is expected that at least one session will be held every three months. Each information session should not be longer than two hours, using techniques suited to illiterate populations. Attendance will be closely monitored by implementing NGOs, under close supervision of the MASRN’s community development agents.

39. **A key objective of this component is to ensure synergy and complementarity between components 1 and 2.** For that matter, it is preferable to have one organization (international NGO) in each of the targeted areas to be contracted for all activities under this subcomponent. The main service provider will subcontract an NGO per each targeted region to implement the above listed activities. However, this should not take precedent over the flexibility aspect of the Project and in certain cases several organizations could be contracted if need arises. The subcontracted organization will need to adhere to the following criteria: (i) an operational history and continued presence in the targeted areas; (ii) local knowledge and area specific lessons learned; (iii) experience in delivering the required activities, (iv) hiring local staff for execution of activities, and (v) collaborative approach for the implementation of activities to avoid duplication.

40. **Each NGO, contracted in each project area, will carry out the activities and deliver outputs outlined in the table below.** The main service provider will be responsible to procure and manage the contract of these NGOs and quality control will be a shared responsibility with MASRN.

| Community Mobilization | Preparation support for component 1 and 2 | Implementation support for component 1 and 2 |
|------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Activities | Participatory process for identification and confirmation of vulnerabilities and infrastructure needs | Community mobilization and facilitation of participatory process for identification of investment sub-projects and community targeting of vulnerable households |
| | Coordination and collaboration with existing organizations, local authority and community groups | Continued coordination and collaboration with existing organizations, local authority and |



| | | |
|----------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| | (CLPR, mayor’s office INGOs, NGOs, UN agencies, etc...) | community groups (CLPR, mayor’s office INGOs, NGOs, UN agencies, etc...) |
| | Identification of local practices for targeting of CT beneficiaries and selection of participants in works | Monitoring of targeting criteria |
| | | |
| Outputs | Beneficiaries’ registry for cash transfer | Implementation of social cohesion activities and accompanying measures |
| | Final selection of infrastructure and for investment | |
| | Identification of social cohesion activities and accompanying measures | Implementation of grievance redress mechanism for component 1 and 2 |
| | Grievance redress mechanism for component 1 and 2 | |

41. The selection of one NGO per area of project intervention will ensure cost-effectiveness and an integrated approach. International NGOs in CAR have followed an approach of complementarity to avoid duplication of work in the same region as well as to maximize the use of the limited resources to alleviate immediate needs. Therefore not all international NGOs work in all different areas simultaneously and they tend to operate in places where they have comparative and geographical advantage. Therefore, it is not possible to sub-contract the same NGO for all targeted areas of the project. At the same time, NGOs have a unique position to complete the activities under this sub-component because they can rapidly facilitate the engagement with local authorities, conduct mapping of local actors (such as village committees and associations), quickly assess axes of exclusion to ensure inclusion of previously excluded groups, and plan community based participation. Appendix 1 includes a mapping of the operational presence of UN agencies and international and national NGOs.

42. **The NGOs contracted will coordinate activities with local committees for peace and reconciliation (Comités Locaux de Paix et de Réconciliation, CLPR).** CLPR is a program of MASRN to strengthen the process of reconciliation and social cohesion in CAR. CLPRs have been established in fourteen zones nationally and their main function will be to mediate communal conflicts.²⁵ Where CLPRs are not in place, the activities will coordinate with other structures of the MASRN including Community Development Agents (*Agents de Développement Communautaire - ADC*) and the Sector Heads (*Chefs de Secteur*) of the MASRN.

Sub-component 3B: Capacity building and technical assistance (US\$1 million)

43. This subcomponent will provide technical assistance to the Ministry of Social Affairs and National Reconciliation, as well as in a more limited way to other ministries involved in service delivery at the local level. The capacity building will assist the MASRN to reach out to communities, prioritize needs and plan investments and activities. A central key element is strengthening the systems of planning and management in the MASRN. Also, activities under this subcomponent will support strategic communications, information flows and technical work to assess the impact and functioning of the

²⁵ *Ministère des Affaires Sociales et de la Réconciliation Nationale, Comités Locaux de Paix et de Réconciliation Note CLPR- 2016*



project, the quality and utilization of infrastructures rehabilitated under component 1, and preliminary work to establish a national platform to identify, register and support vulnerable households. The latter, is part of a broader effort to prepare a national Social protection and safety nets strategy, which will be carried out by the MASRN. This subcomponent could also support limited activities to promote government’s efforts or other stakeholders’ efforts to promote national reconciliation.

44. A small envelope of US\$200,000 will be included for local government capacity building, which could include such themes as participatory budgeting and planning, and management of income-generating municipal assets (markets, stations) and draw further subject matter from the new decentralization law, going before parliament in the next session. In addition, the project will fund a study on the next steps for decentralization and service delivery at the local level, to study questions of local government staffing, fiscal transfers, financial management, investment planning and implementation, etc. These activities will be strongly coordinated with the UN Local Development Program in early stage of preparation and which might also touch upon some of these issues. Given the volatility of the situation and unknown timing of local government elections, the project does not aspire to make any sort of substantial progress on the decentralization front, but would contribute to laying the foundations of any future interventions.

Sub-component 3C: Project Management (US\$3 million)

45. This sub-component will finance project management costs, including the Environmental and Social safeguards management issues, and other costs associated with the recruitment of the main service provider that will manage implementation of all project activities. The main service provider will execute the infrastructure works and cash transfers, subcontract NGOs to execute the community mobilization activities, and provide technical support to MASRN. To this end, the main service provider will establish a national office in Bangui for close coordination with the Ministry and other development partners. Staffing of the national office will include:

- i. Project Director (international staff)
- ii. National coordinator (national staff)
- iii. FM specialist (international staff)
- iv. Procurement specialist (national staff)
- v. HR specialist (national staff)
- vi. Environmental specialist (national staff)
- vii. Social development specialist (national staff)

46. During the first twelve months of the project, the main service provider will develop a strategy for capacity building for the Ministry to transfer responsibilities of certain activities/components to MASRN. The strategy will include an action plan to be administered starting year 2 of the project with a clear chronogram of expected timeline for transfer of execution of activities. Assessment of the implementation of the action plan and role of the main service provider will take place during MTR.

| Urban Area | Displacement | | | Operational Presence | | |
|------------|--------------------|-------|---------------|----------------------|------|----------------|
| | Total January 2017 | Camps | Host families | UN | INGO | NGO (national) |
| | | | | | | |



| | | # camps | #people December 2016 | #people January 2017 | #people | | | |
|-------------------|--------|---------|-----------------------|----------------------|---------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bambari | 35,540 | 9 | 26064 | 25906 | 9497 (Jan 2017) | OCHA UNDP, UNCHR, UNICEF, UNFPA, WHO, FAO, WFP | Mercy Corps, ACTED; MSF, CICR, IMC; Triangle Generation Humanitaire; Jesuite Refugee Service, Cooperazione Internazionale | Enseignement Catholique Associé de Centrafrique (ECAC), CARITAS, Esperance, other |
| Batangafo | 36,639 | 5 | 21,643 | 22,748 | 13891 (August 2016) | OCHA | DRC, DCA MSF-E MENTOR INTERSOS War Child OXFAM | ECAC AFRBD CEJP,AFEB Caritas |
| Kaga Bando | 36,639 | 3 | 19,587 | 19587 | 13037 (August 2016) | FAO, OCHA UNDSS, UNFPA UNICEF, UNHCR WFP, WHO, OIM, | DCA, IRC ACORD INTERSOS Solidarité | Vitalite +, OCDN Echelle, Caritas IDEAL, OFCA RECAPEV |
| Bria | 20,184 | 3 | 5093 | 5093 | 15091 (August 2016) | UNICEF, UNHCR, FAO, WFP, WHO | OXFAM, MSF, IMC, CRCA, Invisible Children | Esperance VITALITE+, MAHDED, Enseignement Catholique Associé de Centrafrique, Initiative D'entraide aux libertés (IDEAL), other |



ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY : Central African Republic CAR-Service Delivery and Support to Communities Affected by Displacement

Project Institutional and Implementation Arrangements

1. Project implementation arrangements have been calibrated to the existing limited capacity within government, taking a gradual approach to building capacity and ensuring that fiduciary considerations are taken into account. Also, implementation arrangements reflect on-going operational constraints in the proposed project areas of intervention, including limited availability of private sector and goods, absence of consultants, insecurity and lack of government presence on the ground. To overcome these constraints, UNOPS is expected to be the main service provider and will support the MASRN TU execute all project activities. UNOPS has staff on the ground and experience in delivering in CAR and elsewhere similar projects. A phased approach is envisioned whereas implementation arrangements will be revised at the end of year 2 of project implementation or at Mid-Term Review to consider the transfer of fiduciary and some technical responsibilities to MASRN. Project institutional and implementation arrangements are visualized in Chart A.

Institutional arrangements

2. **Ministry of Social Affairs and National Reconciliation.** The Ministry of Social Affairs and National Reconciliation (MASRN) will have the responsibility for the overall implementation of the project.

3. **Project Steering Committee.** At the policy level, a newly created Project Steering Committee will assume overall institutional responsibility of this project. This Committee will ensure that the activities implemented by the project are aligned with national priorities in the area of displaced populations and refugees and harmonized with other major development strategies and with sectoral interventions. The Committee will also be responsible to review and validate the annual work plan and budget for the project. In particular, the Committee will be chaired by the Minister of Social Affairs and National Reconciliation and co-chaired by the Ministry of Planning. Other members will include the Ministries of Interior, Agriculture, Health, Education, Transports, Urbanism, Mines, Energy and Water, Agriculture, Livestock and a representative of the Strategic Committee for the Return and Reinstallation of Displaced Persons²⁶. More details on the responsibilities of the Project Inter-ministerial Steering Committee will be specified in the Project Implementation Manual (PIM).

Implementation arrangements

4. As discussed in other sections of the PAD, project implementation capacity is extremely low in

²⁶ The *Comité Stratégique de retour/relocalisation des personnes déplacées en République centrafricaine* was established by Presidential Decree 16/316, August 19, 2016 and is chaired by the President of the Republic. Its mandate is to: i) define an overall strategic vision on returns of displaced people in CAR; validate the return/reinstallation projects prepared by its Technical committee; ensure mobilization of national and international funds; and ensure the monitoring and evaluation of activities.



CAR and past experiences suggest to seek economies of scale and scope within the World Bank portfolio by using existing implementation platforms that proved to master effectively World Bank fiduciary guidelines. Such were the conclusions of a World Bank fiduciary mission that took place in August 2016²⁷. The mission also recommended to use such arrangements during a transition phase of up to roughly three years, after which an assessment would be carried out to assess readiness of sector ministries to take over all project responsibilities. On such basis, the project will keep all fiduciary responsibilities within the *Unité de Coordination des Projets* (or the Fiduciary agent) at the Ministry of Transport (UCP) but have a technical unit within the MASRN, which would guide and oversee the implementation of the project and retain technical responsibility. These are the arrangements being used for the implementation of the project preparation advance.

5. **Fiduciary agent.** The Project Coordination Unit (PCU) of PFTT (or Fiduciary agent, FA) in the Ministry of Transport will assist MASRN with the fiduciary responsibilities pertaining to the implementation of the project. Inter alia, the FA will arrange and manage the contract with the main service provider and prepare unaudited interim financial reports and the procurement plan, manage the designated account and direct payments, arrange for independent audits, and co-manage the Memorandum of Understanding (MoU) with the MASRN Technical unit.

6. **MASRN Technical Unit.** The MASRN Technical unit (TU) is responsible for overall coordination and technical oversight of project activities. On the basis of inputs provided by the main service provider, the MASRN Technical unit prepares the annual work plan and budget to be submitted to the Inter-ministerial Technical Committee, the annual report of the project, quarterly reports, and other project reports. The MASRN Technical Unit reviews project progress. The TU will be assisted by the FA for all fiduciary aspects of project management. The MASRN TU will not have any fiduciary responsibility but will advise the FA on payment requests from the main service provider. The FA and the MASRN TU will sign a MOU reflecting the responsibilities as outlined above and providing the necessary resources for the functioning of the MASRN Technical Unit. The MASRN will decide the administrative position of the Technical Unit, in accordance with the recently approved new organigram of the Ministry. At a minimum the Technical Unit will be headed by a Coordinator who will be the focal point for the FA and the World Bank and will also include the technical managers and the staff of the departments involved in project activities.

7. **Main service provider.** The government will recruit the main service provider and will contract out project activities. UNOPS is the main service provider for the PPA and is expected to be the main service provider for the whole project. The main service provider will support the MASRN TU to provide key services, including: i) ensure efficient overall project management; ii) procurement of services to implement project components; iii) report to the MASRN Technical Unit on project progress and present payment requests to be then processed by the FA; iv) collaborate and support the MASRN TU in supervision missions; v) provide the FA with all financial information required to prepare the financial reports; vi) support the preparation of a Mid-Term Review (MTR) and the orderly closing of the project; vii) support information and communication campaigns; and viii) ensure that high quality independent

²⁷ Banque mondiale, Evaluation des modalités d'exécution et des arrangements fiduciaires des projets financés par la Banque mondiale en RCA » - Aide-Mémoire – Aout 2016



assessments are carried out on project performance and technical quality of the infrastructures rehabilitated by the project. The MASRN TU will benefit from capacity building from the main service provider by integrating civil servants directly into project execution. During the first six months of the project, the main service provider will develop a strategy for capacity building to transfer technical responsibilities of certain activities/components to MASRN. Assessment of the implementation of the action plan and role of the main service provider will take place during MTR.

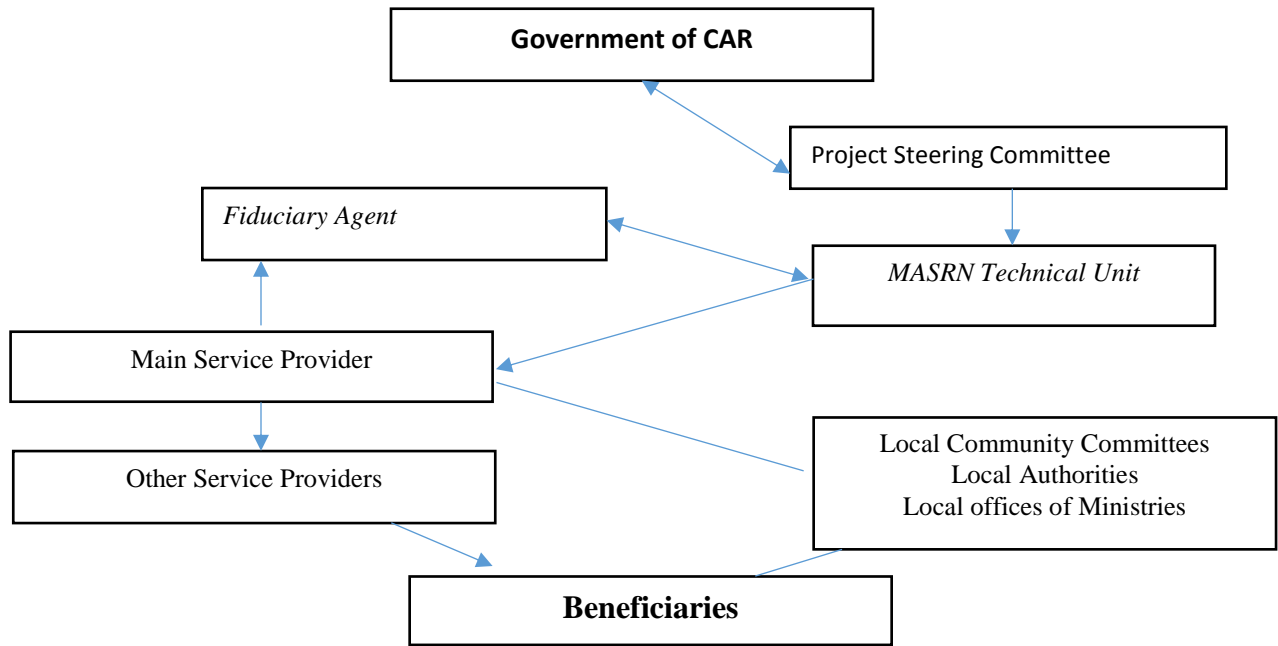
8. **Other service providers.** The main service provider will contract one or more service providers (NGOs, UN agencies, consultants) to: i) support a locally-based identification of infrastructure and services and execute their rehabilitation (component 1); ii) in the same areas and through common arrangements, identify and register beneficiaries of cash transfers, and ensure their timely and secure payment (component 2); iii) develop and deliver accompanying measures to all members of targeted communities (component 3); iv) support the implementation of environmental and social mitigation measures; v) forecast, schedule and support future infrastructures and services maintenance and operating needs; vi) support existing (or to be established) local community committees in view of the implementation of components 1 and 2; vii) report to the main service provider on project progress and prepare and maintain all required financial statements; viii) carry out independent technical studies and impact and process assessments.

9. **Local community committees and local authorities.** As a general rule, the project will leverage existing local committees to identify the infrastructure and services to be rehabilitated and to support the beneficiary targeting process. This will be done with the active involvement of local authorities as they maintain institutional responsibility over local public affairs and policies. Where such committees do not exist, the project will support the establishment of new committees following best practices and the guidelines of the Government on such committees including those related to Local Committees for Peace and Reconciliation (*Comités Locaux de Paix et de Réconciliation*), established as part of the recommendations of the National forum of Bangui of May 4-11 2015²⁸ and which are an important element of pillar 1 of the National Recovery and Peace Building Plan²⁹.

²⁸ Ministère des Affaires Sociales et de la Réconciliation Nationale, Comites Locaux de Paix et de Réconciliation en République Centrafricaine, Document de Présentation Générale, 2016.

²⁹ Central African Republic, National Recovery and Peace Building Plan 2017-2021, Published in 2016 in view of the Donor conference eon CAR held in Brussels, Belgium on November 17, 2016.

Chart A: Institutional and Implementation Arrangements





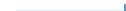
Orientation and supervision 
 Technical coordination arrangements 
 Contractual and delivery arrangements 



Table A - CAR – Service delivery and support to communities affected by displacement: Options for implementation arrangements (main service provider)

| | Operational capacities | Fiduciary capacities | Immediately operational | Field presence in intervention areas | Notes |
|------------------------------|------------------------------------------------------|----------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| AGETIP | Limited but to a few areas now | Low: Not in line with Bank requirement | TBD | Yes | In need of fiduciary strengthening |
| MINUSCA | High | Aligned with those of the Bank | Yes | Yes | Mandate expires before Project closing |
| UNOPS | High but currently limited to Kaga Bandoro and Ndele | Aligned with those of the Bank | Yes | Yes, in Bambari, Kaga Bandoro and Bangui | Already working on the PPA |
| IOM | Limited to a few areas | Acceptable | Yes | Yes, Ndélé and Bangui | |
| WFP (for component 2) | High but currently limited to a few areas | Aligned with those of the Bank | Yes | Yes, in Kaga Bandoro | Split of executing agencies not advisable |
| International NGO | High but currently limited to a few areas | Acceptable | Yes | Batangafo (NRC and OXFAM), Bambari (ACTED), Kaga-Bandoro (IRC and InterSOS), Ndele (NRC and Première urgence) | |

Financial Management

10. FM assessment of the implementing unit (PCU) of PFTT-CEMAC designated to manage this project, or the Fiduciary Agent (FA), was carried out in January 2017. The objective of the assessment was to determine whether the PCU has acceptable FM arrangements in place to ensure that the project funds will be used only for intended purposes, with due attention to considerations of economy and efficiency. The assessment complied with the Financial Management Manual for World Bank-financed investment operations effective March 1, 2010.



11. Arrangements are acceptable if they are capable of accurately recording all transactions and balances, supporting the preparation of regular and reliable financial statements, safeguarding the project's assets, and are subject to auditing arrangements acceptable to the World Bank. These arrangements should be in place when project implementation starts and be maintained as such during project implementation. The assessment concluded that the financial management of the PCU satisfies the Bank's minimum requirements under OP/BP 10.00, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by the Bank.

12. The overall fiduciary risk rating is assessed as **Substantial** due to fact that, despite activities will be carried out by UNOPS as the main service provider, they will take place in different locations. Mitigation measures proposed (see FM Action Plan) will strengthen the internal control environment and maintain the continuous timely and reliability of information produced by the PCU and an adequate segregation of duties.

13. **Internal control system.** The internal control system will comprise a steering committee to oversee the project activities, an FM procedures manual to define control activities. The composition, the mandate and frequency of meetings of the steering committee will be strengthened to ensure an adequate oversight of the project.

14. **Planning and budgeting.** The PCU will prepare a detailed annual work plan and a budget, which should be approved by the project steering committee. The PCU will submit the approved annual work plan and budget to the Bank, for no objection, before the end of previous calendar year.

15. **Accounting.** The SYSCOHADA, assigned accounting system in West African Francophone countries, will be applicable. The PCU will customize the existing accounting software to meet project requirements.

16. **Interim financial reporting.** The interim un-audited financial reports (IFR) are prepared every quarter and submitted to the Bank regularly (e.g. 45 days after the end of each quarter) on time. The frequency of IFR preparation as well as its format and content will remain unchanged.

17. **Annual financial reporting.** The PCU will produce project annual financial statements, which will comply with SYSCOHADA and Bank requirements. Financial statements may comprise:

- project presentation and project developments and progress during the year, to provide context to (or other explanations of) financial information reported;
- statement of sources and uses of funds which recognizes all cash receipts, cash payments, and cash balances;
- a statement of commitments;
- accounting policies adopted and explanatory notes;



- a management assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

18. **Auditing.** The PCU will submit audited project financial statements satisfactory to the Bank every year within six months after closure of the fiscal year. A single opinion on the audited project financial statements in compliance with the International Federation of Accountants will be required. In addition, a management letter will be required. The management letter will contain auditor observations and comments and recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financial Agreement. The PCU should recruit a technically competent and independent auditor by six months after the project effective date.

Audit Report Requirements

| Report | Deadline | Responsible |
|---------------------------------------------------------------------------|------------------------------------|-------------|
| Audited financial statements including audit report and management letter | 6 months after the end of the year | MoT/PCU |

19. The project will comply with the Bank disclosure policy of audit reports and place the information provided on the official website within one month of the report being accepted as final by the team.

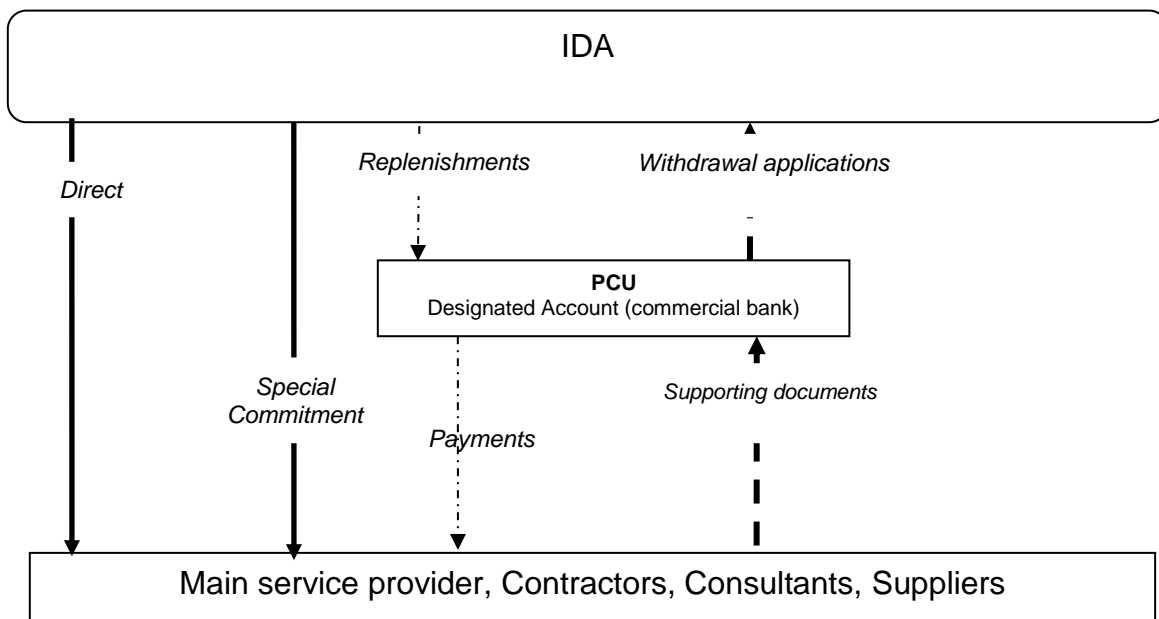
Disbursements

20. **Upon Grant effectiveness, transaction-based disbursements will be used.** The project will finance 100 percent of eligible expenditures inclusive of taxes. A new Designated Account (DA) will be opened in a commercial bank under terms and conditions acceptable to IDA. An initial advance up to the ceiling of the DA will be made and subsequent disbursements will be made against submission of Statements of Expenditures (SOE) reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited Interim Financial Report (also known as the Report-based disbursements) could be considered, as soon as the project meets the criteria. The other methods of disbursing the funds (reimbursement, direct payment and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling. The project will sign and submit Withdrawal Applications (WA) electronically using the eSignatures module accessible from the Bank’s Client Connection website.

| Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------|
| (1) Goods, works, non-consulting services, and consulting services for the Project, except for Cash Transfers under Part 2 (i) | 15,300,000 | 100% |

| | | |
|--------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------|
| (2) Cash Transfers to Eligible Beneficiaries under Part 2 of the Project | 4,000,000 | 100% of amount disbursed |
| (3) Refund of Preparation Advance | 1,400,000 | Amount payable pursuant to Section 2.07 of the General Conditions |
| TOTAL AMOUNT | 20,700,000 | |

Figure 1: Funds Flow Chart



Use of UN agencies

21. The funds transferred to any UN agency will be managed by the Agency following UN Financial Regulations and Rules. As a result, reliance will be placed on the UN agency’s external auditor’s reports as necessary. The request for elimination of audit requirements will be prepared and should be granted during early stages of project implementation. To mitigate any risks of inappropriate use of the project funds, some alternative mechanisms should be established, including (a) at least one field-based visit being conducted during the first 12 months of the project implementation period. The supervision intensity will be adjusted over time considering the project’s FM performance and FM risk level; (b) the government having the entire responsibility of ensuring that works, goods, and services are delivered effectively to the intended beneficiaries during project implementation. However, where deemed appropriate (for example, UN agency systems and IFRs have showed some weaknesses or deficiencies), the World Bank team may request the government to establish adequate arrangements to conduct some physical inspections of goods and services delivered by the UN agency; and (c) the World Bank FM team will have adequate access to the financial information, documents, and records for activities



implemented by the UN agency on behalf of the government.

22. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed. The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout its life.

FM 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 interim internal control systems reports | Continuous as they become available |
| On-site visits | |
| Review of overall operation of the FM system (Implementation Support Mission) | Yearly for Moderate risk |
| Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audits, and other reports | As needed |
| Transaction reviews | As needed |
| Capacity-building support | |
| FM training sessions | During implementation and as and when needed |

Procurement

23. **Applicable procurement rules and procedures.** Procurement for this project will be carried out in accordance with “World Bank Procurement Regulations for Investment Project Financing Borrowers, July 2016”. All goods and consulting and non-consulting services required for the project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the following sections:

- (a) **Section IV. Project Procurement Strategy for Development (PPSD) and Procurement Plan:** the recipient prepares the PPSD in accordance with paragraphs 4.1, 4.2 and 4.3 of the Procurement Plan in accordance with paragraphs 4.4 and 4.5 of this section.
- (b) **Section VI. Approved Selection Methods:** Goods, Works, and Non-consulting services of the ‘World Bank Procurement Regulations for IPF Borrowers - Procurement in Investment Project Financing: Goods, Works and Non-consulting and Consulting Services’, dated July 2016 in the case of goods and non-consulting services;
- (c) **Sections VII. Approved Selection Methods:** Consulting Services of the “World Bank Procurement Regulations for IPF Borrowers - Procurement in Investment Project Financing: Goods, Works and Non-consulting and Consulting Services,” dated July 2016 in the case of



consulting services;

- (d) **Annex IV. Fraud and corruption.** The procuring entity as well as all bidders, suppliers, contractors, and service providers should observe the highest standards of ethics during the procurement and execution contracts financed under this project in accordance with the provisions of the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (revised as of July 1, 2016).

24. **Assessment of the Ministry of Social Affairs and National Reconciliation's capacity to implement procurement procedures.** A summary assessment of the MASRN's capacity to implement procurement activities for the project was carried out by the World Bank's Procurement Specialist in January 2017. This assessment showed that the MASRN contains a Procurement Unit (*Service de Passation des Marchés Publics*). The Procurement Unit of the MASRN has knowledge of national procurement procedures only and it has no experience with procurement and management of projects funded by the World Bank. The MSAFNR contains no qualified Procurement Specialist and its system for filing and archiving procurement documentation is inadequate.

25. **Institutional arrangement for procurement.** The Project Coordination Unit (PCU) of the Transport and Transit Facilitation Project (TTFP) based in the Ministry of Transport and Equipment, or the Fiduciary Agent (FA) is retained to be responsible for the implementation of all fiduciary activities comprising procurement and financial management. Based on the current procurement context characterized by the lack capacity and in order to mitigate the financial risk the Word Bank team agrees with the project preparation team the following measures (i) signing a Memorandum of Understanding (MoU) between the Ministry of Social Affairs and National Reconciliation (MASRN) and the Project Coordination Unit (PCU) of the PFTT, based in the Ministry of Transport and Equipment in order to manage all the project's procurement process, including the signing and approval of contracts during the project implementation; (ii) anticipating all procurement activities as indicated in the Project Procurement Strategy for Development (PPSD) and the Procurement Plan; and (iii) supervising closely all procurement activities. These measures will be pursued during the implementation of project.

26. **Procurement risk assessment.** A summary procurement risk assessment of the PCU of PFTT, based in the Ministry of Transport and Equipment, in charge of the implementation of procurement activities for the project was carried out and the overall procurement risk rating is Moderate. The PCU was created more than ten (10) years ago and it has a great experience working with the World Bank and applying related policies and procedures.

27. **Measures to mitigate procurement risk.** The main procurement-related risks identified are: (a) Lack of knowledge and practice in application of the New Procurement Framework; and (b) Lengthy government approval processes. The following mitigation measures are proposed: (a) The PCU of the PFTT will apply the procurement procedures detailed in the Project Implementation Manual (PIM) and will develop detailed checklists to ensure consistent and compliant project procurement; and (b) the PCU of PFTT will also develop a contract management system to ensure that all contracts under the project are effectively and efficiently managed; this will include the tracking of key contract milestones and performance indicators as well as capturing all procurement and contract records.



28. **National Procurement Arrangement.** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market (as specified in the Procurement Plan tables in STEP), the country's own procurement procedures may be used. When the Beneficiary uses its own national open competitive procurement arrangements as set forth in Public Procurement Code, such arrangements shall be subject to paragraph 5.4 of the Procurement Regulations and the following conditions : (i) the procurement is open to eligible firms from any country ; (ii) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, an compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights; and (iii) maintenance of records of the Procurement Process. When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Beneficiary, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.
29. **Procurement methods.** The various procurement methods to be used for activities financed by the proposed grant are set in the procurement plan, dated April 10, 2017.
30. **Procurement of works.** Works are envisaged to construct or rehabilitate infrastructure (urban roads, roadside drainage, public buildings, income generating infrastructure, school, health centers, etc.
31. Procurement of goods and non-consulting services. Procurement of goods will include computer equipment, vehicles, furniture, etc.
32. **Procurement of consulting services (firms and individuals).** Procurement of consulting services will be carried out in accordance with the World Bank Procurement Regulation for Investment Project Financing Borrowers. Consulting services also include the services of training, the recruitment of Non-Governmental Organizations (NGOs), United Nation Agencies, national or international consultants (firms) and individuals comprising a Procurement specialist, Financial Management Specialist, and Accountant, etc.
33. **Use of UN Agencies.** UN Agencies may be selected directly in situations where their expertise or rapid mobilization on the ground is critical, in particular, in circumstances of urgent need of assistance or capacity constraints. When entering into a contract with a UN Agency, the standard form of agreement between the Borrower and the UN Agency or a case-specific template is approved by the World Bank. In circumstances in which the Bank and a UN Agency have established a Financial Agreement, the Borrower may take advantage of the Financial Agreement when entering into a contract with the UN Agency.
34. **Frequency of procurement supervision.** In addition to the prior review to be carried out by the World Bank, supervision missions will be undertaken at least once per year. One in five procurement packages not subject to World Bank prior review will be examined ex post on an annual basis.
35. **Procurement Plan.** The Procurement Plan for the first 18 months was finalized during project negotiations. The Procurement Plan will be updated by the PCU of the PFTT on an annual or as-needed basis to reflect actual project implementation needs. Updating of the Procurement Plan will be



submitted to Bank No Objection and the PPSD updated accordingly.

36. **Procurement Planning and Tracking Tool.** In accordance with paragraph 5.9 of the “World Bank Procurement Regulations for IPF Borrowers” (July 2016) (“Procurement Regulations”) the Bank’s Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the Project.

Project Procurement Strategy for Development (PPSD) summary.

(A) Institutional Arrangement for procurement of contracts

37. The Government of the Central African Republic, with the support of the Fiduciary Agent within the Ministry of Transport, will sign a contract for the provision of services, using the direct selection method, with the main Service Provider, in this case UNOPS, for the implementation of project activities including procurement of goods and services, financial management and accounting. This recruitment through the direct selection method with UNOPS is justified by the provisions of paragraphs 7.13 to 7.15 of the "Procurement Regulations for Borrowers Applying for Financing of Investment Projects".

(B) Brief Summary of the Procurement Plan

38. The current environment in CAR justifies the direct selection of UNOPS for the implementation of the project on the basis of its local experience in the country through implementation of two projects financed by the World Bank, knowledge of the World Bank's procurement and financial management procedures, its field presence and its strong capacity to mobilize human, material and technical resources.

(C) Risks and Mitigation Measures

39. The main procurement risks have been identified and corresponding mitigation measures are proposed. The project implementation manual will be updated to ensure that mitigation measures are reflected.

40. **Project Implementation Manual (PIM).** The PIM will define the project’s internal organization and its implementation procedures, and will include, among other things: (i) the procedures for calling for bids, selecting consultants, and awarding contracts; (ii) the procedures for community-based procurement and sample contracts; (iii) the internal organization for supervision and control, including operational guidelines defining the role of the service provider and reporting requirements; and (iv) disbursement procedures.

Thresholds for Procurement Approaches and Methods

| Works | | | Goods, IT and Non-consulting services | | | Shortlist of national Consultants | |
|-------------------------|--------------------|----------|---------------------------------------|--------------------|----------|-----------------------------------|----------------------------|
| Open international ≥ | Open National < | RfQ ≤ | Open international ≥ | Open National < | RfQ ≤ | Consulting services < | Engineering & Construction |



| | | | | | | | |
|---------------|---------------|-------------|-------------|-------------|-------------|-------------|------------------|
| | | | | | | | supervision ≤ |
| US\$5,000,000 | US\$5,000,000 | US\$200,000 | US\$500,000 | US\$500,000 | US\$100,000 | US\$100,000 | US\$200,000 |

Environmental and Social (including safeguards)

41. The project is being classified as a Category B operation due to the moderate level social risks and impacts of its foreseen activities, which scope will be rather site specific, and thus easily manageable. The project has national coverage with a specific focus on four urban areas regions where IDPs are mostly located.

42. Such a project in a post-conflict country like CAR is expected to bring positive social impacts to its beneficiary populations while carrying some negative impacts for which specific mitigation measures will be designed. However, given the emergency situation in CAR and the country’s relative fragility, and the limited technical capacity in the country, management decided to defer the preparation of safeguards instruments prior to project implementation. Consequently, and in light of the provisions of paragraph 12 of OP/BP 10.00, an Environmental and Social Safeguards Action Plan (ESSAP), consistent with World Bank operational policies and procedures for investment operations, Projects in Situations of Urgent Need of Assistance or Capacity Constraints, was prepared by the Bank to guide the processing of this emergency operation.

43. The objective of the ESSAP is to ensure that planned project activities and related social and environmental assessment and management instruments and processes meet the required technical quality and are in compliance with the national legislation of CAR and the World Bank’s operational safeguards policies and standards.

44. The expected project activities trigger one social safeguard policy: OP/BP 4.12 (Involuntary Resettlement). In compliance with paragraph 12 of OP/BP 10.00, the government will prepare relevant safeguards instruments within four months of project effectiveness.

45. **OP/BP 4.12-Involuntary Resettlement.** This is triggered because the need for involuntary resettlement or land acquisition in specific subproject areas will only be known during project implementation, when site-specific plans are available in the extension zone. Therefore, subprojects will be screened for applicability of the resettlement policy and any subprojects involving involuntary resettlement or land acquisition with restriction to access to livelihood supports areas, etc. will only be approved after preparation of a Resettlement Action Plan (RAP) acceptable to the Bank. Several issues could increase the complexity of land acquisition - the lack of reliable land record systems, and the inability of people losing land to either document ownership or be physically present to make their claims for eligibility. The RPF would therefore include procedures for identifying eligible project-affected people (PAP), calculating and delivering compensation, and mechanisms for land dispute grievance redress, as well as satisfactory institutional arrangements for monitoring effective implementation of the RAP.

46. **OP/BP 4.12 covers persons displaced by project activities.** Given the long lasting post-conflict crisis and possible land disputes between residents, the borrower will prepare a Resettlement Policy Framework during project execution and implement measures to minimize and mitigate adverse social impacts, particularly on poor and vulnerable groups. Well documented consultation mechanisms will be



required to establish eligibility for compensation. Absent refugees or displaced PAPs who later claim compensation will require clear legal remedies to resolve or adjudicate disputes.

47. More details are being offered in the attached Environmental and Social Safeguards Action Plan (ESSAP) in annex 4. Nonetheless, the discussion below provides a quick overview of actions needed and way forward.

48. **Institutional Arrangement for Safeguards Processing.** The overall responsibility of safeguards processing relies on the MASRN Technical Unit, with support from the main service provider, working closely with the Ministry of Environmental Affairs, more specifically on the Social and Environmental Specialist, which the project will be hiring on due course. The Social and Environmental Safeguards Specialist will be responsible for following up on all safeguards concerns. S/he would also ensure that all safeguard concerns are properly dealt with. S/he will further be supported by the World Bank Social and Environmental Safeguards Specialists who will ensure his/her technical capacity are further strengthened. S/he will lead the systematic screening of all subprojects as well as the development of any related additional safeguards instrument. The safeguards documents will be properly consulted upon and publicly disclosed both in-country and at the InfoShop prior to the start of the civil works.

49. **Public Consultation and Disclosure of Safeguards Instruments.** To facilitate safeguards understanding and implementation, the final ESSAP will be consulted with Government and project stakeholders and then translated into French for broader public dissemination in CAR, particularly in project areas, as well as at the InfoShop prior to the project effectiveness. Likewise, the project safeguards instruments (ESMF/ESMP; RPF/RAP) will also be consulted and publicly disclosed both in-country and at the InfoShop prior to the start of civil works. Each of these instruments, including the ESSAF, requires a participatory Grievance Redress Mechanism, well-grounded in local practices, that PAPs and stakeholders could use to seek redress.

50. **Social inclusion, Gender equality and Citizen Engagement.** During implementation, the project will use a participatory approach, involving stakeholders in design and planning for implementation. Gender and vulnerability issues have been factored in, and the project is meant to bring more value to women, youth and elderly people, both with regards to IDPs, as well as their local hosts.

Environment (including Safeguards)

51. The project is being classified as a Category B operation due to the low environmental risks and impacts of its foreseen activities, which scope will be rather site specific, and thus easily manageable. Two environmental safeguards policies are triggered: OP 4.01 (Environmental Assessment); OP 4.11 (Physical Cultural Resources).

52. **OP 4.01 Environmental Assessment.** This policy is triggered as the project activities (mostly under component 1) are likely to have an environmental impact. An ESMF will be prepared, no later than four months after effectiveness, to guide the way that potential negative environmental and social impacts of future activities will be identified and mitigated during the project implementation.

53. **OP 4.11 Physical Cultural Resources.** This policy is triggered as component 1 may involve



excavation and movement of earth. The ESMF will include clear procedures required for identification, protection of cultural property from theft, and treatment of discovered artifacts that may be identified during implementation.

54. Preparation time for safeguards instruments, including Bank review, revisions, clearance, and approval steps. The preparation of the ESMF and RPF, including the negative list and the training modules is estimated to require a maximum time period of about four months, including Bank review and approval, disclosure, consultations and finalization.

55. Implementation of safeguards instruments, if applicable, development of secondary instruments (e.g., subproject ESIA/ESMPs to be developed, and specifying by whom—e.g., contractors or other implementing entities—and by when). After finalization of the ESMF and RPF, the capacity building program, and the negative list, the implementing agency will be responsible for screening and development of subproject ESIA/ESMP where applicable.

56. Responsibilities for Safeguard Screening and Mitigation. The MASRN Technical unit, with support from main service provider, and in close collaboration with the Ministry in charge of Environment, will be responsible for following up all safeguards concerns and would also ensure that all safeguard screening and mitigation requirements to each subproject will be applied.

57. Consultation and Disclosure. The ESSAP will be translated to French and shared with the government of CAR, concerned nongovernmental organizations and development partners, and will be disclosed in country and at the World Bank's InfoShop. The implementing agency will consult project-affected groups and local nongovernmental organizations on the project's environmental and social aspects, and will take their views into account. The implementing agency will initiate these consultations as early as possible, and for meaningful consultations, will provide relevant material in a timely manner prior to consultation, in a form and language(s) that are understandable and accessible to the groups being consulted. The ESMF and RPF will be disclosed after Bank review as final draft versions, for a period no less than 30 days, during which the Recipient will organize consultations for the affected stakeholders.

58. Climate change screening was done for this project. The results show that drought and extreme temperature, precipitation, and flooding pose a moderate risk as future drivers of risk in the country context. However, the project outcome itself is a low risk from these events. All urban infrastructure will be constructed to be resilient to future risk posed by climate changes, and the project's contribution to preparing a national social protection and safety nets strategy will also contribute to increasing resilience of vulnerable communities to climate shocks.

Monitoring and Evaluation

59. The project's monitoring and evaluation (M&E) approach reflects the significant capacity constraints and operational challenges associated with implementation of proposed activities in CAR. As such, it relies on systems and procedures set up by the main service provider as well as other service providers such as NGOs. The main service provider will recruit the necessary capacity and set up monitoring and evaluation systems to monitor implementation progress and achieved results against



the PDO and intermediate level indicators on a quarterly basis. These systems will rely on data collected directly by the main service providers or provided by other service providers, namely NGOs in charge of execution of component 2 and 3. The quarterly reports will be shared with MASRN TU for review and comments before they are shared with PCU and the World Bank. In the case, security constraints limit access to some project sites by World Bank teams, or for any other reason, the project could retain a Third Party Monitoring (TPM) agency to provide complementary information on project activities and results.

60. Systems, procedures and tools set up by the main service provider for M&E will be described in detail in the Project Implementation Manual (PIM). Bi-annual reports will be prepared by the main service provider and transmitted by MASRN to the project Inter-ministerial Steering Committee. As component 1 adopts a framework approach in key sectors, yearly and end of project results targets in those areas will be established once investments have been identified. Regarding component 2, the World Bank team will seek support from trust funds to carry out an impact evaluation of cash transfers. During implementation, the project will explore the possibility of setting up joint coordination and monitoring mechanisms with other intervening partners in the four geographic areas.

Role of Partners (if applicable)

61. Project implementation will be closely aligned with on-going activities financed by development partners to expedite preparation of investments, to facilitate complementarity of investments, to avoid burdening communities with multiple requests, to minimize disruption of already weak national institutions. Coordination with partners will happen primarily on site in the four geographic areas. Of particular interest to the project are services provided by MINUSCA. In particular, the project may rely on the civil engineer battalion to support execution of works when needed, including the use of MINUSCA's heavy equipment, and on security patrols in neighborhoods of project activity. MINUSCA's role in securing contractors and transportation of cash is also relevant. Finally, close collaboration with MINUSCA's political affairs department in the four areas will hopefully mitigate security risks and inform the community mobilization activities under component 3.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY : Central African Republic
CAR-Service Delivery and Support to Communities Affected by Displacement

Strategy and Approach for Implementation Support

1. The project will be executed in an environment of very limited capacity, instability and security constraints. The core elements of the Implementation Support Plan are as follows:

- The initial twelve months of implementation will focus on the procurement of the main service provider as well as NGOs to carry out activities under component 3, consultations and identification of subprojects, preparation of technical specifications, procurement of works, and setting up mechanisms for cash transfers;
- Throughout project implementation efforts will be concentrated on the procurement of key studies, preparation and procurement of investments and associated safeguards instruments, capacity building to strengthen MASRN capacity. At the same time, from day one, a key focus will be on assessing the distribution of project benefits across different groups (displaced, host communities, women, other vulnerable groups, ethnic communities) to ensure activities do no harm and on monitoring closely the impact of accompanying measures to promote peaceful coexistence of groups through opportunities for dialogue and collaboration;
- While the technical skills required for adequate implementation support will change slightly over the course of the project, a core multi-sectoral team based in Headquarters as well as in the region will provide continuous implementation support to government and main service provider.

Implementation Support Plan

2. The multi-sectoral nature of the project will require that significant resources be allocated to ensure adequate support during implementation.

Implementation Support Plan and Resource Requirements

| Time | Focus | Skills Needed | Resource Estimate | Partner Role |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First twelve months | <ul style="list-style-type: none"> • Procurement of main service provider; • Consultations with communities; • Identification of infrastructure subprojects; • Set up system for cash transfers; | <ul style="list-style-type: none"> • Social Protection • Social development • Procurement and FM • Municipal infrastructure • Social and | BB: US\$300,000 | NGOs carry out consultations; UN agencies and NGOs to identify priority investments; UNOPS to prepare technical specification of initial subprojects; |



| | | | |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Identification of accompanying measures and mechanisms for community dialogue and peaceful coexistence; • Procurement and execution of investment contracts; • Implementation of procurement plan, including procurement of Technical unit • Preparation of ESMF/RPF | <ul style="list-style-type: none"> • environmental safeguards • Drainage • Urban planning | NGOs to carry out targeting of beneficiaries of cash transfers |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|

| | | | |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 12-48 months | <ul style="list-style-type: none"> • Cash transfers • Timely preparation of technical studies and works contracts, including drainage investments and other municipal investments • Safeguards support • Procurement and FM training for MASRN; • Preparation of safeguards instruments for specific investments, if applicable | <ul style="list-style-type: none"> • Social Protection • Social development • Procurement and FM • Municipal infrastructure • Drainage, DRM • Urban planning | BB: US\$250,000 |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|

Skills Mix Required

| Skills Needed | Number of Staff Weeks | Number of Trips | Comments |
|---------------------|-----------------------|-----------------|--------------------------------------|
| Task team Leader | 10 per year | 2-3 per year | Staff based in HQ |
| Co-Task team leader | 10 per year | 2-3 per year | Staff based in HQ |
| Municipal engineer | 2 per year | 1 per year | In country or sub-regional expertise |

| | | | |
|--------------------------|------------|------------|-------------------------------|
| Urban development | 8 per year | 2 per year | Staff based in HQ |
| Social protection | 8 per year | 2 per year | Staff is based in the region |
| Social development | 8 per year | 2 per year | Staff based in HQ |
| Financial management | 4 per year | 4 per year | Staff are based in the region |
| Procurement | 4 per year | 3 per year | Staff is based in the region |
| Environmental safeguards | 4 per year | 2 per year | Staff is based in the region |
| Social safeguards | 4 per year | 2 per year | Staff is based in the region |



Annex 4: Environmental and Social Safeguards Action Plan (ESSAP)

COUNTRY : Central African Republic

CAR-Service Delivery and Support to Communities Affected by Displacement

I. Objectives

1. Based on the nature of the activities planned, the project is environmentally and socially classified as a B operation. Three safeguard policies are triggered: *OP/BP on 4.01 Environmental Assessment; OP/BP 4.11 on Physical Cultural Resources; and OP/BP 4.12 on Involuntary Resettlement*. However, given the fragility and emergency situation in CAR, mainly due to the post-conflict context, the safeguards team has recommended the preparation of an Environmental and Social Safeguards Action Plan (ESSAP), consistent with Bank operational policies and procedures, investment operations subject to OP/BP 10.00, paragraph 12, *Projects in Situations of Urgent Need of Assistance or Capacity Constraints*. The Environmental and Social Safeguards Action Plan (ESSAP) provides a time-bound planning framework for the environmental and social safeguards instruments, the production of which has been deferred into the project implementation period under paragraph 12 of OP/BP 10.00, allowing for condensed procedures and deferral of the safeguards instruments in situations of urgent need for assistance. The ESSAP is supplemented by information on policies, guidelines, codes of practice and procedures to be adhered to and mainstreamed into the project. The objective of the ESSAP is to ensure that the planned project activities and related environmental and social assessment and management instruments and processes will be in compliance with the national legislations of CAR and the World Bank's operational safeguards policies, and are duly and diligently implemented in a logical sequence with the environmentally and socially relevant project activities.

II. General Principles

2. Recognizing the emergency nature of the proposed emergency operation and the related need for providing immediate assistance, while at the same time ensuring due diligence in managing potential environmental and social risks and impacts, the ESSAP is based on the following principles:

- ❖ The proposed operation will support multiple subprojects, the detailed designs of which were not known during the combined preparation and appraisal missions. To ensure effective application of the World Bank's safeguard policies, the ESSAP provides guidance on the approach to be taken during project implementation for the selection and design of subprojects and the planning of mitigation measures;
- ❖ No involuntary resettlement issues are expected in any of the proposed subprojects under the emergency Project. If any do occur in subprojects areas, Resettlement Action Plans (RAPs), for the specific subprojects will be prepared following the guidelines of the project's Resettlement Policy Framework (RPF).
- ❖ The proposed operation is being implemented in urban areas, so it is not expected to trigger the Indigenous Peoples policy (OP 4.10). Should the policy criteria apply to the project, the Borrower will prepare, consult upon and disclose an Indigenous Peoples Plan. A Tier-1 Restructuring will also be prepared.



- ❖ The proposed emergency operation will finance feasibility and detailed design studies for these subsequent investments, which will include environmental and social assessments along with additional social studies as required by the World Bank safeguard policies;
- ❖ Employment opportunities within the subproject areas will be targeted and extended, as much as possible, to the affected communities and households that lost their livelihoods due crisis. In all subprojects which require consultations with local communities and/or beneficiaries, participatory consultations will be conducted to equally elicit the views of the male and female population; and
- ❖ Public participatory consultation and disclosure requirements will be simplified to meet the special needs of these operations. This approved ESSAP will be disclosed in-country (i.e. *Ministère des Affaires Sociales et de la Reconciliation*) and other public places and at the World Bank InfoShop.

III. Environmental and Social Safeguards Action Plan (ESSAP)

3. This ESSAP has been developed specifically for these proposed operations to ensure due diligence, to avoid causing harm, and to ensure consistent treatment of social and environmental issues by the Government of CAR and the World Bank. The purpose of this Action Plan is also to assist the Government Project implementation team in properly screening all the subprojects for their likely social and environmental impacts and risks, identifying documentation and preparation requirements and prioritizing the investments based on the scale of the risks.

4. **OP/BP 4.01-Environmental Assessment.** Most of the proposed subprojects will focus on the rehabilitation, improvement and upgrading of community infrastructure, i.e. water points in schools and health centers, rehabilitation of public buildings, roads and roadside drainage, etc. It is not anticipated that OP 4.09, OP 4.04, OP/BP 4.36, OP/BP 4.37, OP/BP 7.50 and OP/BP 7.60 will be triggered in this project.

5. As an emergency operation, a site specific Environmental and Social Impact Assessment (ESIA) and/or Environmental and Social Management Plan (ESMP) may be carried out during project implementation. At the same time, prior to sub-project implementation, the implementing office will agree to apply the following minimum standards during implementation: Inclusion of standard Environmental Codes of Practice (ECOP) in the rehabilitation, improvement and construction bid documents of all subprojects; review and oversight of any major reconstruction works by specialists; implementation of environmentally and socially sound options for disposal of debris or drain spoils; and provisions for adequate budget, grievance redress mechanism and satisfactory institutional arrangements for monitoring effective implementation.

6. The impact of the conflict has disproportionately displaced people internally, hence increasing the vulnerability gap among urban dwellers. The ESIA and/or ESMP will include a vulnerability assessment to help provide better understanding of the social dynamism on the ground for more sustainable impacts on stakeholders and beneficiary communities.



7. **OP/BP 4.12 - Involuntary Resettlement.** The need for involuntary resettlement or land acquisition in specific subproject areas will only be known during project implementation, when site-specific plans are available in the extension zone. Therefore, subprojects will be screened for applicability of the resettlement policy and any subprojects involving involuntary resettlement or land acquisition with restriction to access to livelihood supports areas, etc. will only be approved after preparation of a Resettlement Action Plan (RAP) acceptable to the Bank. Several issues will increase the complexity of land acquisition - the lack of reliable land record systems, and the inability of people losing land to either document ownership or be physically present to make their claims for eligibility. The RPF will therefore include procedures for identifying eligible project-affected people (PAP), calculating and delivering compensation, and mechanisms for land dispute grievance redress, as well as satisfactory institutional arrangements for monitoring effective implementation of the RAP.

8. OP/BP 4.12 covers those persons displaced by the project activities. Given the long lasting post-conflict crisis and possible land disputes between residents and to ensure effective poverty reduction, the borrower will prepare a Resettlement Policy Framework during project execution and implement measures to minimize and mitigate adverse social impacts, particularly on poor and vulnerable groups. Well documented consultation mechanisms will be required to establish eligibility for compensation. Absent refugees who later claim compensation will require clear legal remedies to resolve or adjudicate disputes.

9. **OP/BP 4.11 - Physical Cultural Resources.** The proposed operation is not expected to pose risks of damaging cultural property, however the policy is triggered as the city of Bangui may have potential cultural resources, which may be impacted due to the project intervention. Nevertheless, proposed subprojects will be reviewed for their potential impacts and/or risks on cultural property and clear procedures will be required for identification, protection of cultural property from theft, and treatment of discovered artifacts, and will be included in standard bidding documents. While not damaging cultural property, subproject preparation may later identify and include assistance for preservation of historic or archeological sites. Though these are not expected to occur, however a “chance find procedure” will already be imbedded in the ESMF/ESMP. Nonetheless, if these opportunities occur, site specific Cultural Property Management Plans (CPMP) would be prepared for those subprojects.

IV. Sequencing and, if practical, tentative implementation schedule for safeguards processing

10. Prior to the commencement of project activities the implementing agencies will agree to apply the following minimum standards during implementation:

- 1) Development of a negative list of activities and goods/substances that will *not* be financed by the project;
- 2) Inclusion of standard Environmental Codes of Practice (ECOP) (Attachment 5) in the rehabilitation, improvement and reconstruction bid documents of all subprojects.

11. Sequencing of safeguards instruments during project implementation. The following time-bound deployment of the above described safeguards instruments is anticipated to manage and mitigate the potential adverse impacts.



- a. *Immediately after project effectiveness:* Development of TOR for, and of the training modules on environmental and social sustainability to be integrated into the overall sensitization and training activities. Development of ESMF and RPF with training plan and negative list of activities, materials and equipment not to be financed, and including a monitoring plan.
- b. *During implementation of project activities under Components 1, 2 and 3:* Capacity building for environmental and social management (including training on ESMF/RPF), development of sites specific ESIA-ESMPs/RAPs for specific subprojects, including an explanation of the negative list.
- c. *Before the start of implementation of project infrastructure activities:* (i) implementation of site specific ESIA/ESMP, (ii) if applicable, implementation of site specific RAP.

12. Preparation time for safeguards instruments, including Bank review, revisions, clearance, and approval steps. The preparation of the ESMF and RPF, including the negative list and the training modules is estimated to require a maximum time period of about four months, including Bank review and approval, disclosure, consultations and finalization.

13. Implementation of safeguards instruments. if applicable, development of secondary instruments (e.g., subproject ESIA/ESMPs and/or RAPs to be developed, and specifying by whom—e.g., contractors or other implementing entities—and by when). After finalization of the ESMF and RPF, the capacity building program, and the negative list, the implementing agency will be responsible for screening and development of subproject ESIA/ESMP and RAPs, where applicable. The RAPs will need to be implemented before the commencement of physical activities for that specific subproject.

V. Safeguard Screening and Mitigation

14. The selection, design, contracting, monitoring and evaluation of subprojects will be consistent with the following guidelines, codes of practice and requirements. The safeguard screening and mitigation process to be included in ESMF and RPF will include:

- ❖ A list of negative characteristics rendering a proposed subproject ineligible for support, Attachment 1;
- ❖ A proposed checklist of likely environment and social impacts to be filled out for each subproject or group of subprojects, Attachment 2;
- ❖ Guidelines for land and asset acquisition, entitlements and compensation, Attachment 3;
- ❖ Procedures for the protection of cultural property, including the chance discovery of archaeological artifacts, unrecorded graveyards and burial sites, Attachment 4;
- ❖ Relevant elements of the codes of practice for the prevention and mitigation of potential environmental and social impacts, Attachment 5; and
- ❖ A sample Environmental and Social Safeguards procedures for Inclusion in the Technical Specifications of Contracts, Attachment 6.

VII. Responsibilities for Social and Environmental Safeguard Screening and Mitigation



15. The PCU will hire an environmental and social specialist who will be responsible for following up on all safeguards concerns and would also ensure that all safeguard screening and mitigation requirements to each subproject will be applied. The overall responsibility for the implementation of the above described safeguards instruments and processes will be with the project implementation unit, institutionally the team under the Ministry of Social Affairs and Reconciliation, will be responsible for compliance with environmental and social regulations and safeguards compliance.

VII. Capacity-Building and Monitoring of Safeguard Implementation

16. As part of the capacity-building to be provided for implementation of the proposed operations, the PCU which is staffed with a qualified professional as a focal person to apply the ESSAP provisions will also receive training in ESSAP's application from the Bank's Social and Environmental Safeguards Specialists. The later will ensure PCU Safeguards Focal Point is properly trained both through a face to face meeting and on the spot during a field mission.

17. To assist in this capacity-building, and to provide subsequent guidance and review of the ESSAP's application, the World Bank Environmental and Social Safeguard Specialists in the project task team will provide guidance to the PCU. During supervision of these operations, the World Bank will review the reports from the PCU Safeguards Focal Point, assess the implementation status of the ESSAP, and recommend additional strengthening, if required.

VIII. Public Consultation and Disclosure

18. This ESSAP will be shared with the Government of CAR, concerned non-governmental organizations and development partners, upon project approval and will be disclosed, both in-country at specific locations and at the World Bank's InfoShop. The implementing agency will consult project-affected groups and local non-governmental organizations on the project's environmental and social aspects, and will take their views into account. The implementing agency will initiate these public consultations as early as possible, and for meaningful consultations, will provide relevant material in a timely manner prior to consultation, in a form and language (s) that are understandable and accessible to the groups being consulted. The ESMF and RPF will be disclosed after Bank review as final draft versions, for a period no less than 30 days, during which the Recipient will organize consultations for the affected stakeholders.



Attachment 1: List of Negative Project Attributes

Sub-projects with any of the attributes listed below will **be ineligible for this project support.**

| Attributes of Ineligible Sub-projects |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Natural Habitats Concerning Activities that involve significant conversion or degradation of critical natural habitats, regardless of their formal legal protection status. Such habitats may e.g. include:</p> <ul style="list-style-type: none"> ❖ Wildlife Reserves ❖ Ecologically-sensitive marine and terrestrial ecosystems <ul style="list-style-type: none"> • Parks or Sanctuaries • Protected areas, natural habitat areas • Forests and forest reserves • Wetlands • National parks or game reserves • Any other environmentally sensitive areas |
| <p>Physical Cultural Resources Damage physical cultural resources, notwithstanding the type of PCR and the scale of the damage. Such PCR may e.g. include, but would not be limited to:</p> <ul style="list-style-type: none"> • Archaeological sites, structures or objects • Religious monuments or structures • Works of art, artifacts • Natural sites or objects, e.g. trees, rocks, rock formations, hills, forests, rivers (or their sources) or lakes with cultural or religious values • Cemeteries, graveyards, and graves • Sites of any other cultural or religious significance |
| <p>Irrigation New large scale irrigation and drainage schemes, as well as the significant expansion of irrigated agricultural areas.</p> |



Attachment 2: Environmental and Social Assessment Screening Form

This section outlines the selection criteria and associated Environmental and Social Assessment procedures to be applied when screening subprojects. This form is to be used by the PCU Safeguards Focal Point of the relevant sector ministry to screen all proposed subprojects.

Environmental and Social Assessment Screening Form

I Basic Data

- Sector:
- Line Ministry:
- Name of Project:
- Name of Subproject:
- Subproject Objective:
- Subproject Location:
- Scope of Civil Works:
- Estimated Subproject Costs:
- Proposed Date for Commencement of Work:

Technical Specifications Reviewed: Yes ___ No ___

II Site Description

| Site Features | Description |
|------------------------------------------------------------------|-------------|
| Physical description of the site | |
| Site drainage | |
| Proximity of existing wells | |
| Types of soil | |
| Presence and type of vegetation What is the current land use? | |
| Who identified the site? | |
| Who is the owner of the land? Who occupies the land? | |

III Project and/or Subproject Site Related Considerations



| Issues | Yes | No | Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Is the subproject located in an area with endangered or conservation worthy ecosystems, fauna or flora? | | | |
| Is the subproject located in an area within 500 meters of national forests, protected areas, wilderness areas, wetlands, biodiversity, critical habitats, or sites of historical or cultural importance? | | | |
| Is the subproject located in an area which would create a barrier for the movement of conservation-worthy wildlife? | | | |
| Is the subproject located close to groundwater sources, surface water bodies, water courses or wetlands? | | | |
| Is the subproject in an area that would require land acquisition or restriction of access to natural resources in a protected area? | | | |
| Is the subproject located in an area with designated cultural properties such as archaeological, historical and/or religious sites? | | | |
| Is the subproject in an area with religious monuments, structures and/or cemeteries? | | | |
| Is the subproject in a polluted or contaminated area? | | | |
| Is the subproject located in an area of high visual and landscape quality? | | | |
| Is the subproject located in an area susceptible to landslides or erosion? | | | |
| Is the subproject located in an area of seismic faults? | | | |
| Is the subproject located in a densely populated area? | | | |
| Is the subproject located on prime agricultural land? | | | |
| Is the subproject located in an area of tourist importance? | | | |
| Is the subproject located near a waste dump? | | | |
| Does the subproject have access to potable water? | | | |
| Is the subproject located far (1-2 km) from accessible roads? | | | |
| Is the subproject located in an area with a wastewater network? | | | |
| Is the subproject located in the urban plan of the | | | |



| | | | |
|------------------------------------------------------|--|--|--|
| city? | | | |
| Is the subproject located outside the land use plan? | | | |

IV Project and/or Sub-project Environmental and Social Considerations

Zoning and Land Use Planning

| Issues | Yes | No | Comments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject affect land use zoning and planning or conflict with prevalent land use patterns? | | | |
| Will the subproject involve significant land disturbance or site clearance? | | | |
| Will the subproject land be subject to potential encroachment by urban or industrial use or located in an area intended for urban or industrial development? | | | |

Utilities and Facilities

| Issues | Yes | No | Comments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject require the setting up of ancillary production facilities? | | | |
| Will the subproject make significant demands on utilities and services? | | | |
| Will the subproject require significant levels of accommodation or service amenities to support the work force during construction (e.g., contractor will need more than 20 workers)? | | | |



Water and Soil Contamination

| Issues | Yes | No | Comments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject require large amounts of raw materials or construction materials? | | | |
| Will the subproject generate large amounts of residual wastes, construction material waste or cause soil erosion? | | | |
| Will the subproject result in potential soil or water contamination (e.g., from oil, grease and fuel from equipment yards)? | | | |
| Will the subproject lead to contamination of ground and surface waters by herbicides for vegetation control and chemicals (e.g., calcium chloride) for dust control? | | | |
| Will the subproject lead to an increase in suspended sediments in streams affected by road cut erosion, decline in water quality and increased sedimentation downstream? | | | |
| Will the subproject involve the use of chemicals or solvents? | | | |
| Will the subproject lead to the destruction of vegetation and soil in the right-of-way, borrow pits, waste dumps, and equipment yards? | | | |
| Will the subproject lead to the creation of stagnant water bodies in borrow pits, quarries, encouraging for mosquito breeding and other disease vectors? | | | |

Noise and Air Pollution Hazardous Substances

| Issues | Yes | No | Comments |
|-----------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject increase the levels of harmful air emissions? | | | |
| Will the subproject increase ambient noise levels? | | | |
| Will the subproject involve the storage, handling or transport of hazardous substances? | | | |

Fauna and Flora

| Issues | Yes | No | Comments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject involve the disturbance or modification of existing drainage channels (rivers, canals) or surface water bodies (wetlands, marshes)? | | | |
| Will the subproject lead to the destruction or | | | |



| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| damage of terrestrial or aquatic ecosystems or endangered species directly or by induced development? | | | |
| Will the subproject lead to the disruption/destruction of wildlife through interruption of migratory routes, disturbance of wildlife habitats, and noise-related problems? | | | |

Destruction or Disturbance of Land and Vegetation

| Issues | Yes | No | Comments |
|-------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject lead to unplanned use of the infrastructure being developed? | | | |
| Will the subproject lead to long-term or semi-permanent destruction of soils in cleared areas not suited for agriculture? | | | |
| Will the subproject lead to the interruption of subsoil and overland drainage patterns (in areas of cuts and fills)? | | | |
| Will the subproject lead to landslides, slumps, slips and other mass movements in road cuts? | | | |
| Will the subproject lead to erosion of lands below the roadbed receiving concentrated outflow carried by covered or open drains? | | | |
| Will the subproject lead to long-term or semi-permanent destruction of soils in cleared areas not suited for agriculture? | | | |
| Will the subproject lead to health hazards and interference of plant growth adjacent to roads by dust raised and blown by vehicles? | | | |

Physical Cultural Resources

| Issues | Yes | No | Comments |
|-----------------------------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject have an impact on archaeological or historical sites, including historic urban areas? | | | |
| Will the subproject have an impact on religious monuments, structures and/or cemeteries? | | | |
| Have Chance Finds procedures been prepared for use in the subproject? | | | |

Expropriation and Social Disturbance

| Issues | Yes | No | Comments |
|--------------------------------------------------------------------------------------|-----|----|----------|
| Will the subproject involve land expropriation or demolition of existing structures? | | | |
| Will the subproject lead to induced settlements | | | |



| | | | |
|-----------------------------------------------------------------------------------------|--|--|--|
| by workers and others causing social and economic disruption? | | | |
| Will the subproject lead to environmental and social disturbance by construction camps? | | | |

Other Social Impacts

| Issues | Observations |
|--------------------------------------------------------------------------------------------------|--------------|
| Number of project affected people (PAPs) | |
| How will PAPs be affected by the proposed interventions and what is the magnitude of the impact? | |
| Will there be any new permanent or temporary job opportunities created for local residents? | |
| What are the potential impacts on human health? | |
| What are the potential impacts on vulnerable or marginalized groups? | |

Planning Phase

Will the project involve acquisition of a new plot(s) of land?

If yes, explain arrangements for replacing assets with the same or better in terms of quantity and quality.

If no, find alternate site or prepare a RAP or ARAP according to OP 4.12.

Construction Phase

1. Will construction or operation of the Project use large amounts of local natural resources such as water, timber, gravel from river beds, stones or any resources which are non-renewable or in short supply?

Yes No

2. Will the Project involve use, store, transport or hand substances harmful to human health or the environment?

Yes No

3. Will the Project produce solid waste during construction or decommissioning?

Yes No



4. Will construction require the use of heavy machinery or equipment?

Yes No

Operation Phase

5. Will the Project result in the production of solid waste during the operational phase?

Yes No

6. Will the Project result in the production of hazardous waste during the operational phase?

Yes No

7. Will the Project produce waste water that requires drainage?

Yes No

8. Will the Project accumulate rain water that requires drainage?

Yes No

9. Will the Project require more than basic community management of the services?

Yes No

Recommended Action

Are all of the answers 'NO'

Are any of the answers 'YES'

If all the above answers are 'NO', then there is no need for further action and the proposed action is to proceed with the proposed project intervention or subproject activity following ESSAP guidelines.

If there is at least one 'YES' answer, are there appropriate mitigation measures that can be adopted so as to minimize the adverse impacts of the activity? If so, please describe the mitigation measures to be adopted as part of the implementation procedures of the proposed project intervention or subproject activity is to be financed:



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The completed form should be sent for review and approval to the Project Manager of the relevant PCU. If any of the aforementioned answers are “Yes”, then the Project Manager will take the final decision as to whether to clear the proposed project intervention or subproject activity for implementation, based on the safeguards specialists screening and set of recommended mitigation measures.

Recommendation

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Signatures

Signed by Safeguards Specialist

Signed by Project Manager

Note: One copy of the completed and signed form and accompanying documentation will be filed and kept in the PCU office.



Attachment 3: Guidelines for Land and Asset Acquisition

I. Objectives

1. The overall objective of the ESSAP is to ensure that resettlement and land acquisition will be kept to a minimum, and will be carried out in accordance with these guidelines. Subproject proposals that would require demolishing structures or acquiring land should be carefully reviewed to minimize or avoid their impacts through alternative alignments. Proposals that require more than minor expansion along rights of way should be carefully reviewed. No land or asset acquisition may take place outside of these guidelines. A format for a Land Acquisition Assessment Data Sheet is attached.

2. These guidelines provide principles and instructions to compensate negatively affected persons to ensure that they will be assisted to improve, or at least to restore, their living standards, income earning or production capacity to pre-project levels regardless of their land tenure status.

II. Categorization

3. Based on the number of persons that may be affected by the project, Project Affected People (PAPs) and the magnitude of impacts, projects may fall under one of the following:

(a) Projects that will affect more than 200 project affected persons (PAPs), due to land acquisition and/or physical relocation, a full Resettlement Action Plan (RAP) must be produced.

(b) Projects that will affect less than 200 persons do not require a full-scale RAP, but would need an Abbreviated Resettlement Action Plan (ARAP) and the following documentation: (i) a land acquisition assessment, (ii) the minutes or record of consultations which assess the compensation claimed and agreement reached, and (iii) a record of the receipt of the compensation, or voluntary donation, by those affected (see below).

(c) Projects that are not expected to have any land acquisition or any other significant adverse social impacts; on the contrary, significant positive social impact and improved livelihoods are expected from such interventions – these do not require a RAP, ARAP or related document.

III. Eligibility

4. PAPs are identified as persons whose livelihood is directly affected by the project due to acquisition of the land owned or used by them. PAPs deemed eligible for compensation are:

(a) those who have formal legal rights to land, water resources or structures/buildings, including recognized customary and traditional rights;

(b) those who do not have such formal legal rights but have a claim to usufruct rights or occupancy rights, some of which may be rooted in customary law; and

(c) those whose claim to land and water resources or building/structures do not fall within (a) and (b)



above, are eligible to resettlement assistance to restore their livelihood.

IV. Acquisition of Productive Assets and Compensation

5. PAPs are eligible for replacement costs for lost assets as described below:

(a) *Voluntary contributions*. Individuals may elect to voluntarily contribute land or assets provided the persons making such contributions do so willingly and are informed that they have the right to refuse such contributions; and (b) *Contributions against compensation*. A contributor/asset loser considered "affected" will be eligible for compensation and other necessary assistance.

6. Voluntary contribution should be clearly documented to confirm the voluntary nature of the transition. The documentation should specify that the land is free of any squatters, encroachers or other claims. A format is shown in Attachment 3(i), which includes a Schedule for assessing any compensation claimed and the agreement reached.

V. Compensation Principles

7. The project implementation agencies will ensure timely provision of the following means of compensation to affected peoples:

(a) Project affected peoples losing access to a portion of their land or other productive assets with the remaining assets being economically viable are entitled to compensation at a replacement cost for that portion of land or assets lost to them. Compensation for the lost assets will be made according to the following principles:

- (i) replacement land with an equally productive plot, cash or other equivalent productive assets;
- (ii) materials and assistance to fully replace solid structures that will be demolished;
- (iii) replacement of damaged or lost crops and trees, at market value;
- (iv) other acceptable in-kind compensation;
- (v) in case of cash compensation, the delivery of compensation should be made in public, i.e., at the Community Meeting; and
- (vi) in case of physical relocation, provision of civic infrastructure at the resettlement sites.

(b) PAPs losing access to a portion of their land or other economic assets rendering the remainder economically non-viable will have the options of compensation for the entire asset by provision of alternative land, cash or equivalent productive asset, according to the principles in (a) i-iv above.

VI. Consultation Process

8. The implementing agencies will ensure that all occupants of land and owners of assets located in a proposed subproject area are consulted. Community meetings will be held in each affected district and village to inform the local population of their rights to compensation and options available in accordance with these Guidelines. The Minutes of the community meetings shall reflect the discussions held, agreements reached, and include details of the agreement, based on the format provided in Attachment 3(ii).

9. The implementing agency shall provide a copy of the Minutes to affected people and confirm in



discussions with each of them, their requests and preferences for compensation, agreements reached, and any eventual complaint. Copies will be recorded in the posted project documentation and be available for inspection during supervision.

Project and/or Sub-project Approval

10. In the event that a subproject involves acquisition against compensation, the implementing agency shall:

(a) not approve the subproject unless satisfactory compensation has been agreed between the affected person and the local community; and

(b) not allow works to start until the compensation has been delivered in a satisfactory manner to the affected persons.

Complaints and Grievances

11. Initially, all complaints should be negotiated to reach an agreement at the local community/village/district level. If this fails, complaints and grievances on these Guidelines, implementation of the agreements recorded in the Community Meeting Minutes or any alleged irregularity in carrying out the project can also be addressed by the affected peoples or their representative at the municipal or district level. If this also fails, the complaint may be submitted to the relevant implementing agency for consideration.

Verification

12. The Community Meeting Minutes, including agreements of compensation and evidence of compensation made shall be provided to the Municipality/district, to the supervising engineers, who will maintain a record hereof, and to auditors and socio-economic monitors when they undertake reviews and post-project assessment. This process shall be specified in all relevant project documents, including details of the relevant authority for complaints at the municipal/district or implementing agency level.



Land Acquisition Assessment Data Sheet

(To be used to record information on all land to be acquired)

1. Quantities of land/structures/other assets required:
2. Date to be acquired:
3. Locations:
4. Owners:
5. Current uses:
6. Users:
 - Number of Customary Claimants:
 - Number of Squatters:
 - Number of Encroachers:
 - Number of Owners:
 - Number of Tenants:
 - Others (specify): _____ Number: _____
7. How land/structures/other assets will be acquired (identify one):
 - Donation
 - Purchase
8. Transfer of Title:
 - Ensure these lands/structures/other assets are free of claims or encumbrances.
 - Written proof must be obtained (notarized or witnessed statements) for the voluntary donation, or acceptance of the prices paid from those affected, together with proof of title being vested in the community, or guarantee of public access, by the title-holder.
9. Describe grievance mechanisms available:



Format to Document Contribution of Assets

The following agreement has been made on..... day of..... between.....resident of (the Owner) and(the Recipient).

1. That the Owner holds the transferable right ofdonum of land/structure/asset in.....
2. That the Owner testifies that the land/structure is free of squatters or encroachers and not subject to other claims.
3. That the Owner hereby grants to the Recipient this asset for the construction and development of.....for the benefit of the villagers and the public at large.
(Either, in case of donation:)
4. That the Owner will not claim any compensation against the grant of this asset.
(Or, in case of compensation:)
5. That the Owner will receive compensation against the grant of this asset as per the attached Schedule.
6. That the Recipient agrees to accept this grant of asset for the purposes mentioned.
7. That the Recipient shall construct and develop the.....and take all possible precautions to avoid damage to adjacent land/structure/other assets.
8. That both the parties agree that the.....so constructed/developed shall be public premises.
9. That the provisions of this agreement will come into force from the date of signing of this deed.

Signature of the Owner Signature of the Recipient

Witnesses:

1. _____
2. _____



Schedule of Compensation of Asset Requisition

| Summary of Affected Unit/Item | Units to be Compensated | Agreed Compensation |
|------------------------------------------------------------------------------|--------------------------------|----------------------------|
| a. Urban/agricultural land (m2): | _____ | _____ |
| b. Houses/structures to be demolished (units/m2): | _____ | _____ |
| c. Type of structure to be demolished (e.g. mud, brick, cement block, etc.,) | _____ | Not Applicable. |
| d. Trees or crops affected: | _____ | _____ |
| e. Water sources affected: | _____ | _____ |

Signatures of local community representatives:

Include record of any complaints raised by affected persons:

Map attached (showing affected areas and replacement areas):



[Attachment 4: Procedures for the protection of cultural property, including the chance discovery of archaeological artifacts, unrecorded graveyards and burial sites](#)

Chance finds procedures should be incorporated into the ESMP and civil works contracts. The following wording is proposed:

If the Contractor discovers archeological sites, historical sites, remains and objects, including graveyards and/or individual graves during excavation or construction, the Contractor shall:

- Stop the construction activities in the area of the chance find;
- Delineate the discovered site or area;
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be arranged until the responsible local authorities or the [Relevant Ministry] take over;
- Notify the supervisory Project Environmental Officer and Project Engineer who in turn will notify the responsible local authorities and the [Relevant Ministry] immediately (within 24 hours or less);

Responsible local authorities and the [Relevant Ministry] would then be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures. This would require a preliminary evaluation of the findings to be performed by the archaeologists of the [Relevant Ministry]. The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage, namely the aesthetic, historic, scientific or research, social and economic values.

Decisions on how to handle the finding shall be taken by the responsible authorities and the [Relevant Ministry]. This could include changes in the layout (such as when finding irremovable remains of cultural or archeological importance) conservation, preservation, restoration and salvage.

Implementation for the authority decision concerning the management of the finding shall be communicated in writing by relevant local authorities.

Construction work may resume only after permission is given from the responsible local authorities or the [Relevant Ministry] concerning safeguard of the heritage.



Attachment 5: Codes of Practice for Prevention and Mitigation of Adverse Environmental and Social Impacts

1. The World Bank Group’s **General Environmental Health and Safety (EHS) Guidelines** include comprehensive treatment in the following areas: Environment, Air Emissions and Ambient Air Quality, Energy Conservation, Wastewater and Ambient Water Quality, Water Conservation, Hazardous Materials Management, Waste Management, Noise, Contaminated Land, Occupational Health and Safety, General Facility Design and Operation, Communication and Training, Physical Hazards, Chemical Hazards, Biological Hazards, Radiological Hazards, Personal Protective Equipment, Special Hazard Environments, Monitoring, Community Health and Safety, Water Quality and Availability, Structural Safety of Project Infrastructure, Life and Fire Safety, Traffic Safety, Transport of Hazardous Materials, Disease Prevention, Emergency Preparedness and Response, Construction and Decommissioning, Environment, Occupational Health & Safety, Community Health & Safety. **These guidelines should be applied in order to ensure compliance with Bank policies.**

| <u>Sector</u> | <u>Adverse Environmental and Social Impacts</u> | <u>Mitigation Measures</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Housing and Public Buildings</u> Construction or rehabilitation of public office building, clinics, schools, administrator housing</p> | <p>Disease caused by inadequate provision of water and sanitation services.</p> <p>Deforestation caused by unsustainable use of timber and wood-firing of bricks.</p> <p>Generation of waste materials.</p> <p>Disturbances during construction (dust, noise) and contamination from inadequate sanitation facilities.</p> <p>Acquisition of land.</p> | <p>Environmentally appropriate site selection led by application of the environmental and social screening form provided in Annex 4, design and construction guidance, and a procedure for ensuring that this guidance is followed before construction is approved.</p> <p>Replace timber beams with concrete where structurally possible.</p> <p>Ensure fired bricks are not wood-fired. Where technically and economically feasible, substitute fired bricks with alternatives, such as sun-dried mud bricks, compressed earth bricks, or rammed earth construction.</p> <p>Ensure engineering designs include adequate sanitary latrines and access to safe water.</p> <p>Handling of waste during building renovation will require appropriate disposal of waste materials and the protection of the workforce in the event of asbestos removal or that of other toxic materials.</p> <p>Preparation of a RAP or ARAP.</p> |



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| <p>Health Health Care Waste is defined as the total waste stream from a healthcare establishment.</p> | <p>Environmental pollution and human contamination from the following waste streams: <i>·Infectious waste</i> has the potential of transmitting infectious agents to humans (e.g., cultures and stocks; tissues; dressings, swabs or other items soaked with blood; syringe needles; scalpels; diapers; blood bags). <i>·Anatomic waste</i> consists of recognizable body parts. <i>·Pharmaceutical:</i> Consisting of or containing pharmaceuticals, <i>·Chemical waste</i> Consisting of or containing chemical substances. <i>·Heavy Metals:</i> Consisting of materials and equipment with heavy metals and derivatives (e.g., batteries, thermometers). <i>·Radioactive materials:</i> Include unused liquids from radiotherapy or laboratory research.</p> | <p>Preparation of a medical waste management plan to include the following elements: Purchase of medical supplies and their disposal in accordance with WHO guidelines. And, appropriate handling and disposal guidelines for all types of medical waste according to the WB/IFC Environmental Health Guidelines. Segregation of materials which are able to be reused or recycled to reduce the impact burden of this waste stream.</p> |
| <p>Sanitation Latrines</p> | <p>Water supply contaminations, including: Groundwater contamination due to seepage and contamination of surface waters due to flooding or over-flowing. Disease caused by poor handling practices of waste, including inadequate excreta disposal or inappropriate use of latrines.</p> | <p>Where pit latrines are used they should be located more than 10m from any water source. The base should be sealed and separated vertically by not less than 2m of sand or loamy soil from the ground water table.</p> <p>Where latrines or septic tanks are built they should be sealed. Outflows should drain either to an appropriate channel located at least 10m from any water source or be connected to a working drain.</p> <p>Septic tanks should not be constructed nor septic waste collected unless primary and secondary treatment and safe disposal is available.</p> <p>Due diligence to siting requirements for construction of Ventilated Improved Pit latrines to avoid contamination of</p> |



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| | | <p>wells and the water table.</p> <p>Waste should be handled using protective clothing to prevent any contamination of workers skin or clothes. Protective clothing and appropriate containers for waste transportation to be provided.</p> <p>Where waste is collected for agricultural use it should be stored for a sufficient period to destroy pathogens through composting. At the minimum it should be stored in direct sunlight and turned regularly for a period of at least 6 weeks.</p> <p>Health and hygiene capacity building program to be provided for all latrine users. Maintenance training to be delivered along with new latrines.</p> |
| <p><u>Solid Waste</u> Solid waste generation across sectors</p> | <p>Disease caused by inadequate collection and disposal, including health risks from: pests, burning of solid waste and industrial waste. Contamination of water supply. Lateral seepage into surface waters. Seepage of contaminants into aquifers. Contamination from clandestine dumping.</p> | <p>Solid waste management plan to include the following elements: Safe waste disposal awareness program.</p> <p>Sufficient frequency of collection from transfer stations.</p> <p>Containment of waste during collection and transfer.</p> <p>Promote separation at source to reduce spreading by waste-pickers during recycling.</p> <p>Minimize burning of plastics.</p> <p>Separate collection and disposal system for medical or hazardous waste.</p> <p>Assess requirement for additional investment in final disposal site.</p> |



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| | | <p>Site transfer stations should have sealed base and be located at least 15m away from water sources with the base separated vertically by not less than 2m of sand or loamy soil from the ground water table.</p> <p>Monitoring of disposal site to prevent illegal dumping.</p> |
| <p><u>Transport</u> Repair, rehabilitation and maintenance of priority roads and basic transport infrastructure</p> | <p>Displacement of communities. Loss of shelter, income and assets. Potential conflict over land use. Child labor. Health and HIV AIDs concerns with the influx of labor. Degradation and erosion of lands. Accumulation of sediments in streams, increase in runoff and flooding, disturbance of vegetation. Disruption of drainage.</p> | <p>Preparation of an EA, EMP and RAP or ARAP, with the following elements considered:</p> <p>Design to prevent soil erosion and maintain slope stability. Physical stabilization of erodible surfaces through turf establishment, planting a wide range of vegetation, and creating slope breaks.</p> <p>Construction in the dry season.</p> <p>Protection of soil surfaces during construction.</p> <p>Rehabilitation and re-grading of borrow pits and material collection sites.</p> <p>Minimize loss of natural vegetation during construction.</p> <p>Design to include accessibility to road sides in case roadbed is raised.</p> <p>Alternative alignments to avoid bisecting villages by road widening.</p> <p>Provision of fuel at work camps to prevent cutting of firewood.</p> <p>Provision of sanitation at work camps.</p> <p>Removal of work camp waste, proper disposal of oil, bitumen and other</p> |



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| | | <p>hazardous wastes.</p> <p>Management of construction period worker health and safety.</p> |
| <p>Water Supply Drilling new boreholes, construction of water ponds and repairing of boreholes</p> <p>Repair and rehabilitation of existing water schemes.</p> | <p>Contamination by seepage from latrines, municipal waste or agricultural areas.</p> <p>Poor absorption, frequent runoff and contamination of water sources are among the major negative impacts that might arise from inappropriate siting and engineering design.</p> <p>Discharge of raw sewage to water bodies can adversely affect water quality and aquatic life.</p> <p>Displacement of people from their homes and land, a reduction or loss of livelihood activities and incomes; interruption or inconvenience of services rendered</p> <p>High mineral concentrations.</p> <p>Creation of stagnant pools of water.</p> <p>Accident to human and livestock.</p> <p>Increase incidence of water borne disease.</p> <p>Impact on cultural and religious sensitive areas.</p> <p>Erosion</p> | <p>Preparation of an EA, EMP, RAP or ARAP, with the following measures considered:</p> <p>Test water supply on a regular basis to detect contamination and ensure the adequacy of water quality.</p> <p>Siting of boreholes and open water reservoirs decided through a screening and consultative process.</p> <p>Removal of debris by screening at the discharge point or use of settlement ponds prior to discharge.</p> <p>Connection to an existing sewage facility should not be conducted without ensuring that the capacity of the existing system is adequate to accommodate the additional collected sewage.</p> |



[Attachment 6: Sample Environmental and Social Safeguards Procedures for Inclusion in the Technical Specifications of Contracts.](#)

I. General

1. The Contractor and his employees shall adhere to the mitigation measures set down and take all other measures required by the Engineer to prevent harm, and to minimize the impact of his operations on the environment.

2. The Contractor shall not be permitted to unnecessarily strip clear the right of way. The Contractor shall only clear the minimum width for construction and diversion roads should not be constructed alongside the existing road.

3. Remedial actions which cannot be effectively carried out during construction should be carried out on completion of each Section of the road (earthworks, pavement and drainage) and before issuance of the Taking Over Certificate:

- these sections should be landscaped and any necessary remedial works should be undertaken without delay, including grassing and reforestation;
- water courses should be cleared of debris and drains and culverts checked for clear flow paths; and
- borrow pits should be dressed as fish ponds, or drained and made safe, as agreed with the land owner.

4. The Contractor shall limit construction works to between 6 am and 7 pm if it is to be carried out in or near residential areas.

5. The Contractor shall avoid the use of heavy or noisy equipment in specified areas at night, or in sensitive areas such as near a hospital.

6. To prevent dust pollution during dry periods, the Contractor shall carry out regular watering of earth and gravel haul roads and shall cover material haulage trucks with tarpaulins to prevent spillage.

II. Transport

7. The Contractor shall use selected routes to the project site, as agreed with the Engineer, and appropriately sized vehicles suitable to the class of road, and shall restrict loads to prevent damage to roads and bridges used for transportation purposes. The Contractor shall be held responsible for any damage caused to the roads and bridges due to the transportation of excessive loads, and shall be required to repair such damage to the approval of the Engineer.

8. The Contractor shall not use any vehicles, either on or off road with grossly excessive, exhaust or noise emissions. In any built up areas, noise mufflers shall be installed and maintained in good condition on all motorized equipment under the control of the Contractor.

9. Adequate traffic control measures shall be maintained by the Contractor throughout the duration of



the Contract and such measures shall be subject to prior approval of the Engineer.

III. Workforce

10. The Contractor should whenever possible locally recruit the majority of the workforce and shall provide appropriate training as necessary.

11. The Contractor shall install and maintain a temporary septic tank system for any residential labor camp and without causing pollution of nearby watercourses.

12. The Contractor shall establish a method and system for storing and disposing of all solid wastes generated by the labour camp and/or base camp.

13. The Contractor shall not allow the use of fuel wood for cooking or heating in any labor camp or base camp and provide alternate facilities using other fuels.

14. The Contractor shall ensure that site offices, depots, asphalt plants and workshops are located in appropriate areas as approved by the Engineer and not within 500 meters of existing residential settlements and not within 1,000 meters for asphalt plants.

15. The Contractor shall ensure that site offices, depots and particularly storage areas for diesel fuel and bitumen and asphalt plants are not located within 500 meters of watercourses, and are operated so that no pollutants enter watercourses, either overland or through groundwater seepage, especially during periods of rain. This will require lubricants to be recycled and a ditch to be constructed around the area with an approved settling pond/oil trap at the outlet.

16. The contractor shall not use fuel wood as a means of heating during the processing or preparation of any materials forming part of the Works.

IV. Quarries and Borrow Pits

17. Operation of a new borrow area, on land, in a river, or in an existing area, shall be subject to prior approval of the Engineer, and the operation shall cease if so instructed by the Engineer. Borrow pits shall be prohibited where they might interfere with the natural or designed drainage patterns. River locations shall be prohibited if they might undermine or damage the river banks, or carry too much fine material downstream.

18. The Contractor shall ensure that all borrow pits used are left in a trim and tidy condition with stable side slopes, and are drained ensuring that no stagnant water bodies are created which could breed mosquitoes.

19. Rock or gravel taken from a river shall be far enough removed to limit the depth of material removed to one-tenth of the width of the river at any one location, and not to disrupt the river flow, or damage or undermine the river banks.

20. The location of crushing plants shall be subject to the approval of the Engineer, and not be close to



environmentally sensitive areas or to existing residential settlements, and shall be operated with approved fitted dust control devices.

V. Earthworks

21. Earthworks shall be properly controlled, especially during the rainy season.

22. The Contractor shall maintain stable cut and fill slopes at all times and cause the least possible disturbance to areas outside the prescribed limits of the work.

23. The Contractor shall complete cut and fill operations to final cross-sections at any one location as soon as possible and preferably in one continuous operation to avoid partially completed earthworks, especially during the rainy season.

24. In order to protect any cut or fill slopes from erosion, in accordance with the drawings, cut off drains and toe-drains shall be provided at the top and bottom of slopes and be planted with grass or other plant cover. Cut off drains should be provided above high cuts to minimize water runoff and slope erosion.

25. Any excavated cut or unsuitable material shall be disposed of in designated tipping areas as agreed to by the Engineer.

26. Tips should not be located where they can cause future slides, interfere with agricultural land or any other properties, or cause soil from the dump to be washed into any watercourse. Drains may need to be dug within and around the tips, as directed by the Engineer.

VI. Historical and Archaeological Sites

27. If the Contractor discovers archaeological sites, historical sites, remains and objects, including graveyards and/or individual graves during excavation or construction, the Contractor shall:

- (a) Stop the construction activities in the area of the chance find.
- (b) Delineate the discovered site or area.
- (c) Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the responsible local authorities and the Ministry of Culture take over.
- (d) Notify the supervisory Engineer who in turn will notify the responsible local authorities and the Ministry of Culture immediately (less than 24 hours).
- (e) Contact the responsible local authorities and the Ministry of Culture who would be in charge of protecting and preserving the site before deciding on the proper procedures to be carried out.
- (f) This would require a preliminary evaluation of the findings to be performed by the archaeologists of the Ministry of Culture (within 72 hours). The significance and importance of the findings should be assessed according to the various criteria relevant to cultural heritage, including the aesthetic, historic, scientific or research, social and economic values.



- (g) Ensure that decisions on how to handle the finding be taken by the responsible authorities and the Ministry of Culture. This could include changes in the layout (such as when the finding is an irremovable remain of cultural or archaeological importance) conservation, preservation, restoration and salvage.
- (h) Implementation for the authority decision concerning the management of the finding shall be communicated in writing by the Ministry of Culture; and
- (i) Construction work will resume only after authorization is given by the responsible local authorities and the Ministry of Culture concerning the safeguard of the heritage.

VII. Disposal of Construction and Vehicle Waste

28. Debris generated due to the dismantling of the existing structures shall be suitably reused, to the extent feasible, in the proposed construction (e.g. as fill materials for embankments). The disposal of remaining debris shall be carried out only at sites identified and approved by the project engineer. The contractor should ensure that these sites (a) are not located within designated forest areas; (b) do not impact natural drainage courses; and (c) do not impact endangered/rare flora. Under no circumstances shall the contractor dispose of any material in environmentally sensitive areas.

29. In the event any debris or silt from the sites is deposited on adjacent land, the Contractor shall immediately remove such, debris or silt and restore the affected area to its original state to the satisfaction of the Supervisor/Engineer.

30. Bentonite slurry or similar debris generated from pile driving or other construction activities shall be disposed of to avoid overflow into the surface water bodies or form mud puddles in the area.

31. All arrangements for transportation during construction including provision, maintenance, dismantling and clearing debris, where necessary, will be considered incidental to the work and should be planned and implemented by the contractor as approved and directed by the Engineer.

32. Vehicle/machinery and equipment operations, maintenance and refuelling shall be carried out to avoid spillage of fuels and lubricants and ground contamination. An oil interceptor will be provided for wash down and refuelling areas. Fuel storage shall be located in proper bounded areas.

33. All spills and collected petroleum products shall be disposed of in accordance with standard environmental procedures/guidelines. Fuel storage and refilling areas shall be located at least 300m from all cross drainage structures and important water bodies or as directed by the Engineer.



Annex 5 – Economic analysis of Component 2

COUNTRY : Central African Republic CAR-Service Delivery and Support to Communities Affected by Displacement

- 1. The main source of data for the Economic analysis is the 2008 CAR Poverty profile ECASEB prepared by ICASEES³⁰.** This survey included all 7 regions of the country (including the region of Bangui). In total, 7,000 households were surveyed, covering an average 32,200 individuals. The survey was based on the QUIBB methodology (*Questionnaire unifié sur les indicateurs de base de bien-être*), and its questionnaire included information on the socio-demographic characteristics of the household (health, education, employment), household characteristics, access to infrastructures and perceptions on poverty. There was also another questionnaire on the consumption and income of households and transfers between households.
- 2. The ECASEB data is the most recent nationally representative consumption data.** However, it is almost 9 years old and the country has experienced significant changes in consumption at the household level, the average household composition and the distribution of the population across the country. A recent survey on prefectures – Commune Monographies was carried out by ICASEES with support from the World Bank and its results are included in this Economic analysis. One of the main conclusions of this survey is that the level of poverty in CAR has increased very significantly because of the crisis³¹. Households have very few domestic and productive assets, reflecting the subsistence nature of the agricultural sector, which absorb the vast majority of the population. In rural areas, where the majority of the population lives, agriculture is the main source of revenues for nine heads of households over ten. In urban areas, this ratio is much lower, but still high: four to ten. There is very limited updated information on monetary poverty, but recent surveys including the Commune Monographies³² show that the level of poverty as measured by the possession of productive tools, means of transportation and household goods has increased significantly because of the crisis. In 2012, 61 percent of households had a bed or mattress, a percentage that drops to 46 percent in 2016. Similarly with the possession of a radio (from 42 in 2012 to 23 percent in 2016), a bicycle (from 30 to 15 percent) and a wheelbarrow, a cart or ox (from 10 to less than 5 percent). The same survey, estimates that six out of ten households have a poor (i.e. severe insecurity) or limited food consumption (moderate food insecurity), with limited differences between rural and urban communities.
- 3. Households hosting at least one IDP are less wealthy and have a lower food consumption.** The same survey estimates that since 2012, 68 percent of CAR households in urban areas and 61 percent in rural areas have experienced displacement of some if not all members of the household. The regions of Yadé (prefectures of Ouham, and Ouham-Pende) and of Fertit (prefectures of Bamingui-Bangoran, Vakaga, Haute-Kotto) have experienced the highest number of displaced people. Households that have hosted or experienced displacement are less rich and have a poorer food consumption than other

³⁰ The ECASEB - *Enquête centrafricaine pour le suivi-évaluation du bien-être* was prepared in 2009 by the ICASEES, the National Statistical Office of the CAR with support from the World Bank.

³¹ Recent estimates indicate that CAR's poverty rate—at the international poverty line of US\$1.90 per day in 2011 purchasing-power parity terms—surged from 66 percent in 2008 to 76 percent in 2013.

³² *Enquête nationale sur les monographies communales 2016*, ICASEES-Banque mondiale, Janvier 2017.



households. Fifty nine percent of households with at least one displaced person are in the lowest two quintiles of the wealth index as calculated by the Commune Monographies.

4. **In estimating the amount to transfer to households various considerations have come into play.** From an economic perspective the amount proposed and discussed with the government was based on its weight on the food poverty line and on the poverty gap. In particular, the following table summarizes the incidence on food consumption and overall poverty gap of the proposed benefit, by targeting area:

| Region | Targeting area (town or site) | Food poverty line (F CFA) | Full poverty line (F CFA) | Poverty gap (% full poverty) | Poverty gap in F CFA | Average size of HH | Transfer as % of food poverty | Transfer % of poverty gap |
|--------------------------------|-------------------------------|---------------------------|---------------------------|------------------------------|----------------------|--------------------|-------------------------------|---------------------------|
| Yade'(Ouh am) | Batangafo | 168,480 | 219,543 | 36.4 | 79,913 | 4.3 | 13.8 | 29.1 |
| Kagas (Nana-Gribizi and Ouaka) | Kaga-Bandaro | 174,360 | 216,229 | 37.5 | 81,085 | 4.7 | 12.2 | 26.2 |
| | Bambari | 174,360 | 216,229 | 37.5 | 81,085 | 4.7 | 12.2 | 26.2 |
| Fertit (Haute-Kotto) | Bria | 166,108 | 211,787 | 33.3 | 70,525 | 4.3 | 14.0 | 32.9 |
| Bangui | Bangui | 178,360 | 259,255 | 27.3 | 70,776 | 5.6 | 10.0 | 25.2 |

5. **The proposed transfer of F CFA 100,000 per household is consistent with what is proposed in literature.** As discussed in relevant literature, the benchmark for cash transfer (2 years) is at approximately 10-15 percent of the food consumption level of a household³³. Such a level is considered sufficiently high to smooth consumption and in some cases help in rehabilitating household and productive assets. At the same time, this amount is not too high to actually discourage other productive activities and jobs opportunities. Moreover, the amount will make a significant contribution to closing the poverty gap, up to more than 30 percent, depending on the regions.

6. **The proposed level is also consistent with similar programs in CAR.** The transfer of F CFA 100,000 is aligned with the experience of CT programs run by NGO partners in CAR, and other CT programs in the sub region. The recent program to support IDPs in the camp of M’Poko was of F CFA 50,000 to families up to 5 people and F CFA 100,000 to families more numerous in a one-time lump sum. In Bria, the NGO Oxfam runs a program transferring F CFA 30,000 per households as a one shot operation. In subsequent assessments, this amount was deemed to be insufficient to address any of the major needs of the household.

7. **These calculations may be an underestimation of the real impact of the transfer.** This is for a number of reasons: i) the incidence on the food poverty line may have increased given the deterioration

³³ Margaret Grosh, Carlo del Ninno, Emil Tesliuc and Azedine Ouerghi, *For Protection and Promotion*, The World Bank 2008.



of the overall situation in CAR as discussed in previous sections of this Annex, and reported in the *Monographie communale*, ii) the average size of households is based on an equivalent-adult ratio, so the actual size may be a bit larger and the poverty line per head be slightly different, so that the incidence of the transfer may result grater, iii) the impact of the transfer on IDP and households affected by displacement may be significantly higher that the average since their poverty and deprivation levels are much higher than the average.