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Report No: PADHI00535

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A
PROPOSED LOAN

IN THE AMOUNT OF US\$400 MILLION

TO THE
REPUBLIC OF ANGOLA

FOR THE

ENHANCING THE SOCIAL PROTECTION SYSTEM FOR HUMAN CAPITAL AND RESILIENCE PROJECT

AUGUST 20, 2024

Social Protection and Jobs Global Practice
Eastern and Southern Africa

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CURRENCY EQUIVALENTS

Exchange Rate Effective July 1, 2024

Currency Unit = Angolan Kwanza (AOA)

AOA 860.33 = US\$1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

ADECOS	Community-Based Health and Sanitation Agents (<i>Agentes de Desenvolvimento Comunitário e Sanitário</i>)
CASI	Integrated Social Action Center (<i>Centro de Acção Social Integrada</i>)
CCDR	Country Climate and Development Report
CERC	Contingent Emergency Response Component
CPF	Country Partnership Framework
CSU	Single Social Registry (<i>Cadastro Socio Único</i>)
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DPL	Development Policy Loan
E&S	Environmental and Social
ENFOTSS	National Training School for Social Service Technicians (<i>Escola Nacional de Formação de Técnicos do Serviço Social</i>)
ERR	Economic Rate of Return
ESF	Environmental and Social Framework
EU	European Union
FAS-IDL	FAS Local Development Institute (<i>FAS Instituto de Desenvolvimento Local</i>)
FCDO	United Kingdom Foreign, Commonwealth and Development Office
FM	Financial Management
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GoA	Government of Angola
GRM	Grievance Redress Mechanism
HCI	Human Capital Index
ID	Identity Document
IDREA	Survey on Expenditure, Income and Employment in Angola (<i>Inquérito Sobre Despesas, Receitas e Emprego em Angola</i>)
IFR	Interim Financial Report
IPF	Investment Project Financing
IT	Information Technology
JICA	Japan International Cooperation Agency
LMIC	Lower-Middle-Income Country
LTS	Long-Term Strategy
M&E	Monitoring and Evaluation
MASFAMU	Ministry of Social Action, Family and Promotion of Women (<i>Ministério da Acção Social, Família e Promoção da Mulher</i>)
MAT	Ministry of Territorial Administration (<i>Ministério da Administração do Território</i>)
MINFIN	Ministry of Finance
MINPLAN	Ministry of Planning
MIS	Management Information System
NDC	Nationally Determined Contribution
NDP	National Development Plan
NGO	Nongovernmental Organization
NPV	Net Present Value
PA	Paris Alignment

PDO	Project Development Objective
PI	Productive Inclusion
PIM	Project Implementation Manual
PP	Procurement Plan
PPSD	Procurement Strategy for Development
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SIGAS	Social Action Management Information System (<i>Sistema de Informação e Gestão da Acção Social</i>)
SIGFE	Integrated State Financial Management System (<i>Sistema Integrado de Gestão Financeira do Estado</i>)
SIGPE	Integrated State Asset Management System (<i>Sistema Integrado de Gestão de Património do Estado</i>)
SP	Social Protection
SSA	Sub-Saharan Africa
TOC	Theory of Change
TOR	Terms of Reference
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VfM	Value for Money



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DATASHEET

BASIC INFORMATION

Project Beneficiary(ies) Angola	Operation Name Enhancing the Social Protection System for Human Capital and Resilience Project		
Operation ID P181495	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Moderate	

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 12-Sept-2024	Expected Closing Date 31-Oct-2029
Bank/IFC Collaboration No	

Proposed Development Objective(s)

Increase access to opportunities to build foundational human capital and household resilience, and to strengthen the social protection system.



Components

Component Name	Cost (US\$)
Component 1. Human Capital and Resilience Building	360,000,000.00
Component 2. Improving Social Protection Implementation and Institutional Capacity	27,000,000.00
Component 3. Project Management, and Monitoring and Evaluation	13,000,000.00
Component 4. Contingent Emergency Response Component	0.00

Organizations

Borrower: Republic of Angola
 Implementing Agency: FAS Local Development Institute, Ministério da Acção Social, Família e Promoção da Mulher (MASFAMU)

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No
 Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	520.00
Total Financing	520.00
of which IBRD/IDA	400.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	400.00
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Non-World Bank Group Financing



Counterpart Funding	120.00
Borrower/Recipient	120.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2025	2026	2027	2028	2029	2030
Annual	25.63	100.02	104.39	102.41	59.55	8.00
Cumulative	25.63	125.64	230.03	332.45	392.00	400.00

PRACTICE AREA(S)

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Health, Nutrition & Population; Education

CLIMATE

Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
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. Overall ● Substantial

POLICY 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

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).



LEGAL

Legal Covenants

Sections and Description

Schedule 2.Section I.A.2.(b). Without limitation to the provisions of subparagraph I.A.2 (a) of Schedule 2 to the Loan Agreement, the Borrower shall cause the Project Implementing Entity to ensure that, throughout Project implementation, the PIT shall be maintained with adequate staff including: (i) a Project coordinator, and a procurement specialist on or before the Effective Date; and (ii) no later than thirty (30) days after the Effective Date, a chief accountant, accountant, and assistant accountant, a social specialist, a social technical assistant, an environmental technical assistant, a health and safety specialist, and an internal auditor and such other specialists as may have been agreed with the Bank, all with qualifications, experience and terms of reference acceptable to the Bank, as further detailed in the Project Implementation Manual.

Schedule 2.Section I.A.3.(b). Without limitation to the provisions of subparagraph I.A.3 (a) of Schedule 2 to the Loan Agreement, the Borrower shall ensure that, throughout Project implementation, the MASFAMU Focal Team shall be maintained with adequate staff including: (i) a Project coordinator, and a procurement specialist on or before the Effective Date; and (ii) no later than thirty (30) days after the Effective Date, four accountants, an environmental and social technical assistant, and an internal auditor and such other specialists as may have been agreed with the Bank, all with qualifications, experience and terms of reference acceptable to the Bank, as further detailed in the Project Implementation Manual.

Schedule 2.Section I.H.2. 2. The Borrower shall furnish and shall cause the Project Implementing Entity to furnish to the Bank, not later than November 15 of each year, the proposed annual work plans and budgets for the Bank’s review and final approval; except for the first annual work plan and budget for the Project for the first two year(s) of Project implementation, which shall be furnished no later than two (2) months after the Effective Date.

Conditions

Type	Citation	Description	Financing Source
Effectiveness	Article V - 5.01.(a)	The Borrower has caused the Project Implementing Entity to establish the Project Implementation Team with a mandate, terms of reference and resources, satisfactory to the Bank, and has appointed or hired in said Project Implementation Team relevant key staff as mentioned in Section I.A2(b)(i) of Schedule 2 to	IBRD/IDA



		this Agreement, all in form and substance satisfactory to the Bank.	
Effectiveness	Article V - 5.01.(b)	The Borrower has established the MASFAMU Focal Team with a mandate, terms of reference and resources, satisfactory to the Bank, and has appointed or hired in said MASFAMU Focal Team the relevant key staff as mentioned in Section I.A3(b)(i) of Schedule 2 to of this Agreement, all in form and substance satisfactory to the Bank.	IBRD/IDA
Effectiveness	Article V - 5.01.(c)	The Borrower and the Project Implementing Entity have prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Bank.	IBRD/IDA
Effectiveness	Article V - 5.01.(d)	The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity and all conditions precedent to its effectiveness shall have been met.	IBRD/IDA
Disbursement	Schedule III.B.1.(b) 2. Section	No withdrawal shall be made (b) under Category (3), unless the Project Implementing Entity has: (i) hired at least one Payment Agent; and (ii) adopted the Cash Transfers and Grants Manual, all in a manner acceptable to the Bank.	IBRD/IDA



The World Bank

Enhancing the Social Protection System for Human Capital and Resilience Project (P181495)



VIII. STRATEGIC CONTEXT

A. Country Context

1. **The Republic of Angola is a lower-middle-income country (LMIC) which remains overly dependent on the oil sector.** The petroleum industry accounts for 25 percent of gross domestic product (GDP), 60 percent of tax revenues, and 95 percent of exports.¹ More recently, however, oil production is in structural decline due to depletion and lack of investment, falling from 2 million to 1.1 million barrels per day between 2010 and 2023.² The reliance on oil has led to high vulnerability to external shocks and limited economic diversification and job creation. A 40 percent currency depreciation in May–June 2023 resulted in higher-than-expected interest payments and fossil fuel subsidies, triggering expenditure cuts, and fueling inflation (11.5 percent in February 2023 to 24 percent in February 2024).³ Between 2015 and 2022, real GDP per capita fell by 28 percent, reinforcing the need for a diversified and inclusive growth strategy.

2. **Despite its relative wealth, Angola experiences persistently high rural and urban poverty and inequality.** Although Angola has a GDP per capita similar to LMICs, its poverty rates and labor market indicators are closer to low-income countries. Angola’s wealth has minimally benefited its population, with 32.3 percent of the 30.8 million population (around 10 million people) characterized as poor in 2018–2019.⁴ This is particularly true for rural areas where poverty rates are almost three times higher (54.7 percent) than in urban areas (17.8 percent).⁵ Illiteracy, low levels of education, and employment in agriculture are also strongly correlated with poverty. The poverty rate is almost three times higher among illiterate households than the literate ones. Similarly, the poverty rate is more than 50 percentage points higher among households headed by someone with no education compared to households headed by someone with university education.⁶ The traditional rural sector is dominated by low-productivity subsistence agriculture, with 69 percent of households in the poorest national quintile employed in this sector. In the export-oriented oil economy in urban centers, employment in agriculture is marginal and poverty tends to be linked with unemployment and informality.⁷ This inequality between urban and rural areas is further reflected in Angola’s Gini coefficient of 0.51, one of the highest globally.⁸

3. **Furthermore, Angola’s human capital outcomes are among the lowest globally.**⁹ Angola’s Human Capital Index (HCI) is 0.36 in 2020.¹⁰ Chronic malnutrition among children under five years

¹ World Bank. 2024. [Macro Poverty Outlook](#). April 2024.

² The value of oil exports fell by 27 percent in 2023 alone, due to lower oil prices and production.

³ World Bank. 2024. [Macro Poverty Outlook](#). April 2024.

⁴ National Poverty Rate. Survey on Expenditure, Income and Employment in Angola (*Inquérito Sobre Despesas, Receitas e Emprego em Angola*, IDREA) 2018–19.

⁵ World Bank. 2020. [Angola Poverty Assessment](#).

⁶ Ibid.

⁷ In Luanda, non-employed households represent almost half (47 percent) of the population in the poorest versus 24 percent in the third quintile (IDREA 2018–19).

⁸ World Bank. 2020. [Angola Poverty Assessment](#).

⁹ Human capital consists of the knowledge, skills, and health that people invest in and accumulate throughout their lives, enabling them to realize their potential as productive members of society. World Bank. 2020. *The Human Capital Index 2020 Update: Human Capital in the Time of COVID-19*.

¹⁰ The HCI measures the human capital that a child born today can expect to attain by her/his 18th birthday, given the risks of poor health and poor education prevailing in her/his country. HCI of 0.36 implies that a child born today will be only 36 percent as productive as a future worker as s/he would be if s/he enjoyed complete education and full health. Angola’s HCI is below SSA and LMIC averages of 0.40 and 0.48, respectively.



evidenced by a stunting rate of 43.2 percent is the fourth highest in Africa.¹¹ Maternal and child mortality rates at 44 and 68, respectively, per 1,000 live births are double the LMIC average. This is the result of poor access to critical services including water, basic sanitation, hygiene, health, and education services and poor uptake of good nutrition practices. Only 58 percent and 52 percent of households have access to basic drinking water and basic sanitation, respectively, and only five percent have access to these two and food and care, the three key drivers of nutrition, at the same time.¹² Diarrheal disease, due to a lack of these services, is the leading cause of under-five child mortality.¹³ In terms of uptake of good practices, 52 percent of mothers do not initiate breastfeeding early, 63 percent do not exclusively breastfeed, only 25 percent of births are registered, and only 11 percent of children attend early childhood education.¹⁴ With 40 percent of Angolan children never having been immunized, immunization rates are among the worst in Africa. One in six school-age children do not attend school, and only six percent of girls of secondary school-age are enrolled in school.¹⁵ Angola has one of the highest fertility rate in the world, with 5.2 children per woman in 2022.¹⁶ Teenage girls (15–19 years) give birth at a rate of 162 births per 1,000 girls—the highest globally and above Sub-Saharan Africa (SSA) average of 93 per 1,000 girls.¹⁷

4. **High exposure to economic shocks and extreme climate events poses further risks for Angola’s growth and food security situation, with disproportionate impacts on the poor and vulnerable.**¹⁸ Angola is ranked as the 38th most vulnerable country to climate change with its readiness to adapt worse.¹⁹ Between 2005 and 2017, the country’s economic losses from climate-related disasters amounted to nearly US\$1.2 billion.²⁰ In rural areas, where 85–90 percent of Angolans rely on agriculture as their primary source of livelihood, climate shocks are a key cause of food insecurity. At least one-third of Angolan households are vulnerable to falling into or experiencing worsening poverty if affected by covariate shocks. The impacts of droughts and floods on agricultural productivity could have a spiraling effect on national food prices through an increasing reliance on expensive food imports. The most drought-prone areas include southern pastoralist areas (Cunene and Namibé), maize and beans producing central highlands (Huambo, Huila, and Cuanza Sul), and transitional maize and cassava regions (Benguela and Cuanza Sul). Floods particularly affect socioeconomically vulnerable areas around Cunene, Coporolo, and Zambezi Rivers. Urban poor residents live in heavily congested slums lacking adequate drainage facilities and housing, leading to heightened vulnerability to climate disasters and other macroeconomic shocks.²¹

5. **The economy is not generating enough jobs to keep up with Angola’s growing working-age population.** Between quarter four (Q4) of 2022 and Q4 2023, over 550,000 new workers joined the labor

¹¹ This is converging back to levels observed in the aftermath of the civil war—an all-time high of 46.5 percent in 2000.

¹² UNICEF and Countdown to 2030. 2023. “[THRIVE: Nurturing Care For Early Childhood Development - Country Profiles For Early Childhood Development.](#)”

¹³ Angola Country Economic Memorandum. 2024. “Pathways to a Resilient, Sustainable, and Inclusive Economic Diversification – Economic Transformation for Growth and Jobs Creation.” May 2024.

¹⁴ UNICEF and Countdown to 2030. 2023. “[THRIVE: Nurturing Care For Early Childhood Development - Country Profiles For Early Childhood Development.](#)”

¹⁵ World Bank. 2020. *Angola Poverty Assessment*.

¹⁶ World Bank Group [DataBank](#)

¹⁷ World Bank. 2020. *Angola Poverty Assessment*.

¹⁸ World Bank. 2022. [Angola Country Climate Development Report](#) or CCDR 2022.

¹⁹ 171 for readiness to adapt, out of 182 countries. 2018 Notre Dame Global Adaptation Initiative Readiness Index.

²⁰ CCDR 2022.

²¹ 2021. *Money in the City: Emerging Lessons from the Implementation of Cash Transfers in Urban Africa*. Washington, DC: World Bank.



force, but only 10,000 jobs were added.²² Angola's utilization-adjusted Human Capital Index is 0.22, implying that only 22 percent of its working-age population are in productive jobs. Agriculture is the main source of work among the poor, with 70 percent of poor employees engaged in it.²³ Lower educational attainment and low skills among the poor, particularly youth, limits access to productive opportunities outside subsistence agriculture. While more youth have some secondary education than older generations (55 percent versus 31 percent), the completion rate for secondary education among youth is low, with only two percent obtaining a secondary-level certificate.²⁴ As a result, 83 percent of unemployed are youth. Women also tend to be employed at a lower rate, and when employed, work in low-quality jobs.²⁵ Furthermore, low access to start-up capital (in-kind assets, business grants, or microcredit) or savings mobilization modalities such as savings groups compound challenges for micro-entrepreneurship.²⁶ About 40 percent of the poor live along the Lobito Corridor,²⁷ and getting them employment ready is critical to the country's overall poverty reduction strategy.

6. Gender gaps persistently contribute to higher poverty and vulnerability among women in Angola. Poverty rates in large rural households headed by women aged 30–50 years are almost seven times higher than among smaller male-headed households. These differences are also apparent in access to capital, with 60 percent of women financially excluded (compared to 46 percent of men) and only one in three women having access to formal financial products.

B. Sectoral and Institutional Context

7. Angola's social protection (SP) system aims to reduce poverty and inequality and boost human capital, economic opportunities, and social inclusion.²⁸ It is based on three main pillars: (a) social insurance, (b) social assistance, and (c) jobs and productive inclusion (PI) programs. Until 2018, fuel subsidies were the fourth. Social insurance system consists of contribution-financed pensions for retired formal sector workers and former combatants of Angola's Civil War. Social assistance programs include the Kwenda Safety Nets Program, as well as the Support to Vulnerable Families (the Kikuia Card) program, which was implemented between 2014 and 2019, and the Child Grant Program (Valor Criança) which was implemented in 2020 in six municipalities.²⁹ And, while most Active Labor Market Programs target labor demand by providing entrepreneurship support, less than one-quarter select poor or vulnerable youth due to their limited scale, restrictive eligibility criteria, fragmentation, and overlapping objectives.³⁰

8. Angola's average spending on social safety net programs over the last decade has been low, at 0.4 percent of GDP compared to an SSA average of 1.2 percent. Historically fuel subsidies, despite being

²² World Bank. 2024. *Macro Poverty Outlook*; Annual Meetings 2023; CCDR 2022.

²³ World Bank. 2020. "Angola Poverty Assessment."

²⁴ Monsalve Montiel, Emma Mercedes, Wendy Cunningham, and Maria Njambi Ngarachu. 2023. *Good Jobs for Angolan Youth: Opportunities, Challenges, and Policy Directions*. Technical Report.

²⁵ 92 percent versus 78 percent for men. *Good Jobs for Angolan Youth: Opportunities, Challenges, and Policy Directions - Policy Brief (English)*. Washington, DC: World Bank Group.

²⁶ IDREA 2018-19. IFC. 2019. "Creating Markets in Angola: Country Private Sector Diagnostic - Opportunities for Development through the Private Sector."

²⁷ The Lobito Corridor is centered around the Benguela rail line that runs from Lobito port to Luau in the Democratic Republic of Congo through provinces of Benguela, Huambo, Bie, and Moxico. Recent concession agreement for operation of this rail line is reinvigorating government efforts to leverage it for regional integration and economic diversification with private sector support.

²⁸ Angola 2050 LTS.

²⁹ The Kikuia card and Valor Criança programs did not reach national scale and were eventually discontinued.

³⁰ Monsalve Montiel, Emma Mercedes, Wendy Cunningham, and Maria Njambi Ngarachu. 2023. *Good Jobs for Angolan Youth: Opportunities, Challenges, and Policy Directions*. Technical Report.



highly regressive, represented the bulk of the SP spending. The Government of Angola (GoA) spent US\$3.1 billion on subsidies in 2022, averaging about three percent of GDP.³¹ About 80 percent of SP expenditure benefits the elderly, survivors, and former combatants, mainly through contributory pensions and social insurance (averaging about 1.3 percent of GDP). Expenditure on social safety nets also declined in the past decade, driven by reductions in war-related social assistance spending without a commensurate increase in spending on other social assistance programs.

9. **Angola’s SP sector is underpinned by several laws, policies, and presidential decrees that have set priorities and funding envelopes since 2004.** The Basic Law on Social Protection of 2004 provides the legal and institutional framework for SP in Angola with three pillars: basic, compulsory, and complementary. While the compulsory and complementary pillars refer to contributory social insurance schemes linked to employment, the basic pillar refers to non-contributory social assistance. Under this pillar, the law identifies highly vulnerable groups to be reached through safety nets, including women, children and adolescents, the elderly, and people with disabilities. The National Policy on Social Action (*Política Nacional da Acção Social*) adopted in 2021 lays out the strategy for investments in decentralized delivery of social services.³² More recently, the Long-Term Strategy (LTS) ‘Angola 2050’ and National Development Plan 2023–2027 (NDP) provide a vision for SP’s contribution to Angola’s development objectives along three pillars—human capital, economic diversification, and opportunities.

10. **These policies have also led to increases in SP spending targets.** In particular, the LTS forecasts an increase in spending on basic SP up to 1.2 percent in 2050.³³ Concurrently, the GoA has initiated a multistage fuel subsidy reform to redirect resulting savings to social sectors, starting with price adjustments to gasoline and diesel in June 2023 and April 2024, respectively. While further price adjustments are expected, the exact schedule is not known.³⁴

11. **Several international development partners provide support to Angola’s SP sector, with differing degrees of partnership with the government.** These partners include the European Union (EU); the United Kingdom Foreign, Commonwealth and Development Office (FCDO); the United Nations Children’s Fund (UNICEF); the United Nations High Commissioner for Refugees; Japan International Cooperation Agency (JICA); and United States Agency for International Development (USAID). Through EU financing and technical assistance from UNICEF, the Support to Social Protection in Angola Project (*Apoio à Protecção Social em Angola*) piloted the municipalization of social action and the Valor Criança under the Ministry of Social Action, Family and Promotion of Women (*Ministério da Acção Social, Família e Promoção da Mulher*, MASFAMU). FCDO has financed technical work on climate change through the World Bank’s Disaster Protection Program. JICA and USAID, on the other hand, have implemented human capital related interventions through community-based health and sanitation agents (*Agentes de Desenvolvimento Comunitário e Sanitário*, ADECOS). Coordination among partners is achieved through various efforts, from participation in development partners working groups to joint operational and analytical programming and joint dialogue with the government.

12. **The establishment in 2020 of the safety net program, Kwenda, marked a turning point in the social assistance programmatic landscape.** Initially designed to be a short-term compensatory

³¹ Fuel subsidies were included as part of the SP budget until 2018. Since 2018, Angola’s state-owned oil company Sonangol reported and compensated for fuel subsidies. Starting in 2022, the Ministry of Finance (MINFIN) also reported quarterly and moved them into the budget, increasing transparency (World Bank. 2023. *Angola Public Finance Review*).

³² Presidential Decree 37/21 of February 8, 2021.

³³ Angola 2050 LTS.

³⁴ <https://www.news24.com/news24/africa/news/angola-hikes-diesel-price-by-48-to-r460-per-litre-20240423>.



mechanism for one million households in response to the planned fuel subsidy reform, Kwenda evolved into a poverty reduction program during the COVID-19 pandemic. It builds on previous government pilots of social assistance programs for the poor and vulnerable³⁵ and World Bank-financed SP investments.³⁶ The Kwenda program is financed with a World Bank loan of US\$320 million through the Strengthening the National Social Protection System Project (P169779), to which the GoA has committed US\$100 million to scale up to 1.6 million households. Additionally, the GoA committed to increase Kwenda's duration to two years using subsidy reforms savings.³⁷ The program is implemented by FAS³⁸ Local Development Institute (*FAS Instituto de Desenvolvimento Local*, FAS-IDL), which was initially established as a Social Support Fund but has since been institutionalized in 2020³⁹ as a unit under the Ministry of Territorial Administration (*Ministério da Administração do Território*, MAT).

13. **After four years of implementation, Kwenda has made significant progress in its establishment as a flagship safety nets program.** As of June 2024, the program registered 1.5 million households (21 percent of Angolan households) using a census approach mostly in rural areas in 18 provinces and provided cash transfers to 1.2 million households. More than two-thirds of recipients are women. Due to the overlap between poorer provinces and those affected by climatic shocks, Kwenda already covers about 65 percent of households exposed to climate shocks. The Kwenda evaluation⁴⁰ (forthcoming) further revealed that cash transfers helped households respond to health, economic, and climatic shocks by supporting them to pay for urgent medical expenses, alleviate hunger, and enable debt repayments. The program also supports delivery of human capital services through municipal-level Integrated Social Action Centers (*Centros de Acção Social Integrada*, CASIs) and ADECOS.⁴¹ Kwenda coordinated with municipal representatives of the Ministry of Justice and the Ministry of Health to extend civil and national ID⁴² registrations and deliver health services (for example, immunizations for children under five) to beneficiary communities. It also provided PI activities to 25,500 beneficiaries, comprising productive assets among beneficiary groups, promotion of revolving funds and seed banks, and technical training.

14. **Kwenda has also established the foundations of a safety net delivery system.** This includes the development of: (a) a Kwenda Management Information System (MIS) with geocoded household socioeconomic information that facilitates selection and registration of eligible households; (b) a payment system using three modalities—Multicaixa card, mobile money, and cash;⁴³ (c) a monitoring and evaluation (M&E) system for tracking implementation progress; and (d) a grievance redress mechanism

³⁵ The *Support to Vulnerable Families (the Kikuia Card)* program was implemented between 2014 and 2019, while the *Child Value Cash Transfer Program (Valor Criança)* was implemented in 2020 in six municipalities. Neither program reached national scale nor were eventually discontinued.

³⁶ Local Development Project (P105101) piloted Kwenda and invested in local human capital and productive local infrastructure.

³⁷ Since March 2024, the Government started to disburse its US\$100 million commitment.

³⁸ FAS used to be *Fundo de Apoio Social* or Social Support Fund until 2019 when it was transformed to FAS Local Development Institute under MAT.

³⁹ Through Presidential Decree 317/20.

⁴⁰ A mixed-methods evaluation of Kwenda was undertaken between December 2023 and February 2024, covering about 7,000 beneficiary households in 20 municipalities in 16 out of 18 provinces.

⁴¹ National Social Action Policy 2021 envisions the decentralized delivery of social action through CASIs operating within the ambit of the municipal administrations.

ADECOS support Kwenda registration, targeting, payments, and grievances in the community.

⁴² Identity Document.

⁴³ About 79 percent of payments are cash based, 20 percent are digital using multicaixa cards, and one percent are through mobile money. Key constraints to making timely and more regular payments include manual processes by banks, lack of sufficient number of bank agents to travel to rural communities, poor telecom and physical infrastructure, and financial literacy of the beneficiaries.



(GRM) providing near real-time registration of queries and complaints by beneficiaries and nonbeneficiaries. The Strengthening the National Social Protection Project (P169779) also established the foundations of the single social registry (*Cadastro Socio Único*, CSU),⁴⁴ implemented by MASFAMU, by linking the Kwenda MIS to MASFAMU's existing integrated beneficiary registry, Social Action Management Information System (*Sistema de Informação e Gestão da Ação Social*, SIGAS). However, these delivery systems are still nascent and experience constraints such as lack of adaptability to shocks, limited interoperability, low level of digitization, and cash-based larger and fewer payments (biannual).

15. **Despite substantial progress in establishing this large-scale poverty-targeted safety net program and attempts at rationalizing sectoral coordination, gaps remain.** Importantly, the rapidly growing urban poor continue to be without any safety nets to protect them from climate and economic shocks. In addition, coordination remains limited between FAS-IDL and MASFAMU. While progress has been made on clarifying the institutional arrangements between MASFAMU and FAS-IDL on the implementation and policy framework around SP and the CSU,⁴⁵ these arrangements are yet to be fully operationalized. However, SIGAS's capacity to host a large volume of household data is limited, and thus it is unable to collate household and beneficiary data from the Kwenda MIS.

16. **Against this backdrop, the government requested the World Bank's support to build foundational human capital and resilience of the poor and strengthen the SP system to promptly detect and respond to shocks.** Building on progress so far, there is a need for continued cash transfers to the rural poor and expansion of cash transfers to the urban poor as bedrock investments. Additionally, building foundational human capital of the poor would require investments in piloting and scaling up innovative approaches for: (a) incentivizing demand for health and well-being improvement services; (b) improving coordination with health and education services already being provided; and, (c) monitoring uptake and growth. On the other hand, investments in cash transfers need to be coupled with PI packages that could help the poor adapt and enhance their livelihoods to magnify the impacts of cash transfers alone on household resilience to shocks. Furthermore, an adaptive SP system needs to be established to shield the poor from having to engage in negative coping mechanisms in the face of shocks, thereby, preventing a reversion of hard-won welfare gains. Lastly, a robust SP system is necessary to fully realize the impacts of these investments. This includes an efficient, decentralized, and shock-adapted Kwenda program delivery system; a comprehensive and interoperable social registry (which includes operationalizing and strengthening coordination between FAS-IDL and MASFAMU); availability of skilled SP workforce especially on the front lines; and support to policy and financing frameworks.

C. Relevance to Higher Level Objectives

17. **The proposed project is aligned with the World Bank's mission to end extreme poverty and boost shared prosperity on a livable planet and the institution's evolution priorities.** The project directly contributes to: (a) Food and Nutrition Security through regular and shock-responsive cash transfers; (b) Accelerating Digitization through digital skills trainings in the 'light' PI package; (c) Enhanced Health Emergency Prevention, Preparedness and Response through caregiver groups to track and respond to early childhood challenges and slow and rapid-onset health emergencies; and (d) Fast-Track Energy Transition, Efficiency and Access through leveraging of an adaptive SP system to ease fuel subsidy reforms. Shock-responsive cash transfers also provide a strong basis for climate change adaptation and the loss

⁴⁴ The CSU was established through Presidential Decree 136/19.

⁴⁵ Memorandum of understanding on institutional coordination for implementing the CSU was signed between MAT and MASFAMU in March 2024.



and damage fund that was adopted in the 28th United Nations Climate Change Conference as a critical pillar of the climate change agenda.

18. **The proposed project aligns with the World Bank’s forthcoming Country Partnership Framework (CPF) for Angola as well as national priorities.** In line with the upcoming CPF (2025-30), the project will boost human capital and economic diversification and address a variety of programmatic, structural, institutional, and service delivery constraints to improving Angola’s human capital, climate adaptiveness, and resilience. It is being implemented in tandem with the ongoing Green, Resilient, Inclusive Growth and Diversification Development Policy Loan (DPL) series (P179512 and P179513) and previous series of DPLs contributing to strengthening of the SP system. This includes: (a) launch of the CSU in 2019 and Kwenda program in 2020 with co-financing commitment from the GoA; (b) facilitation of digitization of payments; and (c) extension of cash transfer duration and scale, with further commitments to finance the increased scope. It also contributes to the government’s ability to mitigate impacts of the fuel price increase by building an adaptive SP system using savings from the fuel subsidy reform program. The project is fully consistent with Angola’s new LTS ‘Angola 2050’ and the NDP through leveraging the SP system to support resilience of the poor to shocks, food security, poverty alleviation and strengthening of human capital outcomes.

19. **The project is consistent with Angola’s Nationally Determined Contribution (NDC) and its mitigation and adaptation efforts for climate change.** The GoA updated its NDC in 2021 and committed to reducing greenhouse gas emissions by up to 14 percent by 2025, strengthening domestic resilience to climate change impacts by investing in adaptation strategies, and building resilience at national and community levels. The project supports these goals by aiding in vulnerability reduction and adaptive capacity improvement for those affected by climate shocks, ultimately boosting resilience to climate policies and climate change itself. The Country Climate and Development Report (CCDR) 2022 underscores the role of SP for at-risk groups, advocating for adaptive interventions, expanded service access, and stronger safety nets to counter climate and economic shocks. The project is fully aligned with Angola’s higher-level objectives and is expected to contribute to the goals of Paris Alignment (PA).

II. PROJECT DESCRIPTION

A. Project Development Objective

Project Development Objective (PDO) Statement

20. Increase access to opportunities to build foundational human capital⁴⁶ and household resilience, and to strengthen the social protection system.

PDO-Level Indicators

(a) To increase access to opportunities to build foundational human capital

- (i) Cash transfer beneficiary households utilizing child-targeted human capital services (Percentage)
- (ii) Cash transfer beneficiary households who have knowledge of early childhood development benefits (Percentage)

⁴⁶ Defined for this project as the health and nutrition status in the first 1,000 days of a child’s life (from conception to two years) and early stimulation of children less than five years old.



- (b) **To increase access to opportunities to build household resilience**
 - (iii) Beneficiaries of cash-based interventions (disaggregated by youth, female, persons with disabilities) (Number of people) (World Bank Corporate Scorecard Indicator)
 - (iv) Beneficiary households that launch, grow, and/or diversify their economic activity to build resilience within six months of receiving intensive productive inclusion package (Percentage)
- (c) **To strengthen the social protection system**
 - (v) Households within identified climate vulnerable areas⁴⁷ covered by social registry (Percentage).

B. Project Components

Component 1: Human Capital and Resilience Building (US\$360 million IBRD, US\$120 million GoA financing)

Subcomponent 1A. Increasing investments in human capital among beneficiary households (US\$60 million)

21. **This subcomponent aims to improve the uptake of human capital services among Kwenda beneficiary households.** It will support: (a) piloting innovative approaches and co-responsibilities to incentivize the utilization of early stimulation, health (e.g., immunization), nutrition, and education services, including its monitoring; (b) encouraging the adoption of practices to improve human capital through group-based caregiver⁴⁸ groups; (c) carrying out home visits to “at risk” pregnant women, lactating mothers, and children under five years old; and (d) provision of transport and meal stipends to ADECOS to support the carrying out of selected activities under this subcomponent. At least 200,000 cash transfer beneficiary households with children less than five years old will benefit from this subcomponent.

22. **This subcomponent will support increasing access and uptake of child-centered human capital services.** It will benefit pregnant women, lactating mothers, and children in Kwenda beneficiary communities. It will connect these beneficiaries to ongoing health, nutrition, education, and cognitive development initiatives as well as municipal administrations to increase national civil and ID registrations for families.⁴⁹ This subcomponent will also pilot community-based mechanisms to incentivize participation in early stimulation and health and nutrition services. Given Angola’s low vaccination rates, particular emphasis will be placed on supporting incentives to participating in immunization programs for children under five years to improve human development outcomes and resilience to climate-related shocks.⁵⁰ While these links will prioritize municipalities where supply of services is available, dialogue on innovative ways to leverage existing resources to maximize services to all poor communities will also be supported. Where services are unavailable, a minimum package of existing services that can be delivered through nongovernmental organizations (NGOs) as well as municipal and community structures, with the support of the project, will be explored.

⁴⁷ Number of people living in the most drought-prone areas of Cunene, Namibé, Huambo, Huila, Cuanza Sul, and Benguela where droughts are most prevalent and persistent.

⁴⁸ Caregivers are household members (mothers, fathers, foster parents, grandparents, or relatives) who are responsible for feeding, health, and nutrition and, education and stimulation activities for children below five years.

⁴⁹ World Bank-financed initiatives include the Angola Health System Performance Strengthening Project (P160948).

⁵⁰ More frequent extreme rainfall and flooding could lead to increased incidence, seasonality, and a range of vector and waterborne diseases that are preventable with immunizations (USAID Climate Risk Profile: Angola, 2018).



23. **This subcomponent will also support formation of community-based caregiver groups, focusing on the adoption of practices with high returns on physical and cognitive development for children.** These include improving maternal and child health, nutrition, and hands-on training on cognitive and social development for children through sharing information and modeling good practices. These sessions will be particularly relevant during times of food insecurity due to drought and will incorporate relevant climate change-related specificities such as the need to build micronutrient resilience through greater intake of micronutrient rich foods and fortified foods, where available.⁵¹ Group sessions will be complemented by home visits to ensure uptake of human capital services among children at risk for malnutrition and poor health outcomes.

24. **This subcomponent will also improve access to health and education services for school-age adolescent girls and boys in Kwenda households.** This activity aims to incentivize school attendance and reduce the incidence of pregnancy among teenage girls through the uptake of family planning counseling services. The World Bank-financed Girls Empowerment and Learning for All Project (P168699) that provides scholarship grants to adolescent girls and boys and the Angola Health System Performance Strengthening Project (P160948) that provides family planning counseling services will be prioritized to increase participation of Kwenda households in these programs.⁵²

25. **ADECOS will be responsible to delivering this subcomponent, given their community presence and proximity to potential beneficiaries.**⁵³ Where possible, for the human capital interventions, female ADECOS will be prioritized to deliver this subcomponent. ADECOS will be trained to support implementation, monitor the uptake of services among beneficiaries, and coordinate with other human development sectors, as relevant for this subcomponent. The curriculum, a training plan, and regular refreshers will be developed in close consultation with the Ministry of Health, UNICEF, MASFAMU, and other relevant partners⁵⁴ to build a package of human capital behavior change communication and services that will be delivered to the caregiver groups.

Subcomponent 1B. Strengthening beneficiary households' resilience and adaptiveness to climatic shocks (US\$260 million IBRD, US\$120 million GoA financing)

26. **This subcomponent aims to build the resilience of poor and vulnerable households by providing income support.** It will finance: (a) cash transfers to existing beneficiary households enrolled in Kwenda; (b) expansion of cash transfers in urban areas to new beneficiary households; and (c) adaptive SP (cash transfers) to those affected by climatic shocks.

27. **This subcomponent will deliver cash transfers to at least 1.5 million households, with at least 70 percent of cash transfer recipients being female.**⁵⁵ The cash transfers will extend the duration of support to existing Kwenda beneficiaries for an additional year (for a total benefit duration of two years) at a transfer value of AOA 11,000 (approximately US\$13) per month per household.⁵⁶ This amount would be revised periodically to adjust for inflation. Households that have received two years of cash transfers

⁵¹ Nutrition for Resilience. 2022. *Micronutrient Resilience and Climate Change*

⁵² Other health and education programs will be connected as the project evolves. Further details will be elaborated in the PIM.

⁵³ Where possible, given their caregiving responsibilities, female ADECOS will be prioritized to deliver this subcomponent.

⁵⁴ The project will build on and leverage existing ADECOS training material and implementation protocols when available (for example, from Project CRESCER and Project *Todos Unidos Pela Primeira Infância*).

⁵⁵ This is to promote their empowerment and cover additional household costs arising from shocks, thereby reducing the need for young girls to be involved in paid work—often used as a coping mechanism in the aftermath of a shock.

⁵⁶ Evidence from SSA (Beegle, Kathleen, Aline Coudouel, and Emma Monsalve. 2018. *Realizing the Full Potential of Social Safety Nets in Africa*. World Bank Group) shows that similar programs have a benefit duration of two to four years.



will be evaluated, and those that have productive capacity will be referred to other programs and efforts to smoothen their transition out of cash transfer support.⁵⁷ Households that continue to meet the poverty threshold and additional eligibility criteria after two years (particularly those in the poorest, climate-vulnerable communities with elderly, chronically ill, disabled members, or children under five years) will continue to receive cash transfers.⁵⁸

28. **Existing Kwenda beneficiaries are primarily residents of rural areas where drought is the main driver of food insecurity.**⁵⁹ In fact, two-thirds of the 1.5 million households historically affected by covariate shocks are already registered as Kwenda beneficiaries.⁶⁰ To the extent possible, payments will be timed around food-insecure periods, which fall between November and March, to enable households to undertake preparedness measures to avoid negative coping strategies during climate shocks.

29. **This subcomponent will also support a gradual scale-up of cash transfers to peri-urban and urban areas.** Poor urban areas with access to human capital services, informal markets, and high vulnerability to economic shocks from the fuel subsidy reform would be prioritized to deepen human capital and resilience impacts. The expansion will prioritize the poorest peri-urban and urban areas with presence of markets and adequate supply of services. It will prioritize the delivery of cash transfers in addition to other PI and human capital interventions through co-responsibilities to maximize impact. The program will test delivery modalities that may be better suited to the economic and political economy context of urban areas.

30. **This subcomponent will also support adaptive SP responses to climatic shocks.** Initially, this subcomponent will prioritize a vertical expansion (that is, a top-up cash transfer) to existing Kwenda beneficiaries in response to climate shocks⁶¹ as a pilot phase for a longer-term mechanism that will build resilience to and preparation for future climate shocks. In line with the country's LTS for climate adaptation, this activity is aimed entirely at supporting households in response to climate shocks. Kwenda's existing delivery systems will be adapted and used to identify beneficiaries and deliver payments. The shock response will be activated through objective triggers developed in Subcomponent 2A. In this pilot phase, transfers will prioritize responding to droughts, given that they are the main driver of food insecurity in rural areas and the relative ease of establishing a risk model using satellite data.⁶² Further details on the delivery modalities for this subcomponent, including shock-response transfers, will be provided in the Project Implementation Manual (PIM).

Subcomponent 1C. Enhancing productive opportunities (US\$40 million)

31. **This subcomponent aims to improve the productive opportunities of Kwenda cash transfer beneficiaries, including those in the Lobito Corridor.** The project will offer two PI packages—a light and

⁵⁷ Households will be connected to GoA projects that would smoothen the transition of these beneficiaries off the program as well as ongoing World Bank financed projects, including Angola Transformative Jobs for Youth Project (P505158), Accelerating Economic Diversification and Job Creation Project (P178035), and Angola Smallholder Agricultural Transformation project (P177305).

⁵⁸ Number of people living in the most drought-prone areas of Cunene, Namibé, Huambo, Huila, Cuanza Sul, and Benguela where droughts are most prevalent and persistent.

⁵⁹ IDREA 2018-19.

⁶⁰ World Bank. 2024. *Establishing an Adaptive Social Protection System in Angola*.

⁶¹ These include the southern pastoralist areas (Cunene and Namibé), the central highlands where maize and beans are produced (Huambo, Huila, and Cuanza Sul), and the transitional maize and cassava regions (mainly in Benguela and Cuanza Sul). World Bank. 2024. *Establishing an Adaptive Social Protection System in Angola*.

⁶² Technical analysis conducted with FAS-IDL through the ASA Angola Adaptive Social Safety Nets (P179485) shows that to establish objective triggers, risk modelling based on satellite data is more accurate for drought than for other shocks.



an intensive package to Kwenda beneficiaries, complementing the cash transfers (under in 1B). The light package will comprise: (a) basic financial literacy; (b) digital literacy; (c) life skills training; (d) climate resilience training; and (e) linkages to PI-related programs offered by other stakeholders. The climate resilience training aims to extend the sustainability of impacts of the cash transfers and strengthen resilience to climate shocks. It will include modules to enable poor households to obtain the knowledge and skills to adapt their day-to-day activities and livelihoods to climate-related risks. This subcomponent will also, wherever feasible, support linking Kwenda beneficiaries to other PI initiatives such as the Angola Smallholder Agricultural Transformation Project (MOSAP3, P177305), which facilitates access to farmer field schools and participation in a matching grants applications process.

32. **The intensive package will promote entrepreneurship and the establishment or expansion of micro/household-level enterprises with a view to increase resilience against shocks.** Beneficiaries of the intensive package will also be selected from among existing Kwenda beneficiaries with a priority to those with agriculture as sole income source. The intensive package will comprise: (a) the light package described above; (b) technical, financial, and business skills training; (c) grants or asset transfers to carry out investments, including the purchase of goods and tools to improve their livelihoods; (d) coaching/mentorship; and (e) facilitation of savings groups. Both packages will be provided to one member of the beneficiary household and prioritize poor youth (18–35 years) and women. Beneficiaries may use grants in their own microenterprises or as capital contribution to producer groups. Microenterprises with the greatest potential to attract further investments and complement other initiatives, such as Accelerating Economic Diversification and Job Creation Project (P178035), will be prioritized. This includes those in the Lobito Corridor and with the propensity to create more jobs, especially for women. Additionally, this subcomponent will also finance the provision of transport and meal stipends to ADECOS to support the carrying out of this subcomponent.

33. **Over the implementation period of the project, the light and intensive package are expected to reach at least 400,000 and 30,000 beneficiaries, respectively.** Program expansion will consider key geographic criteria, including supporting female and youth beneficiaries living along the Lobito Corridor.⁶³ The training will also be adapted to the needs of women, including ensuring proximity to their communities, planning timing of activities to maximize their participation, and to the extent possible, including female coaches and trainers.

34. **The development of the training modules for the light and intensive package will be undertaken by a service provider.** This will be done in consultation with technical business experts (firms and consultants) in the private and public sectors, including the National Institute of Employment and Professional Training (*Instituto Nacional de Emprego e Formação Profissional*). ADECOS will then be trained to deliver the light and intensive PI packages to beneficiaries. Beneficiaries will be matched with coaches, sourced from medium-scale business enterprises or skilled technicians. Further details on the delivery model for this subcomponent will be included in the PIM.

Component 2. Improving Social Protection Implementation and Institutional Capacity (US\$27 million)

35. This component will be implemented by FAS-IDL (Subcomponent 2A) and MASFAMU (Subcomponent 2B) in accordance with their respective legal mandates, with each having independent fiduciary and management responsibility. The two subcomponents will work in tandem and reinforce each

⁶³ Geographic areas with high population density and informality rates and currently unserved by Kwenda PI.



other to realize the full results of the project. To contribute to the climate impacts of the project, all technology and equipment purchased⁶⁴ under this component will be energy efficient.

Subcomponent 2A. Improving efficiency of Kwenda program delivery systems (US\$15 million)

36. **This subcomponent will invest in Kwenda’s delivery systems by updating data, systems, and processes that support program implementation.** This subcomponent will support: (a) updates to existing Kwenda beneficiary household information; (b) updates and improvements to Kwenda MIS; (c) improvements in automatization, digitization, frequency, and timeliness of payments; (d) investments to improve responsiveness of GRM; (e) development of shock-response objective triggers and delivery system adaptations; (f) implementation of a payment service for the delivery of cash transfers and PI grants; and (g) provision of transport and meal stipends to ADECOS to support the carrying out of this subcomponent.

37. **This subcomponent will support a validation exercise to determine continued eligibility for Kwenda cash transfers.** After Kwenda cash transfer beneficiaries have received two years of cash transfers, a validation exercise will be undertaken to reassess their eligibility. A proxy-means test (PMT) assessment, geographical targeting, community validation, and other vulnerability criteria will be used to set an eligibility threshold for the cash transfer program. This validation exercise will determine beneficiaries’ eligibility to continue benefiting from Kwenda cash transfers. Households expected to transition out of cash transfers will be prioritized for the PI packages to provide a ‘graduation’ pathway.

38. **To support this beneficiary validation as well as the expanded scope of the program, the Kwenda MIS will be upgraded.** This will include new modules on links to human capital services, PI (light and intensive), and adaptive SP. The MIS will be hosted and managed fully at FAS-IDL. It will be interoperable with the CSU, enabling new registrations and household data updates to be shared across both systems. This rollout will complement FAS-IDL’s collaboration with Institute of Administration Modernization (*Instituto de Modernização Administrativa*) and the Ministry of Justice, as the implementing partner in the Angola Digital Acceleration Project (P180693), to increase national ID enrollment among Kwenda beneficiaries. Efficiency gains would result from a reduction in manual processes, minimizing the need to manually identify households and cross-check databases. This is expected to reduce greenhouse gas emissions from lower travel needs, bolstered further by use of energy-efficient digital technologies.⁶⁵

39. **This subcomponent will also invest in mechanisms to improve timeliness and frequency of payments and responsiveness of the GRM.** It will support increasing the frequency of payments from every six months to quarterly. This will be done through improved planning tools supported by a payment module in the Kwenda MIS and continued engagement with the National Bank of Angola to incentivize banks to scale up agent networks and connect more beneficiaries to the banking system. The subcomponent will also invest in increasing the share of beneficiaries receiving digital payments and ultimately improve financial literacy and inclusion. This will be done in coordination with ongoing

⁶⁴ Approximately 80 percent of the financing under Subcomponents 2A and 2B is dedicated to procuring IT equipment which is expected to be used for supporting adaptation and response to shocks. Upgrades to the Kwenda MIS under subcomponent 2A, as explained above, will support shock response. The CSU financed through subcomponent 2B, on the other hand, will prioritize data collection in climate shock prone areas, and be the basis for identifying households eligible for climate shock response. Currently, there are no national minimum efficiency standards for new equipment purchases in Angola. The project will thus adhere to procuring ENERGY STAR certified products only, which will be specified in the PIM.

⁶⁵ As mentioned, in absence of national minimal efficiency standards, the project will adhere to procuring ENERGY STAR certified products only, which will be specified in the PIM.



initiatives in Finance, Competitiveness, and Innovation and Digital Development to improve the overall payment infrastructure and efficiency of delivery of cash transfer payments. Furthermore, the GRM system will be strengthened, particularly to: (a) raise awareness among communities on the various ways of accessing the GRM (including methodologies that do not rely on mobile technology); and (b) improve the response time for the resolution of complaints (particularly for services delivered by other service providers such as banks).

40. **This subcomponent will also support operationalization and delivery system adaptations for climate shock response.** The shock response will be activated through objective triggers, in coordination with the national drought declaration system. This trigger will be developed using key data on food security, food prices, and satellite-based climate data (including rainfall and vegetation), among others. It will be periodically tested and updated to ensure its accuracy and incorporate rapid improvements in technology and quality of data. Delivery system adaptations to facilitate the shock response include: (a) introducing adjustments in the contracts of payment service providers in shock-prone areas to allow for a temporary expansion in benefit level and coverage; (b) maintaining a roster of potential ADECOS in shock-prone regions who can quickly support implementation; and (c) investing in information technology (IT) (for example, satellite phones/internet) to overcome logistical challenges aggravated by shocks.

Subcomponent 2B. Strengthening social protection systems, policy, and develop SP skills (US\$12 million)

41. **This subcomponent aims to strengthen the CSU, SP policy, and availability of SP skills.**⁶⁶ This subcomponent will support MASFAMU for: (a) procurement of IT systems, software licenses, and consultants to support the development of the CSU; (b) operationalization of the CSU through household data collection and functional interoperability with SP programs; (c) development of relevant SP policies and strategies; and (d) development of a national SP curriculum, trainings, and certification.

42. **This subcomponent will operationalize the CSU as a key element of the SP system.** MASFAMU currently uses a basic IT platform, which is designed to collect household data and information on SP program beneficiaries. In addition, several SP programs (including Kwenda) host household and beneficiary information.⁶⁷ This subcomponent will therefore modernize the IT platform to host the CSU system under MASFAMU, with improved interoperability with other SP programs. MASFAMU will also be supported to undertake data collection to complement the data that it will integrate through interoperability with Kwenda, as well as services and programs in other sectors such as education, health, and agriculture, that may also benefit from the availability of such a rich database of households. This interoperability will also facilitate a broader disaster response. To do so, MASFAMU will develop data sharing protocols, data privacy, security, and interoperability protocols. All technology purchases related to this subcomponent will be for energy-efficient equipment.

43. **This subcomponent will further contribute to the development and revision of relevant SP policy documents and strategies in line with the mandate of MASFAMU.** This could include contributing to drafting of a sustainable SP financing strategy, an adaptive SP policy linked to government's shock-

⁶⁶ Stakeholders include MINFIN, MAT, MASFAMU, FAS-IDL, Minister of State for Social Area, disaster management institutions—National Civil Protection Commission (*Comissão Nacional de Proteção Civil*) and National Directorate of Food—National Institute of Meteorology and Geophysics (*Instituto Nacional de Meteorologia e Geofísica*) and Nutrition Security in Ministry of Agriculture (*Direção Nacional de Segurança Alimentar e Nutricional*), Ministries of Health and Education, Ministry of Home Affairs, and Institute of Administrative Modernization (*Instituto de Modernização Administrativa*).

⁶⁷ Kwenda beneficiary registry was developed through house-to-house visits in 15,000 primarily rural communities in 93 municipalities in all 18 provinces.



response policy, a disaster risk financing strategy, and a strategy for increasing birth registrations, particularly among beneficiaries of SP programs. This will be led by MASFAMU, with FAS-IDL, and support from Ministry of Finance (MINFIN), Ministry of Planning (MINPLAN), and other relevant ministries.

44. **This subcomponent will also support the National Training School for Social Service Technicians to develop an SP curriculum for frontline SP staff.** A national SP curriculum will be developed, with technical expertise from relevant stakeholders, including the Ministry of Education; Ministry of Higher Education, Science, and Technology; MASFAMU; and FAS-IDL. The training and certification will be delivered through National Training School for Social Service Technicians (*Escola Nacional de Formação de Técnicos do Serviço Social*, ENFOTSS). The curriculum will build on existing trainings, cutting-edge global knowledge, in-country adaptations and practice, and modules on climate response and adaptation.

Component 3. Project Management, and Monitoring and Evaluation (US\$13 million)

Subcomponent 3A. FAS-IDL project management and M&E (US\$10 million)

45. **This subcomponent aims to ensure effective project management and implementation, including continuous learning and evaluation at FAS-IDL.** The subcomponent will finance: (a) equipment, vehicles, fuel, office space, and incremental project-related operating costs under FAS-IDL; (b) strengthening of the FAS-IDL's capacity based on a staff training plan; (c) training of ADECOS staff and supervisors; (d) carrying out FAS-IDL's outreach, communication, and documentation; (e) carrying out regular fiduciary audits; (f) implementing a comprehensive monitoring and evaluation plan, including spot checks conducted by a third party, a robust impact evaluation, and process evaluations of novel activities; and (g) covering staff costs associated with a core technical unit including a Project coordinator, financial management (FM), procurement, M&E, social development, IT specialists, and provincial directors. This subcomponent will also use a training-of-trainer cascading model to train and certify ADECOS and their supervisors using the SP curriculum and certification process developed under Subcomponent 2B. This subcomponent will also support a gender strategy that identifies the constraints to recruitment and retention of female ADECOS and recommendations to address them.

Subcomponent 3B. MASFAMU project management and capacity building (US\$3 million)

46. **This subcomponent aims to ensure effective project management and implementation, including continuous learning for MASFAMU.** It will finance: (a) hiring short-term consultants to build capacity of MASFAMU staff working on the project (including technical expertise for the development of the CSU, FM, procurement, and environment and social [E&S] standards management); (b) capacity building and trainings (based on a staff training plan) to strengthen MASFAMU's capacity to deliver on its subcomponent; and (c) operating costs including monitoring vehicles, fuel, workshops, communications, and health insurance for MASFAMU staff designated to the project.

Component 4. Contingency Emergency Response Component (CERC)

47. This is a zero-allocation CERC for rapid reallocation of project resources in the event of a disaster, natural, or human-caused crisis, including fuel subsidy reforms. This component will allow the government to quickly reallocate and mobilize funds to support response to an eligible crisis or emergency.

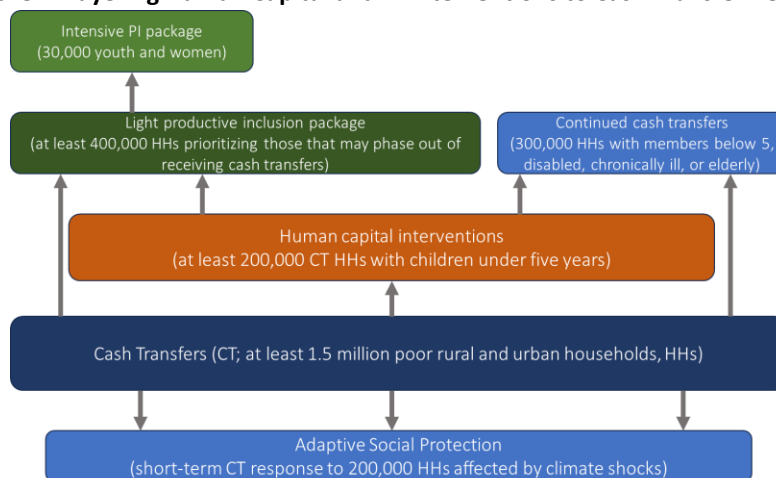
C. Project Beneficiaries

48. **The beneficiaries of this project will include at least 4.5 million poor rural and urban Angolans.** This is equivalent to 1.5 million poor rural and urban households. At least 70 percent of cash transfer



recipients will be women. Of these households, 200,000 will benefit from interventions to improve uptake of human capital services, 400,000 will benefit from the light PI package, and 30,000 will benefit from the intensive PI package. About 900,000 Angolans (individuals) are expected to benefit from shock-responsive cash transfers. Priority households for receiving continued cash transfers after completion of two years of benefit duration include those with chronically ill, disabled, or aged members; children below five years; and youth, women, and households living in shock-prone areas. As shown in Figure 1, the Kwenda cash transfer will form the foundational intervention.

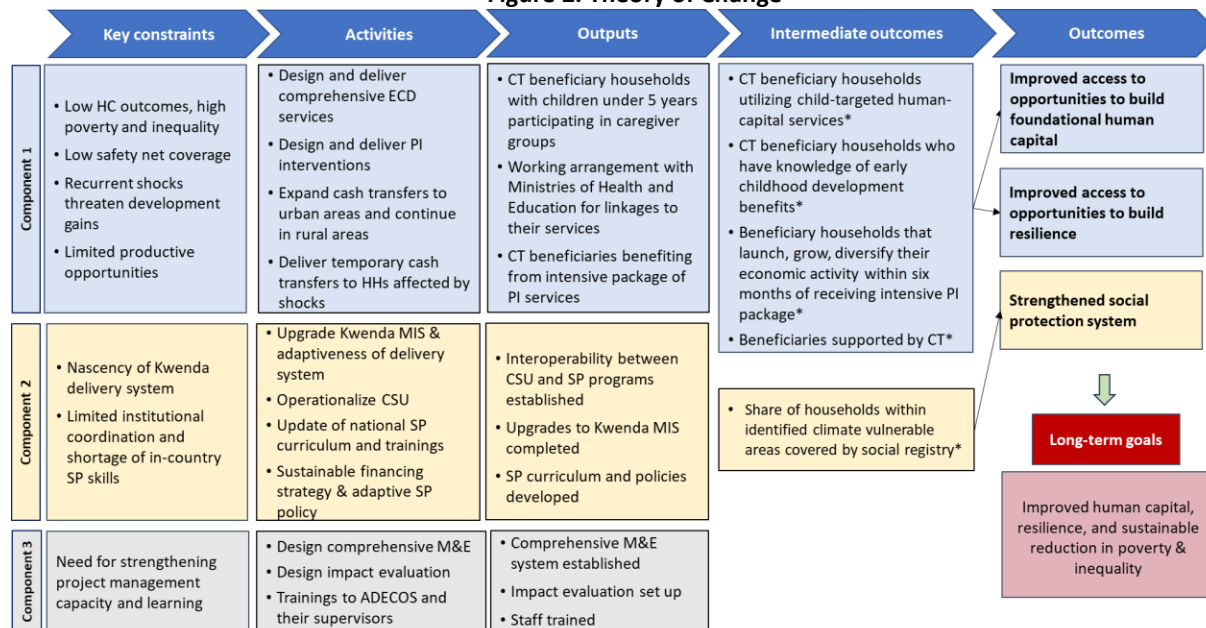
Figure 1. Layering Human Capital and PI Interventions to Cash Transfer Beneficiaries



D. Results Chain

49. **Theory of Change (TOC).** The project’s TOC linking challenges, activities, outputs, and outcomes is presented in Figure 2.

Figure 2. Theory of Change



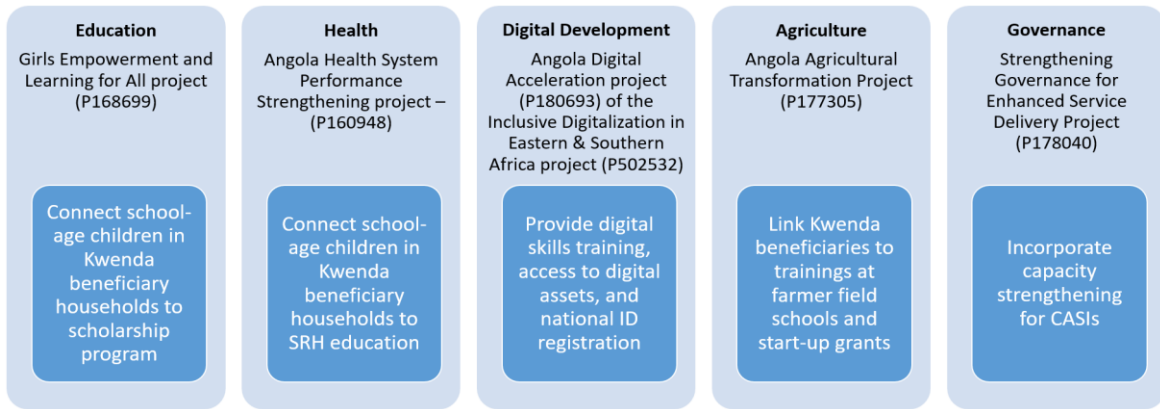


E. Rationale for Bank Involvement and Role of Partners

50. **The World Bank’s value-added lies in its global, regional, and country-specific technical expertise.** The World Bank has had a long-standing, productive relationship with the GoA and has helped shape and operationalize the government’s vision for SP. In particular, the World Bank brings expertise and international best practice to enhance the scope, technical design, and impact of the SP sector. It also has experience in supporting the development of the instruments and tools required to operationalize large safety net programs as well as expertise on shock-responsive programs, digitization of delivery systems, PI, and human capital strengthening activities. The World Bank has also undertaken cross-sectoral analytical work on digital payments, adaptive SP, jobs and economic inclusion, and human capital, facilitating opportunities for learning exchanges with Brazil, Tanzania, Cabo Verde, Zambia, and at international SP and impact evaluation workshops. These have helped widen the SP vision and push boundaries of innovation. The GoA therefore values not only the financing but also the technical expertise and experience as well as the interactions facilitated with a range of global leaders in the sector.

51. **Additionally, the World Bank plays a critical convening role to encourage institutional coordination and partnerships.** The One World Bank approach has been adopted in the cross-sectoral policy dialogue on subsidy reforms and mitigation measures. The proposed project will prioritize cross-sectoral approaches to capitalize on existing investments. This will include building systematic ways to strengthen coordination and collaboration with World Bank financed operations as illustrated in Figure 3.

Figure 3. Collaboration with Other World Bank Financed Operations



F. Lessons Learned and Reflected in the Project Design

52. **This project will build on lessons learned during the implementation of the first phase of financing to Kwenda.** The Kwenda evaluation (forthcoming) found that cash transfers were effective in improving the resilience of poor households to droughts and floods. Additionally, these households invested a part of the cash transfer benefit received in productive assets and activities, leading to a more sustainable impact as well as spillovers in the community. These findings are in line with global evidence. This project will extend the duration of cash transfers and provide additional PI interventions to Kwenda beneficiaries to strengthen resilience and enhance livelihoods.



53. **The project will put in place additional measures and investments to close gaps in implementation of Kwenda.** The Kwenda evaluation (forthcoming) found lapses in timeliness of payments and that transfers were made every six months against the plan to transfer every three months. While some beneficiaries prefer larger and fewer transfers which allow for productive investments, improving frequency is important to ensure that households can smoothen their consumption. The project will invest in a payment module in the Kwenda MIS to improve payment planning. It will also work closely with the National Bank of Angola to ease policy constraints and bottlenecks in payment processes. It will include financial and digital literacy training to beneficiaries to stimulate demand for banking services in target municipalities. Based on lessons, the project will also streamline implementation of PI activities to prioritize Kwenda cash transfer households as beneficiaries, narrow the scope of trade-specific trainings, introduce financial and life skills training to complement technical and business skills training, and provide business grants in lieu of asset transfers, wherever feasible. Additionally, efforts to improve capacity of ADECOS to support project implementation will be consolidated, systematized, and bolstered.

54. **To further strengthen financial sustainability, this project will include the government's share of its financial commitment in its design and results indicators.** When Kwenda was launched in May 2020, the GoA had committed to scale up cash transfers through a contribution of US\$100 million. Fiscal constraints delayed the realization of this commitment until March 2024 when the government started to disburse US\$50 million in the form of 12 monthly installments planned to be delivered by March 2025. A key lesson is that the policy dialogue on this was strengthened only when the GoA commitment was added as counterpart financing in a restructuring of the Strengthening the National Social Protection System Project (P169779) in 2023. The proposed project will therefore include the government's share of financing of US\$120 million (see Subcomponent 1B for more details). This strengthens the policy dialogue process as the counterpart financing and corresponding results will be covered in all regular portfolio discussions, at Annual meetings and Spring meetings, annual portfolio reviews in-country, and half-yearly implementation support missions.

55. **Strong policy dialogue was key to increase benefit duration of cash transfers, and the project will continue to engage the government on critical issues.** The benefit duration of similar cash transfer programs in SSA is between two to four years.⁶⁸ In the Strengthening the National Social Protection Project (P169779), the duration was increased to two years to support mitigation of fuel subsidy reforms announced in June 2023. The proposed project will continue this engagement with the government in the context of fuel subsidy reforms and the ambitions defined in the LTS and the NDP.

56. **The first phase of Kwenda highlighted the need to enhance capacity of the whole SP system to develop coherent sectoral policy and programmatic frameworks.** The sustainability and long-term evolution of Kwenda lies not only in the capacity of FAS-IDL to continue implementing the program successfully but also in the ability of MASFAMU to fulfill its mandate with respect to the CSU, SP policy, and development of a strong SP training and certification program. Hence, the project includes MASFAMU as an implementing agency with full fiduciary responsibility and separate Designated Account (DA).

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

⁶⁸ 2018. *Realizing the Full Potential of Social Safety Nets in Africa*. World Bank Group



57. **FAS-IDL will implement all activities related to Component 1 and Subcomponents 2A and 3A while MASFAMU will be responsible for implementing Subcomponents 2B and 3B.** MASFAMU will appoint a focal team within the ministry to implement these subcomponents and will be supported by technical assistance on the CSU, procurement, FM, and E&S management. At the provincial level, the FAS-IDL provincial directors and MASFAMU directors will facilitate implementation of the project.

58. **Building on the previous project and in line with the Presidential Decree 175/20 from June 2020, the existing Inter-sectoral Steering Committee for Social Action will continue to be responsible for overall oversight and coordination of this project.** This is led by the Minister of State for Social Affairs and includes the MINFIN, MINPLAN, MAT, MASFAMU, FAS-IDL, Ministry of Health, Ministry of Education, and Ministry of Justice. Other relevant ministries and institutions will be included during implementation of this project, especially those related to disaster response and prioritizing the delivery of human capital services to beneficiary communities. The Inter-Sectoral Steering Committee will mobilize overall government support and engagement and provide high-level strategic guidance for project implementation. This committee meets at least once a year.

59. **A technical coordination mechanism shall be set up under the auspices of this committee.** This is to: (a) ensure that project implementation roles are integrated into the respective core responsibilities of both MASFAMU and FAS-IDL; (b) provide an avenue for regular communication and collaboration between both implementation agencies; and (c) review overall progress and performance and support the technical teams at FAS-IDL and MASFAMU to resolve implementation issues. Other technical sub-working groups could be established, as required, to facilitate a coordinated approach to the CSU, human capital interventions of the Kwenda program, and adaptive SP interventions. Development partners and NGOs could be engaged periodically at the national, provincial, and municipal levels through this mechanism. This mechanism will be further detailed in the PIM.

60. **At the community level, ADECOS will support the rollout of Component 1 activities on human capital, cash transfer, and PI and Component 2 activities on household data collection.** The capacity of ADECOS will be strengthened through continuous SP training, access to technology, and adoption of a presidential decree that would regularize this cadre of community workers and integrate them into the GoA institutional structures.⁶⁹ Furthermore, regular hands-on support and technical training shall be provided through their municipal supervisors and technical experts (early childhood development and nutrition specialists) recruited for this purpose.

B. Results Monitoring and Evaluation Arrangements

61. **This project will prioritize M&E arrangements as an essential part of enhancing overall implementation performance.** The M&E arrangements include periodic spot-checks and intensive monitoring activities by project staff. An upgraded MIS will include additional modules that will inform progress of program implementation. Additionally, the project will support improved data processing, compilation, management, protection, analysis, statistical reporting, and dissemination. Data collected by ADECOS on uptake of human capital services will be used to inform supply-side investments of the Ministry of Health and Ministry of Education. As part of supervision, the World Bank will conduct monitoring visits to selected project sites to collect citizen feedback.

⁶⁹ This decree would provide an institutional home for ADECOS and define their roles and responsibilities, terms, conditions, duration of work, and stipends.



62. **The project will contract firms and individuals to conduct primary data collection, including a baseline survey and endline survey, for a robust impact evaluation.** It will also undertake additional diagnostic studies, process evaluations, institutional and program reviews, and tracer studies, as applicable. The diagnostic and evaluative research activities will seek to provide findings separately by gender, disability status, age group, and geographic location, among other dimensions, and be incorporated in SP curriculum and inform policy formulation.

C. Sustainability

63. **The project supports sustainability along three dimensions: economic, institutional, and financial.** **First**, the project will support economic sustainability by deepening human capital investments in the first 1,000 days of a child’s life as the cognitive benefits and overall impacts are known to have the highest economic returns across the lifecycle. Additionally, the project will invest in PI interventions and facilitate links to other services and projects to enhance livelihood opportunities for the poor. This is expected to provide a graduation pathway for households expected to transition out of cash transfer support, shoring up economic sustainability of the project. The adaptive SP intervention will complement these investments by preventing erosion of these productive and human capital gains due to climate or economic shocks. **Second**, inclusion of MASFAMU in the project and capacity enhancing investments in the ministry as well as FAS-IDL are expected to bolster institutional sustainability. Implementation arrangements between FAS-IDL and MASFAMU will be enhanced by a more structured institutional partnership arrangement that would support sustainability of project-financed interventions. Integration of ADECOS into the GoA institutional structure as well as the SP training delivered through this project will improve availability of SP talent and sustain institutional capacity after the project. **Third**, the project supports financial sustainability by incorporating counterpart financing in the project, an approach that yielded financial support to Kwenda by the GoA in the Strengthening the National Social Protection System Project (P169779). Furthermore, the GoA plans to raise additional funding for SP through savings from the fuel subsidy reform. This project offers a pathway to efficiently absorb these funds, thereby ensuring a steady stream of financing for activities developed through this project.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

64. **The design of Kwenda program is based on robust global, SSA, and Angolan evidence of similar programs showing significant impact on equity, resilience, and opportunity.** Cash transfer programs can improve consumption and dietary diversity and generate local economy impacts.⁷⁰ An impact evaluation of Angola’s Child Grant Program, Valor a Criança, finds positive impacts on food security, consumption, and dietary diversity and improved outcomes on child well-being.⁷¹ The Kwenda evaluation (forthcoming) shows that cash transfer programs have improved resilience through increased productive investments (for example, farm equipment, seeds, and livestock) and spending on human capital.

65. **The economic analysis indicates significant positive returns expected to materialize along four dimensions.**

⁷⁰ Local economy multipliers have been found to lie between 1.08 and 1.84, that is, US\$1 transferred generated 8–84 percent more in local economy from increased demand for goods and services.. 2018. *Realizing the Full Potential of Social Safety Nets in Africa*. World Bank Group. Bastagli et al. 2016. [Cash Transfers: What Does The Evidence Say?](#). ODI

⁷¹ Damoah, Kaku Attah, Thibault Uytterhaegen, Nyasha Tirivayi, and Jessica Daminelli. 2023. [Impact of Valor Criança](#). UNICEF



- (a) **First**, through cash transfers, the project is expected to improve household consumption and subsequently contribute to increased household resilience, boost local economies, and reduce poverty. Simulations suggest that cash transfers alone can reduce national poverty by 2.3 percentage points (from 32.3 percent to 30 percent), poverty gap by 1.4 percentage points, and poverty severity by 1.1 percentage points. Further, a modest expansion in urban areas (about 104,000 urban poor households) is expected to reduce poverty gap in those areas by 0.21 percentage points (from 4.13 percent to 3.92 percent) and urban poverty severity by 0.25 percentage points (from 1.88 percent to 1.63 percent). The Gini coefficient is expected to reduce from 0.50 to 0.49.⁷²
- (b) **Second**, through accompanying nutrition and related interventions, the project will contribute to improve human capital outcomes. Evidence from meta-analyses of nearly 200 studies shows that when combined with accompanying measures such as early childhood development and nutrition counseling, cash transfers improve outcomes such as dietary diversity and child welfare (for example, preventive health care and vaccinations),⁷³ manifested through increased demand and uptake of child-targeted human capital services.⁷⁴
- (c) **Third**, through PI interventions, the project will contribute to increased productivity for beneficiary households. The State of Economic Inclusion Report 2021 shows significant impacts on consumption, savings, assets, and overall well-being, which last for several years after the intervention.⁷⁵
- (d) **Fourth**, strengthening SP delivery system and particularly its adaptiveness to shocks will provide efficiency gains and reduce disaster response costs. Evidence shows that timely response to shocks can save between 225 percent and 500 percent in future costs, relative to late humanitarian response.⁷⁶

66. **The cost-benefit analysis thus suggests that even under conservative assumptions, the project will yield high returns.** Based on evidence from similar programs in other countries, as summarized above,⁷⁷ and assuming conservative levels of returns based on the literature, the cost-benefit analysis estimates the rate of return of project's investments on: (a) cash transfers on the consumption effect multiplier in local economies; (b) human capital; (c) PI; and (d) the safety net system's capacity to respond to shocks. Even under very conservative assumptions, the results of the economic analysis indicate a total net present value (NPV) of US\$44.7 million for the project, with an economic rate of return (ERR) of 17.6

⁷² Developed by Corrado Gini, and it measures inequality on a scale of 0 to 1, with higher values indicating higher inequality.

⁷³ 2017. *Cash Transfers and Child and Adolescent Development*. 10.1596/978-1-4648-0423-6_ch23; World Bank. 2018. *The Contribution of Social Protection and Jobs to Human Capital Formation*; Damoah, K. A., T. Uytterhaegen, N. Tirivayi, and J. Daminelli. 2023. *Impact of Valor Crianca*. UNICEF.

⁷⁴ Height-for-age z-score (0.024), weight-for-age z-score (0.02), weight-for-height z-score (0.03), stunting (1.4 percent), dietary diversity (0.37), wasting (1.3 percent). World Bank Group. 2022. *Social Protection, Food Security, and Nutrition: An Update of Concepts, Evidence and Select Practices in South Asia and Beyond*; Damoah, K. A., T. Uytterhaegen, N. Tirivayi, and J. Daminelli. 2023. *Impact of Valor Crianca*. UNICEF.

⁷⁵ World Bank 2021. *The State of Economic Inclusion Report*.

⁷⁶ Venton 2018 in World Bank. 2023. *Angola Adaptive Safety Nets Report*; Clarke, D., and R. Hill. 2013. "Cost-Benefit Analysis of the African Risk Capacity Facility." International Food Policy Research Institute (IFPRI) Discussion Paper 1292, IFPRI, Washington, DC; Hess, U., W. Wiseman, and T. Robertson. 2006. "Ethiopia: Integrated Risk Financing to Protect Livelihoods and Foster Development." Discussion Paper, United Nations World Food Programme, Rome.

⁷⁷ Please see the Economic Analysis annex for full details.



percent.⁷⁸ As part of the sensitivity analysis, when a hypothetical failure rate of five percent is introduced, the ERR remains significant, at 12.6 percent, with an NPV of US\$25.6 million.

Paris Alignment

67. **The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation and does not hinder with the Angola's climate commitments.** It is aligned with the country's climate commitments and includes robust risk mitigation measures that are universally aligned with the PA, covering areas such as human development, safety nets, economic inclusion, and capacity building.

68. **Assessment and reduction of adaptation risks is low.** The project's overall assessment and reduction of adaptation risk is low, acknowledging the potential for climate and economic shocks that could affect beneficiary registrations, delivery of cash transfers, human capital activities, and PI activities. It focuses on strengthening the SP system including its adaptiveness to shocks. Establishment of the CSU and the enhancement of stakeholder capacity in SP are key to ensure that the project can effectively respond to climate disasters and provide timely assistance to vulnerable households. The project will register at-risk households, includes shock-response clauses in payment contracts, and has provisions to rapidly mobilize resources such as a CERC, which is included to allow for rapid reallocation of project resources during a disaster or crisis.

69. **Assessment and reduction of mitigation risks is low.** The project's overall assessment and reduction of mitigation risks is low as the activities financed by the project are universally aligned, and the project does not promote jobs related to fossil fuels. In fact, the climate resilience trainings provided through the light productive inclusion package will help households adopt 'green' livelihoods. Additionally, delivery systems investments in IT infrastructure will be energy efficient and procure ENERGY STAR certified products only. The project also aims to mitigate risks from climate hazards such as droughts and floods by maintaining a well-resourced and capable project team through continuous learning, evaluation, and trainings.

B. Fiduciary

(i) Financial Management

70. **Overall, the FM risk is assessed as substantial.** The FM assessment⁷⁹ was carried out in April 2024, in accordance with the Bank Guidance - Financial Management Manual for World Bank Investment Project Financing Operations, issued on September 7, 2021 (OPS5.05-GUID.180). While FAS-IDL is currently implementing the Strengthening the National Social Protection System Project (P169779), MASFAMU has no experience in implementing World Bank-financed projects.

71. **FM actions will be implemented to ensure adequate arrangements are maintained.** FAS-IDL will: (a) recruit a chief accountant, accountant, and assistant accountant based on terms of reference (TORs) acceptable to the World Bank; (b) update and adopt the PIM to include procedures and controls over activities under the new project; (c) acquire a computerized accounting software to facilitate the

⁷⁸ As per the latest technical note on discount rates to be used for economic analysis of World Bank financing, a discount rate of six percent is used (see the note prepared in 2016 by Marianne Fay, Stephane Hallegate, Aart Kraay and Adrien Vogt-Schilb), with an alternative of ten percent as a measure of the sensitivity of the analysis.

⁷⁹ The objective of the assessment was to determine whether both FAS-IDL and MASFAMU have acceptable FM arrangements, which will ensure (a) the project funds are used only for the intended purposes efficiently and economically; (b) the preparation of accurate, reliable, and timely periodic financial reports; and (c) safeguarding of the assets of the project.



generation of required periodic consolidated financial statements; and (d) recruit the external auditors, no later than six months after project effectiveness. MASFAMU will: (a) formally assign four public accountants to carry out FM responsibilities of the project, one of whom will play the role of internal auditor; (b) detail the FM team's roles and responsibilities as well as procedures in the FM section of the PIM; and (c) use the Integrated State Financial Management System (*Sistema Integrado de Gestão Financeira do Estado, SIGFE*) accounting module to record and generate the project's financial information. This information will be used to fill out the interim financial reports (IFRs) and the annual financial statements in the format agreed upon with the World Bank. MASFAMU will prepare IFRs and Annual Financial Statements and send to FAS-IDL for consolidation and submission to the World Bank.

72. **FM and disbursement arrangements.** MASFAMU and FAS-IDL will each open a DA. Disbursements to both accounts will be on six-month forecast, as indicated in the annual workplan and budget. The project will make use of reimbursement, advances, and direct payment disbursement methods for IBRD loan as detailed in the Disbursement and Financial Information Letter (DFIL).

(ii) Procurement

73. **Applicable procedures.** The borrower will carry out procurement under the proposed project in accordance with the World Bank's 'Procurement Regulations for IPF Borrowers' (Procurement Regulations) dated July 2016 and last revised in September 2023⁸⁰; the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated July 1, 2016; and other provisions stipulated in the Loan Agreements. The Procurement Strategy for Development (PPSD) sets out market approaches and selection methods to be followed during implementation of the project. Optimum procurement strategies ensure fit-for-purpose procurement of activities, which support project operations for the achievement of the PDO and deliver value for money (VfM). Based on this, an 18-months Procurement Plan (PP) is prepared for the main project contracts.

74. **Procurement risk after mitigation is substantial.** Procurement activities for Components 1 and 4 and Subcomponents 2A and 3A will be carried out by FAS-IDL and Subcomponents 2B and 3B by MASFAMU. FAS-IDL is implementing the Strengthening the National Social Protection System Project (P169779) and already has a procurement specialist, a procurement officer, and a procurement assistant. No procurement will be done at provincial/municipal levels (except purchases considered as operating costs and not subject to the PP). Given that this is MASFAMU's first experience with World Bank procurement procedures, the project will hire an experienced procurement specialist (short-term consultant) to transfer knowledge and prepare the procurement section of the PIM.

C. Legal Operational Policies

⁸⁰ Additional revisions were undertaken in November 2017, August 2018, and November 2020.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

D. Environmental and Social

75. **E&S risk is rated Moderate.** This rating results from the combination of the following factors: (a) low to moderate E&S risks and impacts potentially generated by the project activities which can be mitigated with readily available and reliable measures; (b) the borrower’s experience in implementing World Bank-financed projects under the Environmental and Social Framework (ESF) and commitment to implement the project in a manner consistent with ESF requirements; and (c) the absence of relevant contextual factors that can exacerbate the project's environmental risks and impacts. The project environmental risk is rated as **Moderate** from occupational health and safety risks associated with the engagement of a large workforce, including community-level workers, to deliver the project. The project social risk is rated as **Moderate**. Social risks include localized discord over the activities (for example, between eligible and ineligible persons or intra-household), gender-based violence (GBV) and sexual exploitation and abuse/sexual harassment (SEA/SH) risks that could be exacerbated by the project, and the context of operating in southern Angola, home to Indigenous Persons and Ethnolinguistic Minority Communities who are highly marginalized and vulnerable. The Stakeholder Engagement Plan, draft Environment and Social Commitment Plan, and Appraisal stage Environment and Social Review Summary were disclosed by FAS-IDL on June 24, 2024, and the World Bank on June 26, 2024.

76. **Gender.** The project will include a strong gender focus and aim to increase access to productive opportunities, start-up capital, skills and trainings, and services in general. This will be done through: (a) identifying barriers faced by women in participating in the project and putting in place mechanisms to reduce them; (b) conducting extensive and intensive targeted outreach, including as possible, through civil society and community organizations that focus on interests of women; (c) providing intensive training of project staff on SEA/SH and GBV issues; (d) prioritizing women as cash transfer recipients in at least 70 percent beneficiary households; (e) targeting human capital interventions to pregnant and lactating women; (f) prioritizing young women as light and intensive PI recipients in eligible households; (g) promoting women’s economic and social participation as well as empowerment through encouraging the involvement of more female ADECOS; (h) using conducive venues and locations for provision of project services; (i) drawing on female role models and their success stories in trainings; and (j) adjusting trainings, mentorship, and coaching (materials, resources, and timings) to gendered needs. Further, the project will make a deliberate effort to reduce barriers to participation of vulnerable women, including survivors of GBV/SEA/SH.

77. **Citizen engagement and consultations.** The project’s strategy on citizen engagement and consultations is reflected in the relevant ESF management tools. Consultations with beneficiary communities, local and national authorities, media houses, policy makers, and public influencers were held throughout preparation and will continue to be engaged throughout implementation. The project will track the share of grievances addressed within a stipulated time frame.

78. **Climate co-benefits.** The project directly responds to climate risks as poor and vulnerable Angolans also live in areas that have historically been exposed to prolonged droughts and other climate



shocks. One-third of Angolans are at risk of falling into poverty or becoming poorer if affected by covariate shocks, including climate-related ones. Through continued cash transfers in rural areas, expansion to urban areas, and shock-response cash transfers, in addition to human capital development activities and PI packages, Component 1 will support the resilience of poor households to future climate-related shocks. Component 2 will finance strengthening of the SP system, including institutional capacity and coordination, to promptly identify and respond to climate shocks. The project will include climate response trainings for staff at MASFAMU, FAS-IDL, and other stakeholders.

79. **Disability inclusion.** As of May 2024, 25,283 persons with disabilities (represents about four percent of all persons with disabilities, nationally) have benefited from Kwenda cash transfers. To address their specific needs, Kwenda program will prioritize households with one or more persons with disabilities to continue receiving cash transfers. To strengthen monitoring and information on disability, the project will introduce the Washington Group Short Set of six questions in the CSU and Kwenda beneficiary database.⁸¹ Separate stakeholder consultations were undertaken with groups of persons with disabilities.

V. GRIEVANCE REDRESS SERVICES

80. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank'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 Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

81. **Overall risk is Substantial.**

82. **Political and governance risk is Substantial.** There is strong political support for Kwenda as demonstrated by the government's disbursements against its commitment of US\$100 million under the Strengthening the National Social Protection Project (P169779) to scale up the program. However, Angola is facing economic challenges that could undermine the continued realization of this commitment. This could create unmet expectations and erode public opinion toward Kwenda, especially in urban areas that would be affected by the planned fuel subsidy reforms. As mitigation, the World Bank will continue to engage the MINFIN, MINPLAN, and other relevant decision-makers to ensure that existing budget commitments are met.

⁸¹ These [six questions](#) reflect the World Health Organization's International Classification of Functioning, Disability, and Health.



83. **Technical design risk is Substantial.** While the project design draws on international best practices and lessons from the current implementation of Kwenda, there are uncertainties regarding introduction of innovations. This includes the ability of the project to meet the development objectives of the human capital interventions (particularly if the supply of existing services proves to be inadequate), expansion to urban areas, shock-response mechanisms, and institutional coordination. To mitigate these risks, the project will: (a) prioritize communities that have existing services for the implementation of the human capital interventions; (b) define a minimum package of existing services that could be delivered through other World Bank-financed projects, development partners/NGOs, and municipal and community structures; (c) continue to invest in building the understanding of government stakeholders on urban expansion and shock-response components; and (d) provide close implementation support to build a culture of coordination between the implementing agencies. This could include attendance at national and international trainings and workshops, learning exchange visits to relevant countries, and regular interactions with experts in the area.

84. **Institutional capacity for implementation and sustainability risk is Substantial.** This is driven by MASFAMU's inexperience with the implementation of World Bank-financed projects and institutional coordination risks, particularly, on the implementation of Component 2. To mitigate these risks, the World Bank will provide technical assistance to MASFAMU to improve their technical understanding of the CSU, fiduciary, and E&S standards management. In addition, the project will set up a technical coordination mechanism under the auspices of the existing Inter-sectoral Steering Committee for Social Action to guide coordination between FAS-IDL and MASFAMU. Institutional risk emanating from FAS-IDL's legal status is minimal, unlike in some other similar contexts. FAS-IDL that started as a typical social fund has evolved into an integral part of MAT's structure. It is nested within the constitutional provisions that allow the creation of specialized delivery agencies under line ministries.

85. **Fiduciary risk is Substantial.** This is by virtue of the size of the project and lack of experience in implementing World Bank-financed projects at MASFAMU. These will be mitigated through recruitment of short-term fiduciary experts in MASFAMU to support ministry fiduciary staff assigned to the project, cross-pollination of fiduciary capacity at FAS-IDL, and regular trainings for both MASFAMU and FAS-IDL staff on fiduciary issues.

86. **Stakeholders risk is Substantial.** As part of the revalidation exercise in this project, a large share of cash transfer beneficiaries is expected to transition off Kwenda cash transfers. This could potentially create tensions and affect public perception if not managed well. Also, the scale-up of CSU registrations in urban areas could be mistaken for Kwenda program enrollment, especially if done around the time of a subsidy reform. To mitigate these risks, the project: (a) will clearly communicate the duration of cash transfers and payment schedule (including clearly communicating any expected delays); (b) the CSU will adopt a distinct branding from Kwenda; and (c) beneficiaries will be prepared to exit the program through layering of other activities such as PI and human capital, and informing them of their potential eligibility for shock-responsive cash transfers in the future.



IX. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Period 1	Closing Period
Increase access to opportunities to foundational human capital		
Cash transfer beneficiary households utilizing child-targeted human capital services (Percentage)		
May/2024	May/2027	Oct/2029
0	15	30
Cash transfer beneficiary households who have knowledge of early childhood development benefits (Percentage)		
May/2024	May/2027	Oct/2029
0	35	60
Increase access to opportunities to build resilience		
Beneficiary households that launch, grow, and/or diversify their economic activity to build resilience within six months of receiving the intensive productive inclusion package (Percentage)		
May/2024	May/2027	Oct/2029
0	20	60
Beneficiaries of cash-based interventions (Number of people) ^{CR1}		
May/2024	May/2027	Oct/2029
3,383,673	4,582,409	4,582,409
➤ Beneficiaries of cash-based interventions - Female (Number of people) ^{CR1}		
May/2024	May/2027	Oct/2029
1,890,260	2,575,917	2,575,917
➤ Beneficiaries of cash-based interventions - Youth (Number of people) ^{CR1}		
May/2024	May/2027	Oct/2029
871,145	1,229,072	1,229,072
➤ Beneficiaries of cash-based interventions – persons with disabilities (Number)		
May/2024	May/2027	Oct/2029
25,283	34,181	34,181
Strengthen social protection system		



Households within identified climate vulnerable areas covered by social registry (Percentage)		
May/2024	May/2027	Oct/2029
0	10	60

Intermediate Indicators by Components

Baseline	Period 1	Period 2	Period 3	Closing Period
Component 1. Human Capital and Resilience Building				
Cash transfer beneficiary households with children under 5 years old participating in caregiver groups (Number)				
May/2024	May/2027			Oct/2029
0	100,000			200,000
➤ Cash transfer beneficiary households with children under 5 years old participating in caregiver groups - Female (Percentage)				
May/2024	May/2027			Oct/2029
0	50			50
People benefiting from actions to expand and enable economic opportunities (Number of people) ^{CR1}				
May/2024	May/2027			Oct/2029
3,383,673	4,582,409			4,582,409
➤ People benefiting from actions to expand and enable economic opportunities - Female (Number of people) ^{CR1}				
May/2024	May/2027			Oct/2029
1,890,260	2,575,917			2,575,917
➤ People benefiting from actions to expand and enable economic opportunities - Youth (Number of people) ^{CR1}				
May/2024	May/2027			Oct/2029
871,145	1,229,072			1,229,072
Beneficiaries supported by shock-response cash transfers (Number)				
May/2024	May/2027			Oct/2029
0	50,000			200,000
Number of women and children who have received basic nutrition services (Number of people) ^{CR1}				
May/2024	May/2027			Oct/2029
0	100,000			200,000
People fed as a result of improved access to food from increased non-farming income (Number of people) ^{CR1}				
May/2024	May/2027			Oct/2029
3,383,673	4,582,409			4,582,409



➤ People fed as a result of improved access to food from increased non-farming income - Female (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
1,890,260	2,575,917			2,575,917
➤ People fed as a result of improved access to food from increased non-farming income - Youth (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
871,145	1,229,072			1,229,072
People benefitting from climate resilient planning, preparation, surveillance, and/or response (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
3,383,673	4,582,409			4,582,409
➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Female (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
1,890,260	2,575,917			2,575,917
➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Youth (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
871,145	1,229,072			1,229,072
Beneficiaries of productive inclusion programs (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
0	200,000			400,000
➤ Beneficiaries of productive inclusion programs - Female (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
0	120,000			240,000
➤ Beneficiaries of productive inclusion programs - Youth (Number of people) ^{CRI}				
May/2024	May/2027			Oct/2029
0	140,000			280,000
Beneficiaries of productive inclusion programs (Intensive package) (Number)				
May/2024	May/2027			Oct/2029
0	10,000			30,000
➤ Beneficiaries of productive inclusion programs (Intensive package) - Female (Number)				
May/2024	May/2027			Oct/2029
0	6,000			18,000
Component 2. Improving Social Protection Implementation and Institutional Capacity				
Upgraded Kwenda MIS with modules for climate shocks, human capital, productive inclusion, and payments (Text)				



May/2024	May/2027			Oct/2029
No	Updated MIS with modules for human capital and payments developed			Updated MIS with modules for climate shock, human capital, productive inclusion, payments developed and operationalized.
Interoperability frameworks for social registry established and operationalized (Text)				
May/2024	Oct/2026	Oct/2027	Oct/2028	Oct/2029
None	Data privacy & security guidelines	Data sharing protocols	Interoperability frameworks	Data sharing protocols, data privacy & security guidelines, and interoperability frameworks established
Cash transfer payments delivered per the payment schedule (Percentage)				
May/2024	May/2027			Oct/2029
76.80	85			90
Cash transfer payments delivered quarterly (Percentage)				
May/2024	May/2027			Oct/2029
20	30			50
Beneficiary households in rural areas with updated information in the Kwenda beneficiary registry (Percentage)				
May/2024	May/2027			Oct/2029
0	20			40
Updated social protection training curriculum for ADECOS (Text)				
May/2024	Oct/2025	Oct/2026	Oct/2028	Oct/2029
None	Finalize a terms of reference for review of international best practice and any existing relevant materials	Draft training materials developed and piloted, and thereafter validated	Review of curriculum based on trainings provided	Revised curriculum and training materials validated
Households in social registry (Number)				
May/2024	Oct/2025	Oct/2026	Oct/2028	Oct/2029
0	0	0	200,000	1,600,000
Component 3. Project Management, and Monitoring and Evaluation				
GRM complaints resolved within a stipulated time period (Percentage)				
May/2024	May/2027			Oct/2029
70	75			80



Enhanced availability of causal impact evaluations in the project (Text)				
May/2024	Jan/2025	Oct/2028		Oct/2029
No	Baseline data collected	Endline data collected		Yes
ADECOS and their Supervisors certified in social protection skills (Percentage)				
May/2024	May/2027			Oct/2029
0	20			60
➤ADECOS and their Supervisors certified in social protection skills - Female (Percentage)				
May/2024	May/2027			Oct/2029
0	7.50			20
Component 4. Contingent Emergency Response Component				

Monitoring and Evaluation Plan: PDO Indicators by PDO Outcomes

Increase access to opportunities to build foundational human capital	
Cash transfer beneficiary households utilizing child-targeted human-capital services (Percentage)	
Description	Monitors the proportion of cash transfer beneficiary households who received human capital interventions and with children under five, utilizing child-targeted human capital services under Subcomponent 1A. Specifically, the indicator will be tracked in selected geographic areas (pilot municipalities) where at least one service is available (for example, vaccination and dietary supplements), excluding the caregiver groups.
Frequency	Semiannually
Data source	Kwenda MIS and administrative record from service providers
Methodology for Data Collection	FAS-IDL will monitor the intake of basic child-targeted human capital services by cash transfer beneficiaries, utilizing administrative information and/ or confirmation from service providers.
Responsibility for Data Collection	FAS-IDL
Cash transfer beneficiary households who have knowledge of early childhood development benefits (Percentage)	
Description	Monitors understanding of benefits of child-centered human capital services, including early childhood development practices of cash transfer beneficiaries who participated in caregiver groups under Subcomponent 1A, via a questionnaire administered on the topics taught in the caregiver groups



Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor selected families participating in caregiver groups using a short digital questionnaire (either in-person during caregiver sessions or with phone surveys—sample based)
Responsibility for Data Collection	FAS-IDL
Increase access to opportunities to build resilience	
Beneficiaries of cash-based interventions (Number of people) ^{SRI}	
Description	Provides cumulative tracking of total individuals who have been supported by cash transfer benefits
Frequency	Quarterly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households. The baseline indicator is the count of direct and indirect beneficiaries of payments made by May 2024 using the Kwenda MIS database, categorized by demographic groups such as women, youth, and people with disabilities (and total). Females are approximately 56% of the total, youth are approximately 26% of the total, and people with disabilities are approximately 1% of the total. The target indicator is the number of direct and indirect beneficiaries next in line to receive payments, aiming to reach 1.6 million beneficiary families total, and disaggregated into demographic groups by the percentages found at baseline.
Responsibility for Data Collection	FAS-IDL
➤ Beneficiaries of cash-based interventions - youth, female, persons with disabilities (Number of people) ^{SRI}	
Description	Disaggregated (separately) by number of youth (18–35 years), number of females, and number of persons with disabilities.
Frequency	Quarterly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households. The baseline indicator is the count of direct and indirect beneficiaries of payments made by May 2024 using the registry database, categorized by demographic groups such as women, youth, and people with disabilities (and total). Females are approximately 56% of the total, youth are approximately 26% of the total, and people with disabilities are approximately 1%



	of the total. The target indicator is the number of direct and indirect beneficiaries next in line to receive payments, aiming to reach 1.6 million beneficiary families total, and disaggregated into demographic groups by the percentages found at baseline.
Responsibility for Data Collection	FAS-IDL
Beneficiary households that launch, grow, and/or diversify their economic activity to build resilience within six months of receiving the intensive productive inclusion package (Percentage)	
Description	Percentage of beneficiary households out of those who received the full set of interventions under the intensive PI package that were able to either launch a new economic enterprise), grow the scale of an existing economic enterprise without expanding the number of lines of business, and/ or, expand the number of lines of business in an existing economic enterprise (diversify). grow, and/or diversify within six months of receiving the full set of interventions (i.e., the final part of the final PI intervention) under the intensive PI package.
Frequency	Annually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of all PI participants who will receive an ex-ante and ex-post survey.
Responsibility for Data Collection	FAS-IDL
Strengthen social protection system	
Households within identified climate vulnerable areas covered by social registry (Percentage) ^{cc}	
Description	Share of households within identified climate vulnerable areas that are covered by the social registry. Share of the number of people living in the most drought-prone areas of Cunene, Namibé, Huambo, Huila, Cuanza Sul, and Benguela where droughts are most prevalent and persistent.
Frequency	Annually
Data source	MAFAMU
Methodology for Data Collection	MAFAMU will monitor the progress using the migrated Kwenda registry.
Responsibility for Data Collection	MAFAMU



Monitoring and Evaluation Plan: Intermediate Results Indicators by Components

COMPONENT 1	
<i>Beneficiaries of social safety net programs</i>	
Beneficiaries of productive inclusion programs (Number) ^{SRI}	
Description	Number of individuals who belong to a cash transfer beneficiary household and who have benefited directly, at least one intervention, from the light productive inclusion package (a subset of who may benefit from intensive productive inclusion package)
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in productive inclusion interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
➤ Beneficiaries of productive inclusion programs - Female, Youth (Number) ^{SRI}	
Description	Disaggregated by number of females, and separately, number of youth.
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in productive inclusion interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
Beneficiaries of productive inclusion programs (Intensive package) - (Number)	
Description	Number of individuals who belong to a cash transfer beneficiary household who have benefited directly from the intensive PI package
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in productive inclusion interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
➤ Beneficiaries of productive inclusion programs (Intensive package) - Female (Number) ^{GEN}	
Description	Disaggregated by percentage that are female
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in productive



	inclusion interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
People benefiting from greater gender equality	
People benefiting from actions to expand and enable economic opportunities (Number) ^{CR1}	
Description	Number of individuals who belong to a cash transfer beneficiary household and who have benefited directly, at least one intervention, from the light PI package (a subset of whom may receive intensive PI package)
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in productive inclusion interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
➤ People benefiting from actions to expand and enable economic opportunities (Number) - Female, Youth ^{CR1}	
Description	Disaggregated by number of females, and separately, number of youth (18–35 years)
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in PI interventions using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
People receiving quality health, nutrition, and population services	
Number of women and children who have received basic nutrition services (Number) ^{SRI}	
Description	Provides cumulative tracking of beneficiaries who have participated in at least one caregiver group session.
Frequency	Bimonthly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in caregiver groups using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
People with enhanced resilience to climate risks	
People benefiting from climate resilient planning, preparation, surveillance, and/or response (Number of people) ^{SRI}	
Description	Provides cumulative tracking of individuals who have benefited from any cash transfer under the project. May be revised based on updates to SRI methodology.



Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
➤ People benefiting from climate resilient planning, preparation, surveillance, and/or response – Female, Youth (Number of people) ^{CR1}	
Description	Disaggregated by number of females, and separately, number of youth using share of females and youth in the population.
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
People with strengthened food and nutrition security	
People fed as a result of improved access to food from increased non-farming income (Number) ^{SRI}	
Description	Provides cumulative tracking of individuals who have benefited from any cash transfer under the project.
Frequency	Once
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
➤ People fed as a result of improved access to food from increased non-farming income – Female, Youth (Number) ^{SRI}	
Description	Disaggregated by number of females, and separately, number of youth (18-35 years).
Frequency	Once
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
Custom Indicators	
Cash transfer beneficiary households with children under 5 years old participating in caregiver groups (Number)	



Description	Provides cumulative tracking of beneficiaries who have participated in at least one caregiver group session
Frequency	Bimonthly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
➤ Cash transfer beneficiary households with children under 5 years old participating in caregiver groups - Female (Percentage) ^{GEN}	
Description	Disaggregated by participants that are female
Frequency	Bimonthly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of participation in caregiver groups using a digital tool for collecting information.
Responsibility for Data Collection	FAS-IDL
Beneficiaries supported by shock-response cash transfers (Number) ^{CC}	
Description	Provides cumulative tracking of total households who have been supported by shock-response cash transfer benefits
Frequency	Once
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using administrative records of cash transfer payments to households.
Responsibility for Data Collection	FAS-IDL
COMPONENT 2	
Upgraded Kwenda MIS with modules for climate shocks, human capital, productive inclusion, and payments (Text) ^{CC}	
Description	This indicator will monitor the updates to the Kwenda MIS including the development and operationalization of the following modules: climate shock, human capital, PI, and payments. Climate Change tagged indicator given the shocks module.
Frequency	Semiannually
Data source	FAS-IDL
Methodology for Data Collection	FAS-IDL will monitor the upgrades to the Kwenda MIS.
Responsibility for Data Collection	FAS-IDL



Interoperability frameworks for social registry established and operationalized (Text)	
Description	This indicator will monitor development of data sharing protocols, data privacy and security, and interoperability framework for the social registry.
Frequency	Once
Data source	Data sharing protocols developed by MASFAMU
Methodology for Data Collection	MASFAMU
Responsibility for Data Collection	MASFAMU
Cash transfer payments delivered per the payment schedule (Percentage)	
Description	This indicator measures timeliness of cash transfer payments based on agreed calendar of payments, including timeliness of the first payment. A payment delivered on time will occur within 1 month of the expected time. Currently, payments are made quarterly or half-yearly basis.
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor the payment records against the payment schedule.
Responsibility for Data Collection	FAS-IDL
Cash transfer payments delivered quarterly (Percentage)	
Description	Indicator will be measured for electronic-based transfers, which currently are approximately 20 percent of all transfers.
Frequency	Semiannually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor the payment records against the payment calendar.
Responsibility for Data Collection	FAS-IDL
Beneficiary households in rural areas with updated information in the Kwenda beneficiary registry (Percentage)	
Description	The number of beneficiary households in rural areas with updated information within the last 4 years will be tracked in the Kwenda MIS registry.
Frequency	Annually
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL will monitor using information from the Kwenda beneficiary registry.
Responsibility for Data Collection	FAS-IDL
Updated social protection training curriculum for ADECOS (Text)	
Description	This indicator will monitor the development of updated social protection training curriculum for ADECOS. It will build on existing trainings, cutting-edge global



	knowledge on SP issues, and in-country adaptations and practice.
Frequency	Once
Data source	ENFOTSS
Methodology for Data Collection	MASFAMU will work with FAS to develop the training materials building on the lessons learned from Kwenda, MASFAMU's activities, and global knowledge.
Responsibility for Data Collection	MASFAMU with FAS-IDL support
Households in the social registry (Number)	
Description	This indicator will monitor the merger of data from the Kwenda registry to the social registry.
Frequency	Semiannually
Data source	MASFAMU
Methodology for Data Collection	MASFAMU will work with FAS to merge the existing Kwenda registry beneficiaries into the social registry.
Responsibility for Data Collection	MASFAMU
COMPONENT 3	
GRM complaints resolved within a stipulated time period (Percentage) ^{CE}	
Description	This indicator tracks the share of complaints received in the GRM that are addressed timely, as defined in the PIM. It will be disaggregated by the sex of the complainant and municipalities to assess any potential differences in treatment between women and men as well as potential performance differences between municipalities.
Frequency	Quarterly
Data source	Kwenda MIS
Methodology for Data Collection	FAS-IDL consolidates data from GRM.
Responsibility for Data Collection	FAS-IDL
Enhanced availability of causal impact evaluations in the project (Text)	
Description	This indicator tracks the progress of key milestones for the project's impact evaluation including the baseline survey and endline survey.
Frequency	Twice (Year 1, Year 4)
Data source	FAS-IDL
Methodology for Data Collection	FAS-IDL will monitor the development of the impact evaluation design and its implementation
Responsibility for Data Collection	FAS-IDL



ADECOS and their Supervisors certified in social protection skills (Percentage) ^{GEN}	
Description	This indicator will monitor the number of ADECOS and supervisors trained and certified, out of the total number of ADECOS and supervisors (currently, denominator is approximately 4,000).
Frequency	Annually
Data source	ENFOTSS
Methodology for Data Collection	MASFAMU will coordinate with FAS-IDL the delivery and certification of social protection skills training for frontline staff.
Responsibility for Data Collection	MASFAMU with support from FAS-IDL
ADECOS and their Supervisors certified in social protection skills – Female (Percentage)	
Description	Disaggregated by female ADECOS. Current share of female ADECOS is 20 percent. 20 percent is the current share of female ADECOS.
Frequency	Annually
Data source	ENFOTSS
Methodology for Data Collection	MASFAMU will coordinate with FAS-IDL the delivery and certification of social protection skills training for frontline staff.
Responsibility for Data Collection	MASFAMU with support from FAS-IDL



ANNEX 1: Implementation Arrangements and Support Plan

- FAS-IDL was initially established in 1994 under the MINPLAN (erstwhile the Ministry of Economy and Planning) and later under MAT.** It was later restructured as a local development institute through the Presidential Decree 48/19 of February 6, 2019, to contribute to promotion of sustainable participative development among the poorest or vulnerable, through poverty alleviation and economic stabilization programs.
- FAS-IDL has been implementing World Bank-financed projects for the GoA for the last three decades and has emerged as the primary vehicle for anti-poverty programming in the country.** It intervenes in areas that are most in need of public investments, to increase basic social service supply and alleviate community poverty. FAS-IDL has a strong reputation for successfully implementing World Bank-financed projects and most recently the Strengthening the National Social Protection System Project (P169779) since 2019. It has strong national presence and leadership through the Director General and provincial directors across all provinces. It also engages with municipal administrations, CASIs, and ADECOS in the implementation of Kwenda. FAS-IDL also manages its authorizing environment through its strong relationship with the Minister and Secretary of State for MAT, the Minister of Finance, relevant Directors in MINFIN, Minister of Planning, and the Minister of State for Social Affairs in the Presidency.
- MAFAMU is the ministerial institution responsible for coordinating the implementation of social action in Angola.** According to Presidential Decree 19/18 of January 29, 2018, the mission of MAFAMU is to design, coordinate, and implement social action policies and programs for the most vulnerable population groups; fight poverty; defend and strengthen family welfare; enhance women's empowerment; ensure community development; and guarantee women's rights in terms of gender equality and equity. It also has the mandate for implementing the national social registry - CSU.
- A layered coordination structure will be established through the project,** to support policy dialogue, institutional coordination, and improve operational efficiency.

Financial Management

- Staffing.** The MAFAMU Administrative and Finance Department, within the General Secretary's Office, will assign four accountants who will be fully dedicated to this project. The team currently has clear roles and responsibilities ensuring segregation of duties and is regularly trained by the School of Administration and Public Policy (*Escola de Administração e Políticas Públicas*) in the respective functions and work systems, namely, SIGFE, Integrated State Asset Management System (*Sistema Integrado de Gestão de Património do Estado*, SIGPE), and Public Administration Human Resources Management System (*Sistema de Gestão dos Recursos Humanos da Administração Pública*). FAS-IDL will recruit a qualified and experienced chief accountant, accountant, and two assistant accountants.
- Budgeting and financial reporting.** FAS-IDL and MAFAMU will document the budgeting arrangements in the PIM. It will include procedures for detailed budget preparation, execution, and monitoring in the FM section. FAS-IDL and MAFAMU will prepare annual budgets based on the annual work plans and the approved PP. FAS-IDL will consolidate the annual work plans and budget for all the project components and submit to the World Bank for no objection. MAFAMU will prepare the unaudited IFRs for the components it is responsible for and send the IFRs to FAS-IDL for consolidation and submission to the World Bank. FAS-IDL will consolidate the unaudited IFRs for every calendar quarter (three months)

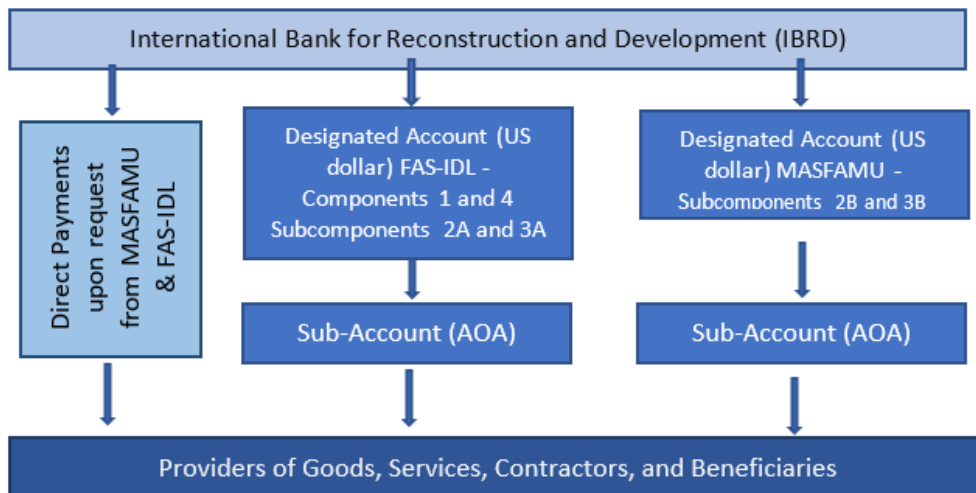


and submit the reports to the World Bank not later than forty-five (45) days after the end of each quarter. The contents of these reports shall consist of statements of: (a) sources and uses of funds; (b) uses of funds by project components and activities; (c) budget execution report; (d) uses of funds by category; and (e) DAs’ reconciliation statements. At the end of each fiscal year, FAS-IDL will also produce consolidated project financial statements, in accordance with financial reporting under the cash basis of accounting.

7. **Accounting system.** MASFAMU will use the public financial management systems, SIGFE and SIGPE, both computerized systems operated by the MINFIN, National Directorate of Public Accounting (*Direcção Nacional de Contabilidade Pública*), and National Directorate of State Assets (*Direcção Nacional do Património do Estado*), to record, control, and account for all the financial, budgetary, accounting, and asset management operations in real time. MASFAMU will use the SIGFE accounting module to record the project’s financial information and produce the interim and annual financial reports in a format agreed upon with the World Bank. FAS-IDL will record financial transactions in the current computerized accounting software, which will be updated and programmed to accommodate the new project.

8. **Funds flow and disbursement arrangements.** Funds will flow from the World Bank to segregated DAs managed by FAS-IDL and MASMAFU and will be opened and managed by the project coordination of each implementing agency in a commercial bank acceptable to the World Bank. Flow of funds mechanism is shown in Figure 1.1. Funds in the DA will be used to finance eligible project expenditures in accordance with the Financing Agreement and the DFIL. Details are included in the DFIL. The implementing agencies will use an IFR-based disbursement method. An advance will be made to the DA at the effectiveness of the loan. The first advance will be based on a six-monthly activity and cash flow forecast. After every subsequent quarter, the project will submit IFRs which will include a cash flow forecast for the following six-month period. The cash request at the reporting date will be the amount required for the forecast period as shown in the approved IFRs less the balance in the DA at the end of the quarter. Request for reimbursements will be supported by IFRs. Withdrawal applications for such payments will be accompanied by relevant supporting documents such as copies of the contract, contractors’ invoices, and appropriate certifications. All project FM staff will register to use World Bank Client Connection.

Figure 1.1. Flow of Funds Mechanism





9. **Internal control.** FAS-IDL will hire an internal auditor based on a TOR approved by the World Bank and MASFAMU will assign one public accountant to work as an internal auditor within the ministry, fully dedicated to project implementation activities. The internal auditors will continuously review the adequacy of internal controls and make recommendations to improve the controls. They will adopt a risk-based approach to fulfill their role, conduct an annual review of adequacy and adherence to internal controls and risk management framework of the project, both within their structures, and prepare a copy of the annual report to be submitted to the World Bank. These processes and procedures are to be documented in the finance and administrative procedures manual that will be integrated into the PIM.

10. **External auditing.** The project financial statements will be audited by external auditors recruited by FAS-IDL based on TORs acceptable to the World Bank. FAS-IDL's consolidated financial information, specifically cumulative receipts, expenditures, and closing cash balances, as well as all the consolidated accounting and financial information of MASFAMU, shall be disclosed in a note in the project's annual financial statements, commencing with the fiscal year in which the first withdrawal will be made. The consolidated annual financial statements shall be prepared in accordance with the accrual-based International Public Sector Accounting Standards and audited by project-appointed external auditors using International Standards for Supreme Audit Institutions. A copy of project audited consolidated annual financial statement and management letter will be submitted to the World Bank not later than six months after the end of the fiscal year. The management letter shall contain the external auditor's assessment of the internal controls, accounting system, and compliance with financial covenants in the Loan Agreement, suggestions for improvement, and management response to the letter.

11. **Supervision plan.** FM supervision will involve: (a) a review of the semiannual unaudited IFRs; (b) a review of annual audited financial statements; and (c) one project implementation supervision every six months at the project implementing agency.

Procurement

12. **PPSD.** The procurement arrangement will be like those in the previous project, but lessons and best practices will be considered for improvement. The PPSD has set out market approaches and selection methods to be followed during project implementation. Optimum procurement strategies ensure fit-for-purpose procurement of activities, which will support project operations for the achievement of the PDOs and deliver VfM. Based on the PPSD findings, the PP for the first 18 months has been prepared, and will be updated at least every 12 months, or as required, to reflect the actual project implementation needs. Each update shall require World Bank approval and be publicly disclosed in accordance with World Bank disclosure policy.

13. **MASFAMU has no experience with World Bank Procurement Regulations and is likely to stretch the capacity of ministry's in-house procurement team.** Mitigation measures include the recruitment of an experienced procurement specialist (short-term consultant), the preparation of a PIM, and the transfer of knowledge from the procurement specialist to the team in place.

14. **Use of STEP.** The PP for the activities will be managed through World Bank's Systematic Tracking of Exchanges in Procurement (STEP). During project implementation, the PP will be updated as required, but, at a minimum, on an annual basis, to reflect actual program implementation needs and improvements in institutional capacity.



15. **Review by World Bank of procurement decisions.** Procurement activities estimated to cost below the prior review threshold amounts shall be treated as post review and will be reviewed by the World Bank during implementation support mission under a post-procurement review exercise. Direct contracting/single source will be subject to prior review only above prior review threshold amounts.

16. **Frequency of procurement reviews and supervision.** The World Bank will carry out implementation support missions every six months and post-procurement reviews annually. The standard post-procurement reviews by World Bank staff should cover at least 20 percent of contracts subject to post review. Post reviews consist of reviewing technical, financial, and procurement reports on project procurement actions by World Bank staff or consultants, selected and hired by the World Bank according to procedures acceptable to it.

17. **Training, workshops, and conferences.** Trainings, workshops, and conference attendance will be carried out based on an approved annual training and workshop/conference plan. A detailed plan providing the nature of training/workshop, number of trainees/participants, duration, staff months, timing, and estimated cost will be submitted to the World Bank for review and approval before initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, attendees must submit a brief report indicating what skills have been acquired and how these skills will contribute to enhance their performance and attainment of project objectives.

18. **Operational costs.** These costs financed by the project are incremental expenses, including office supplies, vehicles operation and maintenance, maintenance of equipment, communication costs, and supervision costs (that is, transport, accommodation, and per diem). They will be procured using the procurement procedures specified in the PIM.

19. **Procurement manual.** Procurement arrangements, roles and responsibilities, methods, and requirements for carrying out procurement under the proposed project shall be elaborated in detail in the Procurement Manual, which will be a section of the PIM.

20. **Procurement risks.** Major risks associated with the implementation of the project procurement activities are related to the capacity of FAS-IDL and MASFAMU to recruit qualified and experienced procurement staff and other specialists, the delays in Court of Auditors (*Tribunal de Contas*) to provide the visa to the contracts, and delays in obtaining work permits for the international consultants. The procurement risk associated with the project is rated **Substantial**. These risks should be closely monitored as they can adversely affect project implementation. The risk assessment will continue to be carried out during project implementation and adapted accordingly. Overall, procurement risks are summarized in Table 1.1.

Table 1.1. Procurement Risk Assessment and Mitigation Action Plan

No.	Description of the Risk	Risk Rating	Mitigation Measure
By effectiveness			
1	Delays in recruitment of PIU staff	Substantial	Prepare TORs, use Project Preparation Advance to select essential PIU staff.
Three months after effectiveness			
2	Delays in the implementation of project activities	High	Prepare TORs and bidding documents for the main procurable activities.
During project implementation			



No.	Description of the Risk	Risk Rating	Mitigation Measure
3	Difficulty in recruiting qualified staff	High	Open to international when competences are not available in the local market
4	Preparation of realistic PP	Substantial	Ensure close coordination between the different technical and fiduciary teams; grant good quality of the documents prepared (TORs, technical specifications, bidding documents, evaluation reports, contracts, and so on).
5	Compliance with World Bank's fiduciary requirements	Substantial	Ensure PIM is prepared, disseminated, and updated throughout project implementation.
6	Delays of <i>Tribunal de Contas</i> in issuing the visa to the contracts	Substantial	Ensure close dialogue with <i>Tribunal de Contas</i> to better understand its procedures and World Bank Procurement Regulations.
7	Delays during the evaluation of bids and proposals	Substantial	Ensure the evaluation panel members nominated are available and have the required technical and language expertise to perform the work required.
8	Adequate use of STEP. Activities flagged as delayed or pending implementation	Substantial	Ensure that STEP is properly handled, uploading the required documentation once the stages of the processes are completed.
9	Capacity and instability of the market and supply chain to meet the demand	Substantial	Undertake market research to prepare realistic budget and update the budget before launching procurement activities.

Implementation Support Plan

21. **The World Bank will provide ongoing technical support to both MASFAMU and FAS-IDL during implementation.** This technical support will be provided by full-time SP staff based in the World Bank's Luanda office, focused on the day-to day implementation of the project. The broader task team will, however, include SP staff and consultants based in other parts of the world. Global and regional experts will be engaged to provide just-in-time technical support. The FM and procurement specialists based in the Country Management Unit and ESF specialists will continue to provide support to FAS-IDL staff and additional support to MASFAMU, given that it is their first IBRD-financed project.

22. **The World Bank will conduct regular supervision and implementation support missions** at least twice a year to review the progress in the specific activities, ensuring that the development objective of the project is expected to be achieved on time. As the project makes progress toward its PDO, the Implementation Support Plan may be adjusted as necessary, depending on the areas that may need additional assistance. These will include procurement, FM, and ESF reviews.