

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA3802**

**Date ISDS Prepared/Updated:** 23-Feb-2015

**Date ISDS Approved/Disclosed:** 23-Feb-2015

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Egypt, Arab Republic of	<b>Project ID:</b>	P145699
<b>Project Name:</b>	Strengthening Social Safety Net Project (P145699)		
<b>Task Team Leader(s):</b>	Afrah Alawi Al-Ahmadi		
<b>Estimated Appraisal Date:</b>	20-Feb-2015	<b>Estimated Board Date:</b>	28-May-2015
<b>Managing Unit:</b>	GSPDR	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Other social services (70%), Public administration- Other social services (30%)		
<b>Theme(s):</b>	Social Safety Nets/Social Assistance & Social Care Services (70%), Social Inclusion (30%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	4507.00	Total Bank Financing:	400.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			4107.00
International Bank for Reconstruction and Development			400.00
Total			4507.00
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The project development objective (PDO) is to support establishment of an efficient and effective Takaful and Karama Cash Transfer Program. “Efficient” is defined and measured by good targeting of the poor; “Effective” is defined and measured by coverage of the poor, and having basic administrative building blocks of the Program.

### 3. Project Description

The project with a proposed cost of US\$400.0 million equivalent will be implemented using an Investment Project Financing (IPF) instrument. It aims at supporting the Government of Egypt's national Takaful and Karama Program. Takaful is a family income support with co-responsibility (conditional) cash transfer program aiming at reducing poverty and producing human development improvements (in health and education) while is an unconditional income support and social inclusion sub-program that aims at the protection and inclusion of the poor elderly (above age 65) and persons with severe disability. Takaful and Karama Program is being developed as a national targeted SSN program aiming at protecting the poor through income support. The Program will be rolled-out in a phased approach in a few consecutive waves (phases) to register and enroll poor households. Targeting and operational processes in each wave will benefit from targeting and process evaluations of the previous wave to ensure improved design and processes, following a “learning-by-doing” approach before expansion. Moreover, to offset the targeting inefficiency of the existing SSN programs, Takaful and Karama will use a combined targeting method including geographical (poorest districts) and the Proxy Means Testing (PMT) mechanism to identify the eligible poor households within the selected districts. Application to the Program will be open in the targeted areas and enrollment will close when the program reached its full coverage target. Payment to beneficiary households will be managed by the Post Office through individual virtual accounts. Finally, the program will implement a wide communication and outreach program to ensure reaching to the eligible poor and with the support of NGOs, Community Development Associations (CDAs), community leaders and the media.

The project will consist of three components: (i) provision of conditional and unconditional cash transfers under the Takaful and Karama Program; (ii) support for SSN targeting and operational systems; and (iii) project management, monitoring and evaluation.

Component 1: Provision of Conditional and Unconditional Cash Transfers (Total component estimate US\$4,482 million; and estimated IBRD funds US\$375 million). This Component will finance payments to eligible beneficiaries under the Takaful and Karama cash transfer Program. This component will use a results-based approach with eligible expenditures comprising cash transfers under the Takaful and Karama program. The component will co-finance with the GoE the benefits of the 1.0 million households enrolled in waves one and two. Government funds will gradually increase until they reach 100 percent of the cost by Q3 of FY2017. The overall cash benefits cost through the four years of project implementation is around US\$4.482 billion, of which IBRD contribution is about 8.5 percent. MoSS and MoF have agreed on the Program's funding projections for the Fiscal Years starting 2015 onward. Disbursements under Component 1 will be triggered by achievement of specific, jointly-agreed results (Disbursement Linked Indicators or DLIs) that are set out in the following table and detailed further in Annex 2. The jointly-agreed results reflect progress towards efficiency of the Takaful and Karama program by measuring: i) progress on the design and implementation of tools, assessments and evaluations to enhance the accuracy of the program; ii) key milestones in the roll-out of the Takaful and Karama program; as well as iii) progress in establishing some key administrative building blocks in the program to enhance the effectiveness of the program. Together, achievement of these results will measure the success of the program and progress towards the key elements of the PDO: efficiency and effectiveness. Each DLI has a value that is disbursed when the Task Team Leader certifies that the result has been technically achieved according to the verification protocol (detailed in Annex 2), provided that sufficient cash transfers (eligible expenditures) have also been made under the Takaful and Karama Program, as shown in Unaudited Interim Financial Reports (IFRs). Advances will be

provided, as needed and based on cash forecasts, to smooth the cash flow and enable the client to make sufficient eligible expenditures. Disbursements may comprise conversion of advances into disbursements and/or reimbursement of the Government's own spending on the Takaful and Karama program.

Component 2: Supporting SSN Targeting and Operational Systems (estimated IBRD funds US\$22.0 million). This Component will use a traditional investment financing approach with disbursements against eligible expenditures for specific activities set out in the procurement plan. It will support technical assistance and investments that will support achievement of the results under Component 1. Specifically, it will support the development and implementation of Takaful and Karama targeting and operational systems: registration; database cross checking; enrollment; conditionality verification; case management and beneficiary data update; payment delivery; grievance redress; and performance monitoring. The program MIS system will be developed and regularly updated to support the CT business processes. The component will support the development of these systems; improve the administrative infrastructure (equipment) of social units (the lowest administrative level of MOSS), and provide training for officials and staff. The project will support regular updates of the Program's operations manual for adjustments based on experience and evidence. It will also support the development of a specialized monitoring capacity in MoSS which will lead the institution's efforts of continuous Program improvement. The component will provide the needed technical assistance and implementation support; as well as operating costs (travel, lodging and per diems, but not salaries) to Ministry staff for the incremental costs of rolling out the Takaful and Karama program. In rare cases, where a poor family does not have identification cards, the project funds could be used to help them obtain formal identification. Total financing expected under this sub-component is US\$15 million. The subcomponent will finance goods, consultancy, training, non-consultancy services and operating costs for staff to undertake monitoring visits and, in occasional cases, fees to pay for formal identification of poor beneficiaries. Additionally, approximately \$7m will be allocated from this component to support the ongoing efforts of MoPAR, which is the primarily government entity tasked with developing an integrated database of beneficiary information; including the modernization of its technological platform as well as improving other agencies technological capacities for data exchange, in developing a Unified National Registry (UNR) using MoPAR's Family Smart Card system. The UNR will provide verifiable administrative information on household characteristics using currently available databases at various government agencies. This administrative information will help inform eligibility determination for applicants of different public programs, such as Takaful and Karama, beyond relying on reported information during the program application phase. The UNR would also be utilized for identification of beneficiary duplicates across programs, as well as cases of error and fraud. The Project will support MoPAR to develop and implement a detailed road-map for integration of various databases into the UNR and make them available to relevant public agencies. This subcomponent will finance the technological infrastructure of the UNR as well as finance the expenses associated with connectivity to other databases and its "card management system" (CMS) compatible with the UNR. These expenses will include acquisition of servers, storage, software licenses and services that will host the UNR as well as support to the G2G with additional Bandwidth, acquisition of servers to host other databases imported/ connected (for databases such as: natural gas, government payroll, vehicle registration, education, among others). This sub-component will finance goods, consultancy, training, non-consultancy services and operating costs.

Component 3: Project Management and Monitoring and Evaluation (estimated IBRD funds US\$3.0 million). This Component will use a traditional investment financing approach. It will support project management and ensure that the Project is successfully and efficiently implemented in conformity

with the Financing Agreement, the Project Appraisal Document and the Operation Manual (OM). The component will finance: (i) project implementation unit staff (non-civil servants) salaries; (ii) equipment, operating costs for the Project Implementation Unit (PIU) and directly linked to the daily management of the project (office space, utilities and supplies, bank charges, communications, translation, transportation, maintenance and insurance, building and equipment maintenance costs, travel and supervision costs, etc.); (iii) regular internal audits and annual external audits (as per Bank legal requirements audits of financial and procurement aspects); and (iv) undertaking evaluations. The PIU will comprise: a Director, MIS specialist, Financial Management Specialist, Field Operations Manager, Monitoring and Evaluation Specialist, Procurement Specialist, Communications Specialist, Quality Assurance and Program Coordinator, and Researcher and Donor Relations Specialist. The project will maintain a “live” monitoring system which entails continuing to collect data, during project implementation, stories and other evidences about what is happening and using such live monitoring to fine-tune the Program’s design and processes. The MIS represents the backbone of the monitoring system, but it will also include: verification of beneficiary self-reporting, verification of those deemed as severely disabled, and verification of payments to beneficiaries. All will be undertaken on basis of random sample. The component will also finance three evaluations: process evaluation after wave one; targeting performance evaluations (after wave one and at project end); and an impact evaluation at the end to assess the project impact on household welfare (consumption and asset protection) and on selective education and health indicators. Further description of the proposed evaluations is provided in Annex 2. The component will finance consultants, goods, travel cost, per-diem non-consultancy services and training.

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

The project will be implemented, at first, in the 19 poorest districts of Egypt located in the Governorates of Souhag, Asut, Luxor, Qena, Aswan, and Giza. Geographical roll-out in waves two and three and districts identification beyond the first 19 districts will be decided during the later months of wave one implementation, with technical assistance from World Bank using poverty maps and learning from the experience of wave one roll-out. World Bank safeguard policies are not triggered as a result of proposed activities under the components. The project will not include the construction of physical infrastructure or civil works.

#### **5. Environmental and Social Safeguards Specialists**

Surhid P. Gautam (OPSOR)

<b>6. Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	No	The project's impact on the environment is expected to be inexistent. Therefore, the project is classified as an environmental Category C (not requiring assessment).
Natural Habitats OP/BP 4.04	No	The project will not damage natural habitats (land and water areas where most of the native plant and animal species are still present), and will not result in loss or degradation of any Critical Natural Habitats as defined by the Policy.
Forests OP/BP 4.36	No	The project will not have an impact on the health and quality of forests; will not affect the rights and welfare of people and their level of dependence upon

		or interaction with forests; and will not bring about changes in the management, protection, or utilization of natural forests or plantations, whether they are publicly, privately, or communally owned.
Pest Management OP 4.09	No	The project will not require the purchase, application or storage of pesticides and will not lead to an increased use of pesticides.
Physical Cultural Resources OP/BP 4.11	No	The project will not involve excavations, demolition, movement of earth, flooding, or other environmental changes; and will not be located in, or in the vicinity of, a physical cultural resources site recognized by the borrower.
Indigenous Peoples OP/BP 4.10	No	Indigenous Peoples are not present in, or have collective attachment to, the project area.
Involuntary Resettlement OP/BP 4.12	No	The project will not finance any civil works therefore the project will not involve in any land acquisition.
Safety of Dams OP/BP 4.37	No	The project does not involve the construction of new dams and and/or existing dams in the borrower's territory.
Projects on International Waterways OP/BP 7.50	No	The project does not involve any hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial, and similar activities which involve the use or potential pollution of international waterways as described in para. 1 of the Policy; and does not include a detailed design and engineering studies of activities under para. 2(a) of the Policy, including those to be carried out by the Bank as executing agency or in any other capacity.
Projects in Disputed Areas OP/BP 7.60	No	The project does not take place in disputed areas.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p>
<p>Not applicable. World Bank safeguard policies are not triggered as a result of proposed activities under the components. The project will not include the construction of physical infrastructure or civil works.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p>
<p>Not applicable. No potential indirect and/or long term impacts are foreseen as a result of proposed activities under the components. The project will not include the construction of physical infrastructure or civil works.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p>

Not applicable
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
Not applicable. World Bank safeguard policies are not triggered as a result of proposed activities under the components. The project will not include the construction of physical infrastructure or civil works.
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
Not applicable. World Bank safeguard policies are not triggered as a result of proposed activities under the components.

### ***B. Disclosure Requirements***

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

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]

### **III. APPROVALS**

Task Team Leader(s):	Name: Afrah Alawi Al-Ahmadi	
<b><i>Approved By</i></b>		
Practice Manager/Manager:	Name: Yasser Aabel-Aleem Awny El-Gammal (PMGR)	Date: 23-Feb-2015