



OFFICIAL USE ONLY

IDA/R2017-0052/1

March 13, 2017

**Closing Date: Thursday, March 30, 2017
at 6 p.m.**

FROM: Vice President and Corporate Secretary

Republic of Congo - Lisungi Safety Nets System Project

Additional Financing and Restructuring

Project Paper

Attached is the Project Paper regarding a proposed additional credit and restructuring to Republic of Congo for a Lisungi Safety Nets System Project (IDA/R2017-0052), which is being processed on an absence-of-objection basis.

Distribution:

Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank Group authorization.

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD2144

INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT PAPER
ON A
PROPOSED ADDITIONAL CREDIT AND RESTRUCTURING
IN THE AMOUNT OF SDR 7.4 Million
(US\$10.0 MILLION EQUIVALENT)
TO THE
REPUBLIC OF CONGO
FOR A
LISUNGI SAFETY NETS SYSTEM PROJECT

March 02, 2017

Social Protection and Labor Global Practice
Africa Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective January 31 2017)

Currency Unit = CFA Francs (FCFA)
FCFA 621 = US\$1
US\$1.34 = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AfDB	African Development Bank
AFD	<i>Agence Française de Développement</i> (French Development Agency)
CAS	<i>Circonscription d'Action Sociale</i> (Social Assistance Offices)
CCT	Conditional Cash Transfer
CT	Cash Transfer
DA	Designated Account
DHS	Demographic and Health Survey
EA	Environmental Assessment
FCFA	Communauté Financière Africaine Francs (CFA Francs)
FM	Financial Management
FMA	Financial Management Assessment
GAC	Governance and Anticorruption
GDP	Gross Domestic Product
GRS	Grievance Redress Service
IBC	International Competitive Bidding
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFRs	Interim Financial Reports
IGA	Income Generating Activities
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Policy Framework
ISDS	Integrated Safeguards Data Sheet
M&E	Monitoring and Evaluation
MASAHS	<i>Ministère des Affaires Sociales de l'Action Humanitaire et de la Solidarité</i> (Ministry of Social Affairs, Humanitarian Action, and Solidarity)
MDG	Millennium Development Goals
MIS	Management Information System
NCB	National Competitive Bidding
PAD	Project Appraisal Document
PDCE	<i>Projet de Développement des Compétences pour l'Employabilité</i> (Skills Development for Employability Project)
PDSS	<i>Projet de Développement du Système de la Santé</i> (Health Sector Project)

PDO	Project Development Objectives
PIM	Project Implementation Manual
RoC	Republic of Congo
SBD	Standard Bidding Documents
SCD	Systematic Country Diagnostic
SDR	Special Drawing Right
SSN	Social Safety Net
TORs	Terms of Reference
UGP	<i>Unité de Gestion du Projet</i> (Safety Net Technical Management Unit or UGP Lisungi)
UNICEF	United Nations Children's Fund
UNFCCC	United Nations Framework Convention on Climate

REPUBLIC OF CONGO

Lisungi Safety Nets System Project Additional Financing (P161154)

CONTENTS

ADDITIONAL FINANCING DATA SHEET	i
I. Introduction	1
II. Background and Rationale for Additional Financing in the Amount of US\$10.0 million	2
III. Proposed Changes	9
IV. Appraisal Summary	22
V. World Bank Grievance Redress	27
Annex 1: Revised Results Framework and Monitoring Indicators.....	28
Annex 2: Detailed Description of Component 2.....	35

ADDITIONAL FINANCING DATA SHEET

Republic of Congo

Lisungi Safety Nets System Project Additional Financing (P161154)

AFRICA

GSP07

Basic Information – Parent				
Parent Project ID:	P145263	Original EA Category: C		
Current Closing Date:	28-Feb-2018			
Basic Information – Additional Financing (AF)				
Project ID:	P161154	Additional Financing Type (from AUS):	Restructuring, Scale Up	
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment	
Country Director:	Ahmadou Moustapha Ndiaye	Expected Effectiveness Date:	03-Jul-2017	
Senior Global Practice Director:	Michal J. Rutkowski	Expected Closing Date:	31-Dec-2019	
Practice Manager/Manager:	Stefano Paternostro	Report No:	PAD2144	
Team Leader(s):	Phillippe George Pereira Guimaraes Leite			
Borrower				
Organization Name	Contact	Title	Telephone	Email
Republic of Congo	Calixte Nganongo	Minister of Economy, Finance, Budget and Public Portfolio	-	

**Project Financing Data - Parent (CG Rep. LISUNGI Safety Nets System Project-P145263)
(in USD Million)**

Key Dates

Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P145263	IDA-53580	Effective	29-Jan-2014	19-Feb-2014	19-Sep-2014	28-Feb-2018	28-Feb-2018

Disbursements

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P145263	IDA-53580	Effective	XDR	1.40	1.40	0.00	0.98	0.42	70.07

**Project Financing Data - Additional Financing Lisungi Safety Nets System Project
Additional Financing (P161154)(in USD Million)**

<input type="checkbox"/> Loan	<input type="checkbox"/> Grant	<input type="checkbox"/> IDA Grant
<input checked="" type="checkbox"/> Credit	<input type="checkbox"/> Guarantee	<input type="checkbox"/> Other

Total Project Cost: 10.00 Total Bank Financing: 10.00

Financing Gap: 0.00

Financing Source – Additional Financing (AF)	Amount
International Development Association (IDA)	10.00
Total	10.00

Policy Waivers

Does the project depart from the CAS in content or in other significant respects? No

Explanation: N/A.

Does the project require any policy waiver(s)? No

Explanation

Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Phillippe George Pereira Guimaraes Leite	Team Leader (ADM Responsible)	Senior Social Protection Economist	Social Protection	GSP07
Sidy Diop	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Procurement	GGO07
Clement Tukeba Lessa Kimpuni	Procurement Specialist	Senior Procurement Specialist	Procurement	GGO07
Bella Diallo	Financial Management Specialist	Senior Financial Management Specialist	Financial Management	GGO25
Abdoulaye Gadiere	Safeguards Specialist	Senior Environmental Specialist	Social Development	GEN07
Alexandra C. Bezeredi	Safeguards Advisor	Lead Social Development Specialist	Social Development	GSU01
Claude Lina Lobo	Safeguards Specialist	Consultant	Social Development	GENDR
Claudia M. Pardiñas Ocaña	Lawyer	Senior Counsel	Legal	LEGAM
Hocine Chalal	Safeguards Advisor	Lead Environmental Specialist	Social Development	GEN07
Josiane M. S. Luchmun	Team Member	Program Assistant	Assistant	GSP01
Josiane Maloueki Louzolo	Team Member	Program Assistant	Assistant	AFMCG
Kalilou Sylla	Team Member	Social Protection Specialist	Social Protection	GSP07
Lisette Meno Khonde	Team Member	Consultant	Social Protection	GSPDR
Lucienne M. M'Baipor	Safeguards Specialist	Senior Social Development Specialist	Social Development	GSU01

Extended Team					
Name		Title		Location	
Aissata Fall		Social Protection Consultant		Senegal	
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Republic of Congo	Brazzaville	Makelekele		X	
Republic of Congo	Brazzaville	Bacongo		X	
Republic of Congo	Brazzaville	Moungali		X	
Republic of Congo	Brazzaville	Talangai		X	
Republic of Congo	Brazzaville	Madibou,		X	
Republic of Congo	Brazzaville	Djiri		X	
Republic of Congo	Brazzaville	M'filou		X	
Republic of Congo	Pointe Noire	Mvou-Mvou		X	
Republic of Congo	Pointe Noire	Loandjili		X	
Republic of Congo	Cuvette	Oyo		X	
Republic of Congo	Cuvette	Makoua		X	
Republic of Congo	Niari	Dolisie	X		
Republic of Congo	Pool	Goma tse-tse	X		
Republic of Congo	Plateaux	Gamboma	X		
Republic of Congo	Plateaux	Ngo	X		
Institutional Data					
Parent (CG Rep. LISUNGI Safety Nets System Project-P145263)					
Practice Area (Lead)					
Social Protection & Labor.					
Contributing Practice Areas					

Additional Financing Lisungi Safety Nets System Project Additional Financing (P161154)
Practice Area (Lead)
Social Protection & Labor.
Contributing Practice Areas
Agriculture, Education, Health, Nutrition & Population, Social, Urban, Rural and Resilience Global Practice.
Consultants (Will be disclosed in the Monthly Operational Summary)
Consultants will be required.

I. Introduction

1. This project paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) of US\$10.0 million to the Republic of Congo *LISUNGI Safety Nets System Project* (P145263) (IDA Credit **5358-CG**). The Project is also being restructured to amend the Project Development Objective (PDO), which will read as follows: “to strengthen the social safety nets system and its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas of the country”. The PDO was previously ‘to establish the key building blocks of a national safety nets program and pilot a cash transfer program to improve access to health and education services of poorest households in participating areas of the country’. The wording “establish the key building blocks” has been revised to “*strengthen*” since the building blocks were already implemented through the parent project, while the word “pilot” has been dropped to reflect the objective to effectively increase coverage and effectiveness of cash transfer program in the country. The PDO will be achieved by: (a) further strengthening the country’s current social safety nets system, which includes making it more transparent and used for enhancing coordination; (b) increasing the productivity of poor and vulnerable households; and (c) extending the scope of the Project, accommodating an income generating activities program (IGA) subcomponent. This AF will bring the total budget envelope to US\$27.0 million, of which US\$15.0 million are Government-financed, US\$2.0 million are IDA funds (IDA Credit 5358-CG) and US\$10.0 million are IDA through this additional financing.

2. The proposed AF is aligned with the Systematic Country Diagnostic (SCD) of the Republic of Congo, which, *inter alia*, highlights the importance of increasing access of the population to social programs. The SCD shows that economic growth by itself has proven not to be inclusive, with vulnerable groups such as the youth, women, and indigenous people (autochthone) benefitting less. Therefore, according to the SCD, to achieve the World Bank’s twin goals, the country could expand existing social programs using the Lisungi program and social safety nets system as coordination elements for policies targeted to the poor and vulnerable. That is, by building linkages with other sectors for provision of a bundle of complementary services for the poor population, Lisungi can help to build resilience and productivity of beneficiary households and, as a consequence, contribute to short- and medium-run poverty reduction. Therefore, this AF that aims to enlarge the scope of Lisungi would help to: (a) mitigate the impact of current poverty and uninsured risks, (b) increase household productivity, (c) improve human capital development; and (d) leverage synergies with other sectors-such as education, health, nutrition and population, jobs, agriculture, and gender-to increase their impact in terms of reducing poverty and increasing shared prosperity.

3. Specifically, the overall purpose of the proposed AF is to enlarge the current Lisungi program’s scope and geographical reach to strengthen the social safety nets system and its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas of the country. The closing date of the parent project will be extended by 22 months, from February 28, 2018 to December 31, 2019, to allow sufficient time for all the target indicators to be reached. The results framework will be modified to adjust the target values of the parent project and reflect the project’s expected impact on productivity.

4. The proposed AF will be financed by a US\$10.0 million International Development Association (IDA) credit.

II. Background and Rationale for Additional Financing in the Amount of US\$10.0 million

Country Context

5. Congo is an urbanized and sparsely populated country, highly endowed in natural resources. It is one of the most urbanized countries in the world with an urbanization rate of about 62 percent, and with more than one half the population living in Brazzaville and Pointe-Noire, its two largest cities. The country ranks among the least densely populated in Africa, with about 4.4 million inhabitants living on a land area of 342,000 km², and hence has a population density of 12.8/km². However, the country has not been able to leverage these natural resources to achieve robust socio-economic outcomes.

6. A number of constraints, mainly from the supply side, are preventing the economy from reaching its full potential. The main drivers of the Congolese economy are natural resources (oil and forestry) and its economy faces many constraints such as: (a) political violence; (b) volatility of oil prices and production; (c) productivity constraints (Dutch disease, weak financial environment, weak business environment, weak governance and an unstable political system); (d) human capital constraints (low skills and massive youth unemployment); and (e) low quality of infrastructure.

7. Lack of economic inclusiveness is the result of the elite capture of revenue in an economy driven by offshore oil production. The country's elite that manages resource revenues has avoided some international investments opportunities for the non-oil sector that would promote jobs and economy diversification and has in turn instituted patronage characterized by a non-transparent job market. These have led to lack of development of the non-oil sector, which otherwise would have helped to create more jobs. Weak health, education and social protection services exacerbate the lack of inclusiveness.

8. Moreover, the country can be susceptible to climate change. The country is largely covered by green tropical forests with high and stable rainfall and abundant arable land equivalent to 31 percent of the country's land area. However, the first and second National Communications of the Congo (2001 and 2009) to the United Nations Framework Convention on Climate Change (UNFCCC) suggest that climate change is likely to have a negative impact on some sectors in the country. The following sectors are the most vulnerable to the adverse effects of climate change: (a) water resources; (b) coastal zones; (c) agriculture; (d) forestry; (e) health and human settlements and (f) energy. As temperatures continue to rise, increased rates of evapotranspiration are expected to impact certain crops, including nuts in the agriculture sector; as the sea level rises it can have a negative impact on overcrowded urban settlements in the coastal cities, and the increase of urban heat would have a negative impact on the population due to "urban heat islands effects".

9. Furthermore, climate change's impact on agriculture may have a potential negative impact on the already high and significant malnutrition of children as crops fail due to an excess or absence of rainfall.

Sectoral and Institutional Context

10. With a Gini coefficient of 0.46, the Congolese economy shows an important level of inequality. This coefficient did not change in recent years despite sustained growth over 2000-2014. Moreover, poverty increased in rural areas while decreasing in urban areas and the elite benefited from growth more than the rest of the population. As such, the recent episode of growth has not been very inclusive. Women, youth, indigenous people and the politically disconnected are not fully included in the economy.

11. Social protection coverage in Congo is dismally low (0.9 percent in 2005) compared to 14.3 percent for Sub-Saharan Africa and 21.3 percent for Lower-Middle-Income countries over the period 1998-2014. The Congolese social protection system for the poor, measured by social safety nets coverage, is still under development but it is mostly small and therefore unable to be effective in reducing poverty, helping the poor to access services, or increasing their productivity. Most safety net programs are targeted to the indigent and to specific vulnerable groups such as the elderly, the disabled, or orphans.

12. The social protection system is also underfunded to reduce poverty and vulnerability, to increase household productivity, or to build and protect human capital effectively. The Ministère des Affaires Sociales de l'Action Humanitaire et de la Solidarité (MASAHS) budget was only 0.51 percent of the 2012 revised national budget, which represented 0.15 to 0.2 percent of GDP. This is compared with a median of 1.2 percent of GDP across developing and emerging countries, according to World Bank ASPIRE - The Atlas of Social Protection Indicators of Resilience and Equity - data (www.worldbank.org/aspire).

13. Since 2014, the government of the Republic of Congo is demonstrating its commitment to moving away from ineffective and fragmented programs and toward a harmonized system, and to bringing social safety nets to the forefront of poverty reduction. The government has developed a new social protection strategy and is developing a National Safety Nets System that will take a more systematic approach to targeting vulnerable populations. This kind of systematic approach targeted to specific groups of the populations (the poorest and most vulnerable) has yielded results in terms of poverty reduction and human development across the globe. Evidence shows that social safety net (SSN) programs play an important role in speeding-up the momentum of poverty reduction, improving the uneven distribution of the benefits of growth across the population, and improving social indicators. Studies such as the Independent Evaluation Group's Safety Nets Review of 2011 have shown that safety nets increase the quantity and improve the quality of household consumption, improve children's nutritional intake, improve children's education and health status, and increase expenditures on the productive activities and assets needed to build the resilience of the most disadvantaged population. MASAHS focuses the development of a SSN system on the consolidation and coordination of cash transfer programs for the poor and vulnerable population. As a first step towards this objective, MASAHS uses the Lisungi program that, with the financial support of the World Bank, is establishing the key building blocks of the SSN system, while piloting a conditional cash transfer program.

14. In 2014, the Lisungi Safety Nets System Project, in the amount of US\$17.0 million, was approved by the World Bank with two sources of financing: (a) an IDA Credit of US\$2.0 million (SDR 1.4 million) and (b) Government financing of about US\$15.0 million as presented in the

Project Appraisal Document of the parent project¹. The project, which became effective on September 19, 2014, was designed to provide permanent and predictable social safety nets to (i) 5,000 households that include pregnant women and/or children aged 0 to 14 years old² and (ii) 1,000 people aged 60 years or older. The project development objective (PDO) is to establish the key building blocks of a national safety net program and pilot a cash transfer program to improve access to health and education services of the poorest households in participating areas. The project has three components:

- Component 1: *Establishment of key building blocks of a national safety net program and enhancement of local capacities*
- Component 2: *Strengthening the demand-side of services through cash transfer program*
- Component 3: *Project management, Monitoring and Evaluation (M&E)*

15. After the first year of project implementation, the *Agence Française de Développement* (AFD) provided an additional finance of Euro eight million for an extension of cash transfers to about 3,000 households in four areas (Madibou, Djiri, M'filou in Brazzaville and Loandjili in Pointe Noire) not previously covered by the project; and, in July 2016, an additional finance of CFA 83 million from UNICEF has been made available to strengthen the delivery of accompanying measures targeted to beneficiary families with children, to improve communication to the households and to reinforce the capacity of the social workers working at the local Social Assistance Circumscription (CAS) offices.

16. Project implementation has been under way for almost two years, and the World Bank has rated both the achievement of the PDO and implementation progress as **Satisfactory**. The Social Registry developed as part of the parent project already consolidates information on 19,341 households in the selected areas, all of whom are potentially eligible for the project's cash transfer program. Indeed, to-date, 3,455 households are receiving the quarterly cash transfers for 36 months, indirectly benefitting around 15,000 individuals. In addition, 2,794 elderly (634 of those living alone) are benefitting from the Lisungi Project. The project has a disbursement rate of 26 percent as of July 31, 2016 against IDA contribution (US\$2 million) and 26% against whole financing for Lisungi, which includes the Government financing (US\$5 million).

17. A detailed summary of progress-to-date per component is as follows:

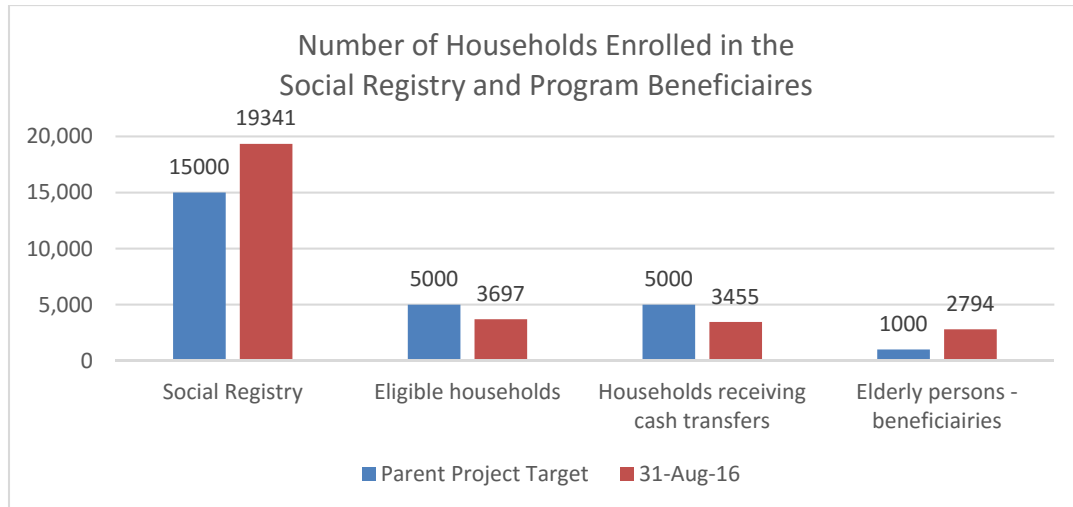
- **Component 1.** The project seeks to lay the foundations for the establishment of a social safety net system by supporting the creation of (a) a Social Registry (a national database of the poor), which will serve as an entry point for multiple interventions for the poor and vulnerable Congolese and (b) a management information system (MIS)

¹ During appraisal, the Government agreed to pre-finance the preparatory activities of the project in the amount of FCFA 160 million (equivalent to approximately US\$320,000). In addition the Government agreed to cover the cost of support staff and operational costs during the implementation of the project amounting to about FCFA 600 million (equivalent to approximately US\$1.2 million).

² In the definition of the household benefit amount, a pregnant woman counts as a child and is eligible for the variable transfer.

for the cash transfer program. The Social Registry already consolidates information on 19,341 households around the country, all of whom are potentially eligible for the project's cash transfer program and for the health project. The project has also supported the development of the cash transfer program management information system (PM-IS), which includes modules for (a) tracking payments, beneficiaries' compliance with the project's health and education conditionality, and (b) supporting the project's implementation unit (the Safety Net Technical Management Unit or UGP Lisungi) in generating regular reports and tracking grievances related to the delivery of the cash transfers. As part of system development, Lisungi started building synergies with other World Bank supported projects for improving overall program effectiveness to serve the poor better using the social registry as the entry point for these interventions that also target the poor and vulnerable population, such as:

- Health Sector Project – PDSS II (P143849).
 - Skills Development for Employability Project – PDCE (P128628).
 - Urban Development and Poor Neighborhood Upgrading Project (P146933).
 - Agricultural Development and Rural Roads Rehabilitation Project (P145627).
- **Component 2.** This component establishes a cash transfer program for the poor. As of today, 3,063 households with children as well as 2,794 elderly persons (living by themselves or in households with children), are directly benefitting from the *Lisungi* Project. An almost two-year pilot program, indirectly benefitting about 15,000 individuals was successfully implemented in three different departments of the country. To date, 3,309 households are eligible and 3,455 households (70 percent of the PDO target) are regularly receiving the quarterly cash transfers for up to the ceiling of 36 months in the program. Six hundred and thirty-four single elderly households are among the beneficiaries and a total of 2,815 elderly are receiving cash transfers. Some accompanying measures are going to be designed by UNICEF to make beneficiaries aware of the importance of nutrition, hygiene, and education.
 - **Component 3.** This component supports project management. The project has made significant progress in institutional strengthening, coordination, and capacity building. Specifically, the project (a) has a fully staffed implementation unit; (b) is effectively providing capacity building for staff of the implementation unit and the MASAHS; and (c) has developed a monitoring and evaluation strategy to track the project's operational, financial, and procurement activities.



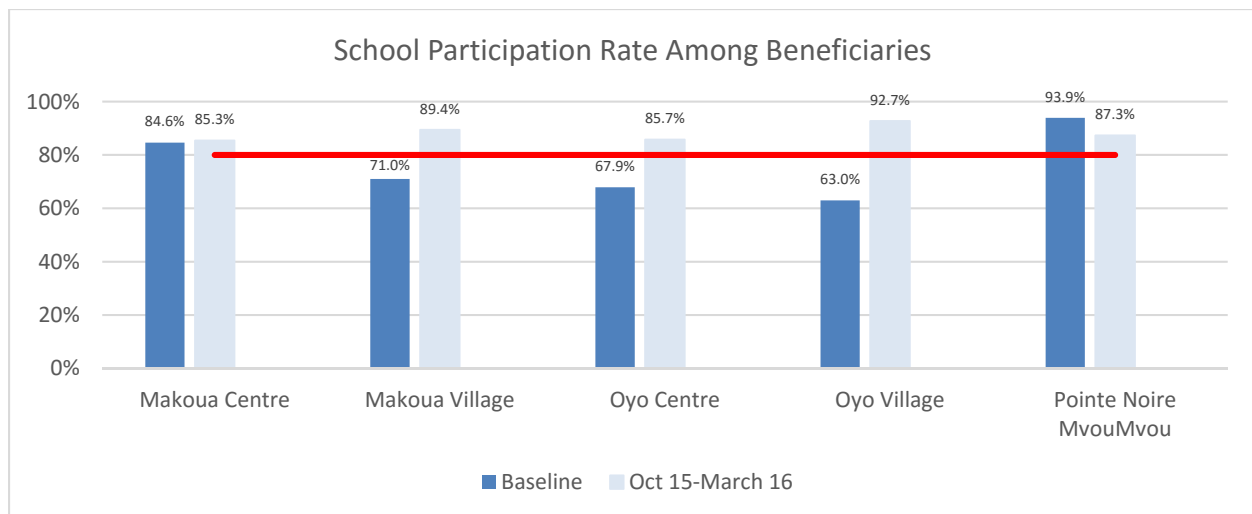
18. A Lisungi Impact Evaluation is underway and some baseline findings are presented below:

(a) Health clinic visits: The baseline monitoring activity shows that utilization of the services are still below expectations:

- i. Growth monitoring: Health center visits for growth monitoring of children 0-11 months old is at 70 percent and at 47 percent for 12-23 months old, despite the fact that they are enrolled in health centers for the visits.
- ii. Vaccination: 95 percent of 0-11 month old children have received at least one vaccine, but only 18 percent have complete vaccination records. Vaccination rate declines as children grow older, that is, on average 70 percent of children 0-11 months have taken the recommended vaccines for the first month according to the health standards, 65 percent of children 2-11 months old for the second month, 57 percent of children 4-11 months old for the fourth month, and 17 percent of children 6-11 months old for the six months onwards. The missing vaccines are often against whooping cough, influenza, hepatitis B and pneumococcus virus.
- iii. Prenatal: Around 87 percent of pregnant women are enrolled in the health centers and had at least one prenatal visit. An earlier enrollment leads to respecting the full prenatal calendar exams, that is, 100 percent of pregnant women enrolled before pregnancy week 16 have benefitted from four prenatal exams. These numbers are encouraging given that Demographic and Health Survey (DHS) 2011/12 indicates that only 84 percent of women from the lowest health quintile and 72 percent of women with no education, that are the poor, benefitted from antenatal care during their last pregnancy.
- iv. Post-natal: Most Lisungi beneficiaries did at least one post-natal exam, and 46 percent did at least two post-natal exams. These numbers are also encouraging given that DHS 2011/12 indicates 55.5 percent of women from

the lowest health quintile and 54.2 percent of women with no education have done one post-natal check-up.

(b) School Participation: Monthly school participation of beneficiary children is increasing in all targeted areas except Pointe Noire. The monthly average participation rate had increased above 80 percent in Makoua village, and in the region of Oyo where it was below 70 percent at the baseline. Only 16 percent of total beneficiaries in Pointe Noire and in the Cuvette region did not comply with the conditionalities and social workers are currently working with those children’s families to find the causes and reverse the trend.



(c) Increase productivity: In Makoua, where a deeper analysis was performed, about 24 percent of beneficiaries have invested part of the benefits to open their own micro business by the purchase of small equipment for cassava fields and market gardening; the purchase of nets and canoes for fishing; the small trade of food products, to sell local drink, gasoline, oil, hairstyle articles for women, etc.

19. By combining the cash transfer program with building the foundations of a social safety net system, the parent project is already building a basic social safety net system. The AF seeks to expand this further by: (a) transforming and promoting livelihoods with additional transfers for the Income Generating Activities program (IGA); (b) expanding the geographical scope of the project; and (c) enhancing synergies with other sectors—such as education, health, nutrition and population, disaster risk management, climate change, jobs, agriculture, and gender—to increase their impact with regard to reducing poverty and increasing shared prosperity.

Consistency with the Bank’s Strategy for the Republic of Congo

20. The proposed AF is consistent with the Bank’s Systematic Country Diagnostic (SCD) for the Republic of Congo that aims to (a) further improve governance; (b) boost productivity and develop value chains in different sectors including agriculture and oil, gas and mining, and sector to reduce poverty; (c) build households’ resilience and human capital to help them plan for,

mitigate, and cope with uninsured risks as well as to create the conditions to enhance their economic performance, and (d) support jobs promotion.

Activities to be financed by the Proposed AF

21. The overall purpose of the proposed AF is to enlarge the current Lisungi program's scope and geographical reach to (a) strengthen the social safety nets system and (b) its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas of the country. With regard to (a), the proposed AF will support and enable further expansion of ongoing activities described in Components 1 and 2, and strengthen institutional capacity in the area of Social Protection. With regard to (b), the proposed AF will finance continuation and expansion of the current cash transfer program and the addition of one new sub-component to the original project Component 2, that is an Income Generating Activities Program (IGA) to enable the poor and vulnerable enrolled in the Social Registry to be more productive and to promote empowerment.

22. The IGA will deliver top-up cash transfers to eligible beneficiaries to support poor and vulnerable households to develop small-scale, productive activities. Furthermore, the project will provide accompanying measures to support beneficiaries in running successful and sustainable enterprises and an information campaign and knowledge promotion activities at the household level will be designed to reduce any potential environmental impact.

23. The World Bank team believes there is a strong justification to provide further support to the *Lisungi* Project with an AF for the following reasons: (a) the project is progressing satisfactorily with room to expand in scope and geographical presence; and (b) this is an opportunity to formalize the current informal support to income generating activities into the social protection system in order to provide better information and support to households on how to be more productive.

Procurement

24. Procurement for the proposed AF will be carried out in accordance with the World Bank's rules and procedures, and no change from parent project is required. These consist of "Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014, "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014, the provisions stipulated in the Legal Agreement and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011. All procurement of goods under this project will be carried out using the Bank's Standard Bidding Documents (SBD) or Standard Request for Proposals respectively for all international competitive bidding (ICB) for goods and all recruitment of international consultants. For national competitive bidding (NCB), while the Bank is assessing the implementation of the government's new procurement system (under the procurement code adopted December 2009) outside the context of this project, the Borrower will use the World Bank's SBD for ICB for goods and the World Bank's Standard Request for Proposals for the recruitment of consultants. Annual procurement audits will be carried out throughout the duration of the project.

III. Proposed Changes

Summary of Proposed Changes

The Project is being restructured to amend the Project Development Objective (PDO) which will now read as follows: to strengthen the social safety nets system and its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas of the country.

The PDO will be achieved by: (a) further strengthening the country's current social safety net system, which includes making it more transparent and used for enhancing coordination; (b) increasing the productivity of poor and vulnerable households; and (c) extending the scope of the Project. The scope of the restructured project is broader, accommodating an income generating activities subcomponent to promote and increase household productivity, with the objective to empower beneficiaries' households. More specifically, the AF will:

- i. With regards to strengthening the country's current social safety net system:
 1. Continue to support the creation of the social registry to allow the Government to deliver multiple social protection interventions;
 2. Improve actions for monitoring conditionalities of the cash transfer program;
 3. Support the development of anti-corruption and grievance redress measures to address potential fraud and corruption cases between household and administrators, and management information systems beyond *Lisungi Unité de Gestion du Projet* (Lisungi UGP);
 4. Support institutional strengthening to enhance coordination to blend interventions for the chronic poor and the vulnerable;
 5. Support institutional strengthening to enhance coordination and capacity of Ministries for implementation of the new Income Generation Activity subcomponent; and
 6. Support the development of anticorruption and grievance redress measures to address potential fraud and corruption cases between household and administrators and MISs beyond the Lisungi UGP.
- ii. With regards to increasing the productivity of poor and vulnerable households and extending the scope of the Project:
 1. Scale up the parent project's Conditional Cash Transfer (CCT) to improve access to health and education services of the poorest households in selected areas of the country.
 2. Launch the Income Generating Activity program (IGA) to enable beneficiaries currently enrolled in the social registry to be more productive, while boosting resilience and the

local economy.

Therefore, the AF will retain the same three components where Component 1 "Establishment of key building blocks of a national safety net program and enhancement of local capacities" and Component 3 "Project management, Monitoring and Evaluation (M&E)" remain unchanged, but Component 2 will be renamed to "Development and implementation of cash transfer programs" and will incorporate the IGA activities.

More specifically regarding the Component 2 "Development and implementation of cash transfer programs", the base conditional cash transfer (CCT), as in the parent project, aims to increase the consumption of the poorest households with children and/or elderly members by providing them with direct transfers, where children are required to respect the following conditions:

1. Health: Regular health center visits including prenatal and post-natal exams and age-relevant check-ups and vaccination.
2. Education: A minimum of 80 percent regular school attendance per child per month.

In addition to the CCT, a top-up cash transfer can be provided to select households (either current beneficiaries of the CCT or to other poor households enrolled in the social registry) on the basis of a short plan outlining proposed Income Generating Activities (IGA) and will include accompanying measures such as training and guidance on how to make a success of the activities. This new IGA cash transfer is designed to increase productivity and promote empowerment on selected beneficiaries. The proposed income generating activities will be small-scale (undertaken at household level) and could include (a) the purchase of inputs for gardens or subsistence farming to improve dietary diversity of households; (b) the establishment of community savings groups; (c) the support to adopt alternative livelihoods such as the purchase of small equipment, e.g. a sewing machine or the means to deliver goods to market; and (d) the provision of capacity building activities to ensure that the small scale activities are operational. Besides that, this activity aims to increase beneficiaries' access to credit and promote savings by establishing linkages with micro-finance institutions and/or banks.

It is expected that only 20-30 percent of the 8,000 activities planned will work on subsistence agriculture activities. Those households that demand support for subsistence activities would be working on their own small plot to increase subsistence activities in order to improve dietary diversity and food security, while receiving one-to-one accompanying measures on how to run such activities.

Component 2 will not finance the purchase of land or buildings, nor will the project procure any pesticides but the project will carry out extension services towards project beneficiaries on the

proper use of pesticides and other agro-chemicals although the project will not finance any of these products. Therefore, IGA beneficiaries will receive guidance on how to undertake their proposed activities in an environmentally-friendly, sustainable and successful manner. The participation of women in the subcomponent will be strongly encouraged, since women are traditionally involved in small-scale IGA and are economically marginalized.

This component will be implemented in the parent project locations of:

1. Brazzaville: Districts of Makelekele, Bacongo, Mougali, Talangai, Madibou, Djiri and M'filou.
2. Pointe-Noire: Districts of Mvou-Mvou and Loandjili.
3. Cuvette: Districts of Oyo and Makoua.

The AF will support expansion of cash transfers to households already identified as poor and vulnerable through the targeting methods used successfully in the Health Sector Project (PDSS II, P143849). This Health Sector Project has an Indigenous People Plan (IPP) to ensure that activities do not discriminate against IPs, and to ensure they will have equal opportunity to access any social intervention in place. The PDSS II IPP has been updated to reflect that the same approach can be used for Lisungi. The three new districts selected for this expansion are:

1. Niari: District of Dolisie.
2. Pool: District of Goma tse-tse (quartier Nganga-Lingolo).
3. Plateaux: Districts of Gamboma and Ngo.

Finally, the closing date of the parent project will be extended by 22 months, from February 28, 2018, to December 31, 2019, to allow sufficient time for all of the target indicators to be reached. The results framework will be modified to adjust target values and reflect the project's expected impact on the productivity of beneficiaries as a result of the introduction of the new IGA sub-component.

Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]

Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Financial Management	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Implementation Schedule	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Development Objective/Results
Project's Development Objectives
Original PDO "Establish the key building blocks of a national safety net program and pilot a cash transfer program to improve access to health and education services of poorest households in participating areas."
Change in Project's Development Objectives
Explanation: Initially, the PDO was "to establish" the key building blocks of a national safety net program; this is now being changed to "to strengthen" reflecting the progress made. The word "pilot" has been dropped from cash transfer program to indicate that the pilot phase is over and the program is now being rolled out to more regions. The words "and productivity" are added to reflect the expanded scope of the project's activities arising from the new sub-component, Income Generating Activities.
Proposed New PDO - Additional Financing (AF)
"Strengthen the social safety nets system and its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas."
Change in Results Framework
Explanation: The results framework will be slightly modified to (a) reflect lessons learned during project implementation; (b) capture the increased focus of the project on productivity; and (c) incorporate new core indicators related to the proposed new sub-component. Specifically, outcome indicators will be changed as follows: <ol style="list-style-type: none"> 1. The targets of indicators related to the number of cash transfer beneficiaries will be adjusted to reflect the additional transfers financed by the proposed AF. 2. The number of children and elderly benefiting from cash transfers will be adjusted in accordance with corrections to initial projections based on the findings of impact evaluation surveys, and administrative records. 3. Indicators for measuring productivity arising from the Income Generating Activities (IGA) will be added.

Compliance

Change in Safeguard Policies Triggered

Explanation:

It is expected that the new IGA sub-component will not have adverse environmental impacts because of the nature, scale, and scope of these activities. It is expected that any environmental footprint will be moderate and localized and have well-defined mitigation measures. The project activities are also expected to have positive impacts to increase subsistence activities and household productivity, while promoting knowledge activities to inform the population better on how to better benefit from the investments. Therefore, from an environmental perspective there is no need to develop a specific safeguard instrument because this project is likely to have minimal or no adverse environmental impacts.

From the social safeguards perspective, the project does not trigger OP 4.12 due to the fact that project activities will not result in any form of land take leading to involuntary resettlement and/or restriction of access to assets and/or involuntary restriction to legally designed parks or impact negatively on livelihoods. However, the project will trigger OP 4.10 due to the presence of indigenous peoples (autochtones) in the Plateaux region. Although the targeting selection, as specified in the Project Implementation Manual (PIM), does not discriminate against indigenous peoples and aims to provide equal opportunity to benefit from any of the Lisungi activities, the project has added a layer of risk management to ensure that autochtones are indeed included, by updating and adopting the existing Indigenous Peoples Plan (IPP).

Finally, the project will recruit a social and environmental specialist expert to manage agreed social and an environment mitigation measures to support the project activities no later than 3 months after project effectiveness.

Current and Proposed Safeguard Policies Triggered:	Current (from Current Parent ISDS)	Proposed (from Additional Financing ISDS)
Environmental Assessment (OP) (BP 4.01)	No	No
Natural Habitats (OP) (BP 4.04)	No	No
Forests (OP) (BP 4.36)	No	No
Pest Management (OP 4.09)	No	No
Physical Cultural Resources (OP) (BP 4.11)	No	No

Indigenous Peoples (OP) (BP 4.10)	No	Yes
Involuntary Resettlement (OP) (BP 4.12)	No	No
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No

Covenants - Additional Financing (Lisungi Safety Nets System Project Additional Financing - P161154)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Project Reports	The Recipient shall, not later than eighteen (18) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations.	31-Jan-2019	<input type="checkbox"/>		New
IDA	Safeguards: Compliance with, and Monitoring of, the	The Recipient, through the LISUNGI Project Management Unit, shall: (i) comply with, and carry out, the IPP with due diligence and efficiency and at		<input checked="" type="checkbox"/>	Continuous	New

	Indigenous Peoples Plan	all times provide the funds necessary therefor; (ii) adequately monitor and evaluate the carrying out of the activities provided in the IPP in the carrying out of the Project; and (iii) maintain the Association suitably informed of the progress.				
--	-------------------------	---	--	--	--	--

Conditions

Source Of Fund	Name	Type
IDA	Subcomponent 2.b	Disbursement

Description of Condition
 No withdrawal shall be made under Category (2)(b), until and unless the Recipient shall have updated the Project Implementation Manual in form and substance satisfactory to the Association to include a chapter setting forth the detailed policies and procedures for the Cash Transfers in support of the income-generating activities to be implemented under Part 2.B of the Project.

Risk

Risk Category	Rating (H, S, M, L)
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Moderate
7. Environment and Social	Low
8. Stakeholders	Low
9. Other	
OVERALL	Moderate

Finance

Loan Closing Date - Additional Financing (Lisungi Safety Nets System Project Additional Financing - P161154)					
Source of Funds			Proposed Additional Financing Loan Closing Date		
IDA Credit provided from the IDA Regional Projects Window			31-Dec-2019		
Loan Closing Date(s) - Parent (CG Rep. LISUNGI Safety Nets System Project - P145263)					
Explanation: The closing date will be extended by 22 months to ensure that all target indicators are met once the additional finance is added.					
Ln/Cr /TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-53580	Effective	28-Feb-2018	28-Feb-2018	31-Dec-2019	
Change in Disbursement Arrangements					
Explanation: While all disbursement procedures will be maintained, the client will be requested to open a second designated account for the additional finance funds. The ceiling of the new designated account will be set to FCFA 300 million and will be used exclusively to pay for eligible expenditures under the Additional Financing. Disbursement of the cash transfers from Component 2, that are cash transfers to households and to elderly individuals, will be made in accordance with the procedures and eligibility criteria set forth in the PIM. Cash transfers payment contracts must be signed between the Lisungi UGP and payment agencies as in the parent project. Initial disbursements will be made by accredited agencies upon receipt of the list of beneficiaries selected in line with the criteria specified in the PIM and with the contract signed by the selected payment agency (or agencies) as specified in the PIM. As in the parent project, an annual process evaluation of the sub-components will be conducted to ensure that all operational processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.					
Change in Disbursement Estimates (including all sources of Financing)					

Explanation:				
By adding the AF, the expected disbursement total will change starting in FY17.				
Expected Disbursements (in USD Million)(including all Sources of Financing)				
Fiscal Year	2016	2017	2018	2019
Annual	6.00	9.50	9.50	2.00
Cumulative	6.00	15.50	25.00	27.00
Allocations - Additional Financing (Lisungi Safety Nets System Project Additional Financing - P161154)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
IDA	USD		10,000,000.00	100.00
		Total:	10,000,000.00	

Components	
Change to Components and Cost	
Explanation:	
<p>Component 1 "Establishment of key building blocks of a national safety net program and enhancement of local capacities" (original amount allocated US\$1.2 million, and AF US\$0.4 million).</p> <p>The objective of Component 1 remains unchanged.</p> <p>Component 2 "Development and implementation of cash transfer programs" (original amount allocated US\$12.2 million, and AF US\$9.4 million)</p> <p>The combined interventions of the base Conditional Cash Transfer and top-up Income Generating Activities will offer support to poor and vulnerable households to raise their consumption and productivity. The geographical scope of this Component will expand from the current three departments of Brazzaville, Pointe-Noire, Cuvette, to also include:</p> <ol style="list-style-type: none"> 1. Niari: District of Dolisie. 2. Pool: District of Gomatsetse (quartier Nganga-Lingolo). 3. Plateaux: Districts of Gamboma and Ngo. 	

Subcomponent 2.a: "Direct Conditional Cash Transfers to Poor Households (CCT)"
(original amount allocated US\$2.2 million, and AF US\$4.6 million)

This subcomponent finances quarterly cash transfers for households with children and elderly individuals in selected district(s)

This subcomponent will provide timely, predictable, and regular transfers to eligible households. Timely transfers ensure the achievement of program objectives, smooth and increase household consumption, and protect household assets. Predictable transfers allow households to maximize the use of their money and help them make livelihood investments because the timeliness and predictability of transfers enables households to plan and invest in the future, particularly in the human capital of their children.

The cash transfer will be delivered following the same targeting approach used in the parent project, and this component will ensure first that the current cash transfer caseload receives regular payments until the end of the project, then it can be used to increase the number of beneficiary households.

The cash transfer is set to increase the consumption of the poorest households with children and/or elderly members by providing them with direct transfers, where all children in beneficiary households are required to respect the following conditions:

1. Health: Regular health center visits including prenatal and post-natal exams and age-relevant check-ups and vaccination; and
2. Education: a minimum of 80 percent regular school attendance per child per month.

Subcomponent 2.b: Income-Generating Activities Program
(original amount allocated US\$0 million, and AF US\$4.8 million)

This subcomponent seeks to enable the poor and vulnerable households enrolled in the Social Registry to be more productive. All poor and vulnerable households currently enrolled in the Social Registry can be eligible to participate in the IGA financed under this subcomponent. The selection of beneficiary households will be made based on a short plan outlining the proposed activities, using the community knowledge and favoring current CCT beneficiaries. In addition to supporting small-scale income-generating activities, this sub-component will also include accompanying measures to increase the success of the businesses and training on financial education, savings and credit.

The proposed income generating activities will be small-scale (undertaken at household level)

and could include (a) the purchase of inputs for gardens or subsistence farming to improve dietary diversity of households; (b) the establishment of community savings groups by financing consultant (individual or firm) to help implementation, and the cost of the saving groups starter kits for the groups, which may include notebooks, pens, lock box, padlocks, a calculator, and materials for counting and storing money; (c) the support to adopt alternative livelihoods such as the purchase of small equipment e.g. a sewing machine or the means to deliver goods to market; and (d) the provision of capacity building activities to ensure that the small scale activities are operational.

Component 3 "Project management, Monitoring and Evaluation (M&E)"
(original amount allocated US\$3.6 million, AF US\$0.2 million).

The objective of Component 3 remains unchanged.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Establishment of key building blocks of a national safety net program and enhancement of local capacities	Establishment of key building blocks of a national safety net program and enhancement of local capacities	1.20	1.60	Revised
Strengthening the demand-side of services through cash transfer program	Development and implementation of cash transfer programs	12.20	21.60	Revised
Project management, Monitoring and Evaluation (M&E)	Project management, Monitoring and Evaluation (M&E)	3.60	3.80	Revised
	Total:	17.00	27.00	

Other Change(s)

PHImplemeDel

Implementing Agency Name	Type	Action

Change in Financial Management

Explanation:

As part of the initial project preparation, a financial management assessment (budgeting, staffing, financial accounting, financial reporting, funds flow and disbursements, internal and external audit arrangements) at the MASAHS Project Coordination Unit level was conducted. The objective of the assessment was to determine: (a) whether this unit has adequate financial management arrangements to ensure that project funds will be used for purposes intended in an efficient and economical way; (b) project financial reports will be prepared in an accurate, reliable and timely manner; and (c) the project's assets will be safeguarded. The Financial Management Assessment (FMA) was carried out in accordance with the Financial Management Practices Manual issued by the Financial Management Sector Board on November 3, 2005.

The review concluded that the overall financial management system was suitable to ensure sound implementation of the project. The financial management staff includes a Financial and Administrative Officer who is responsible for financial and administrative matters, an accountant, and an administrative assistant. They have been trained in the use of World Bank and AfDB procedures as well as the accounting software namely TOMPRO over the last years. The recent supervision missions of the Lisungi project have confirmed that the financial management arrangement has been maintained throughout the implementation of the project: there are proper books of accounts, which include a cash book, ledgers, journal vouchers and a contract register; and there are no overdue external audit reports or Interim Financial reports (IFRs) from this unit. It is expected that this FMA will be used for the implementation of the Lisungi AF but some measures to reduce any risks must be added, as follows:

1. Risk environment. The report-based disbursement will not be applicable by default. Therefore, upon project effectiveness, transaction-based disbursements will continue to be used. An initial advance up to the ceiling of the DA will be made into the designated account and subsequent disbursements will be made on a monthly basis against submission of Statements of Expenditures or records as specified in the Disbursement Letter. The signatories of the current project will continue for this Additional Financing.
2. Governance and Accountability. The risk of fraud and corruption within project activities is high given the country context, and current fiduciary arrangement that helped to mitigate the risks must continuously be applied.
3. It is recommended that the following remedial actions be completed within three months of effectiveness:

Accounting software; Remedial action recommended: Update the existing software and train the fiduciary staff on the use of that software; Responsible entity: UGP

FM procedures manual; Remedial action recommended: Prepare a project manual of procedures which will include FM and accounting aspects; Responsible entity: UGP
 Reporting (IFRs); Remedial action recommended: The format of IFRs being used for the parent project will be adapted and continue to be used; Responsible entity: UGP
 External auditing; Remedial action recommended: Selection of an external auditor on ToRs (project accounts), the current ToRs will be revisited; Responsible entity: UGP

Change in Implementation Schedule

Explanation:

The parent project closing date will be extended by 22 months to December 31, 2019, to allow for the completion of all activities. The new implementation schedule will be prepared by effectiveness.

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

Congo has experienced strong economic growth in recent years. This growth has had a positive impact on the country's economic and social indicators but is still not enough to reduce poverty significantly or to improve some other indicators in the areas of education and health. Between 2005 and 2011, the poverty rate in Congo dropped by 4.2 percentage points but this is still 11.5 percentage points below the country's Millennium Development Goal. With a safety net such as Lisungi, Congo could achieve much stronger results in terms of poverty reduction and human capital development at a low cost. Besides that, economic growth has proved not be inclusive; vulnerable groups such the youth, women, and autochtones, are contributing and benefiting less.

Congo's social protection system is evolving, and is playing an increasing role in protecting families from poverty and promoting their productivity. The development over the last few years of the basic building blocks of a National Safety Nets System takes a more systematic approach to targeting vulnerable populations. The focus has been on constructing the targeting mechanism and piloting interventions encompassing income support, access to services (including education and health) and information, and productive inclusion by improving employment opportunities through skills development and access to income generating activities. This kind of systematic approach targeted to specific groups of the populations (the poorest and most vulnerable) has yielded results in terms of poverty reduction and human development across the globe. From a situation of no social safety net in 2011, Congo is now in a position of increasing capacity in social safety nets, although it has yet to scale up to national level.

The Lisungi program offers a platform for a better social protection system through three pathways: i) Income support - Contribute to the poverty reduction strategy and to the promotion of food security of poor and vulnerable households; ii) Access to services and information - Promote access to basic services (education and health) and access to the civil registry among poor and vulnerable population, mainly children; and iii) Productive Inclusion - Promote improvement of skills and qualifications of young people and adults to improve employment opportunities and the access to income generating activities.

By expanding its coverage, and by being used as a vehicle to deliver a bundle of interventions and specific productive, incentive-based and income-generating activities, Lisungi program can generate larger impacts. The program can be used not only to channel direct cash transfers (either conditional or un-conditional), but also to support income generating activities to help the chronically poor and the vulnerable; and to deliver a mix of interventions to support promoting consumption, investment and building productive assets as a way to increase resilience and, therefore, structurally reduce poverty.

Moreover, the poor and vulnerable households are cash constrained and cannot afford to adopt high return processes or risk, while incentives push towards allocating assets to reduce risk exposure, trading off expected gains for lower risk. Developing stronger linkages between the National Social Safety Net and other government programs, such as in agriculture, education (PDCE) and health (PDSS), can be an effective way of addressing some of the most stubborn development gaps that require more comprehensive solutions. As presented in the SCD, the key priorities for improving impacts on poverty can be organized around the following points: i) increase coverage of cash transfer programs; ii) institutionalization of social registry as entry point for social policies; iii) build linkages with other sectors for provision of bundle of services for the poor population; and iv) build resilience by improving productivity of beneficiary households of social policies.

This AF supports this agenda. It is expected that the social registry, CCT and the provision of IGA will have a direct impact on households and individuals. IGA can thus have a significant long-term impact on households by promoting and supporting investment so that current beneficiaries can become more productive. The IGA sub-component will be designed in accordance with other international projects and are expected to increase household resilience as a result of the effective geographical and household-level targeting, and the low level of foregone income from participation.

Using simulation methods, it is estimated that a cash transfer program operating at national scale could reduce the Congolese poverty rate to 38.9 percent, which is only 3.9 percentage points away from the MDG 1 goal (35 percent by 2015), at a cost of around 1 percent of GDP.

Focusing on the extreme poor population at the national level, this program is likely to have a large impact on poverty and inequality. By transferring around 20-30 percent of the household consumption of poor households, poverty rates would decline between 20 and 40 percent depending on the quality of the targeting.

Technical Analysis

Explanation:

The design of the parent project and of the AF follows best practices for cash transfer, and IGA. The cash transfer beneficiaries are selected from among the poorest households. A grievance system, which needs to be strengthened in the upcoming months, is already in place to respond to beneficiary complaints and to ensure a satisfactory level of social accountability. The design of this AF maximizes targeting accuracy and will be effective in channeling limited project resources to the poorest. The payment system will continue to follow best practices and the latest developments in mobile payment systems and central information systems for program management. The information system is integrated with other operational processes such as the selection and registration of beneficiaries, the preparation of the list of people to be paid, the reconciliation of accounts, and the reporting of information for project monitoring and evaluation.

The addition of the new sub-component financed under this AF will certainly add a level of complexity to the parent project with regard to institutional capacity. The monitoring and evaluation plan of the parent project has *ex-ante* and *ex-post* control of activities implemented or managed by the Lisungi UGP. These will be expanded to ensure that the new activities financed under the proposed AF are implemented effectively and efficiently. Additional staff will be hired by the Lisungi UGP to support the implementation of the IGA. Finally, the World Bank will continue to support the Lisungi UGP in the implementation of all project activities, including technical assistance and advice to mitigate any risks related to the increased project complexity.

Social Analysis

Explanation:

There are Indigenous Peoples in the Cuvette, Pool, Niari and Plateaux region. The parent project was screened for the presence of Indigenous Peoples (Autochtones) in the Cuvette rural area but the project did not initially trigger OP 4.10 on Indigenous Peoples because information provided by the Government, local authorities, and experience from two World Bank financed projects, showed that there were no Indigenous Peoples in Cuvette (but, rather, in Cuvette Ouest). As for the new areas, namely Pool, Niari, and the Plateaux, assessments show that while in the Pool and Niari the Autochtones are integrated in the semi-rural but mainly urban setting, the Plateaux region has a presence of groups identified as Indigenous according to the OP 4.10

definition. The targeting system of Lisungi is designed in a way that it does not discriminate against any vulnerable and marginalized populations, and IPs have the same chance to benefit from programs if they are enrolled in the Social Registry, which is open to all and has a grievance process and monitoring and evaluation plan in place to ensure that any vulnerable or marginalized population, including the autochtone population, can participate in a meaningful way in the project. In order to ensure the inclusion of IPs properly, the borrower has updated the existing Indigenous People's Plan developed in the context of the Health Sector Project (P143849), whose coverage is on a national level.

No civil works will be undertaken and no adverse environmental or social impacts are expected. The project does not require any land acquisition leading to involuntary resettlement and/or restrictions of access to resources and livelihood. The project is expected to have a positive impact for the whole population in the targeted areas.

Besides that, to prevent elite capture the parent project methodology will be used to ensure transparent identification and registration of beneficiary households by combining: (i) geographical mapping of poverty in consultation with technical institutes and local authorities; (ii) community targeting; (iii) spot check data collection conducted by an independent third party; and (iv) the use of an information system to ensure transparent identification and registration of the beneficiary households. As in the parent project, a list of beneficiaries targeted in each village would be shared with beneficiaries along with explanations of the targeting process to ensure transparency. Finally, a grievance system, accessible and easy to use by the communities, established as part of the parent project is being strengthened in order to achieve greater accountability in the safety net system and to provide a vehicle for addressing complaints and grievances that arise during the AF implementation process.

Environmental Analysis

Explanation:

It is expected that the new sub-component IGA will not have adverse environmental impacts because of the nature, scale, and scope of these activities. It is expected that any environmental footprint will be moderate and localized and have well-defined mitigation measures. The project activities are also expected to have positive impacts to increase subsistence activities and household productivity, while promoting knowledge activities to better inform population on how to better benefit from the investments. Therefore, from an environmental perspective there is no need to develop a specific safeguard instrument because this project is likely to have minimal or no adverse environmental impacts.

The project will put in place guidelines and procedures in order to avoid potential negative environmental or social impacts. These include:

1. A document comprising the General conditions for environmental and social management will be prepared by the project team and will be included in the PIM.
2. The PIM will specify all activities eligible to be promoted. Excluded activities include those that require the involuntary acquisition of land, such as construction leading to involuntary resettlement of people and/or loss of access to assets, revenues and/or means of livelihoods, and/or restriction of access to legally designated parks.
3. The project will not finance the purchase of pesticides and will provide guidance to beneficiaries on how to avoid the use of pesticides, including a do not use list.
4. The PIM will further provide a checklist for the regional selection committees to capture potential social and environmental risks of sub-projects.
5. For due diligence purposes, the agreements between the implementing agency and the selected livelihood groups will include general social and environmental clauses derived from the general conditions for environmental and social management.

Risk

Explanation:

Mitigation risks for high and substantial risks include:

Political and Governance: Use a Governance and Anticorruption (GAC) Action Plan (which will be included in the PIM) to establish a list of mitigation measures, such as: (a) an information campaign to promote transparency and accountability to both at central and local levels; (b) efficient and confidential complaint management system; (c) applying strict rules, norms and Bank procurement and financial management guidelines; (d) establishing a strong management information system (MIS) for targeting, registering and paying all beneficiaries; (e) recruiting qualified independent payment agencies for cash transfer programs; and (f) physical verifications and independent assessments to ensure the transfer mechanism function appropriately (including among others, identification, registration and payment). The aim is to ensure transparent identification and registration of beneficiary households by combining: (i) geographical mapping of poverty in consultation with technical institutes and local authorities; (ii) community targeting and proxy means testing; (iii) spot check data collection conducted by an independent third party; and (iv) the use of an MIS system to ensure the transparent identification and registration of the beneficiary households.

Macroeconomic: The macro framework is already under strain, and the fiscal space is shrinking and will continue to do so jeopardizing the sustainability of the project by the Government and the release of the counterpart funds of the current project. The macro risk cannot be mitigated within this project, however, the World Bank will continue to monitor the situation and liaise with the IMF, and other partners to provide support where possible.

Stakeholders: Since 2015 the Lisungi UGP is trying to bring the donor community to be part of the Safety Net System. As of today, UNICEF and AFD have joined the Lisungi as a partner or co-financer and the dialogue with World Food Program is evolving for integrating its program in the system. These agencies have different objectives but Lisungi UGP is aiming to ensure that all harmonize around the Lisungi program's goals. Besides that, other sectors are still not participating and collaborating with Lisungi as expected except for health and education where collaboration is good. The mitigation measure is to provide a roadmap to all project stakeholders regarding goals, main activities, and dissemination of initial results of all activities managed by the Lisungi UGP.

V. World Bank Grievance Redress

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

Annex 1: Revised Results Framework and Monitoring Indicators

Project Development Objectives

Original Project Development Objective - Parent:

"Establish the key building blocks of a national safety net program and pilot a cash transfer program to improve access to health and education services of poorest households in participating areas."

Proposed Project Development Objective - Additional Financing (AF):

“Strengthen the social safety nets system and its programs aimed at improving both access to health and education services and productivity among poor and vulnerable households in participating areas of the country.”

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	The number of potential beneficiary households enrolled in the unique registry for safety net programs	<input type="checkbox"/>	Number	Value	0.00	30313.00	45000.00
				Date	01-Jan-2014	30-Nov-2016	30-Jun-2019
				Comment			End target adjusted upward to accommodate new partnerships with other World Bank projects and AF resources.
New			Number	Value	0.00	17652.00	50000.00

	Beneficiaries of Safety Nets programs (number)	<input checked="" type="checkbox"/>		Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
				Comment			
New	Beneficiaries of Safety Nets programs - Conditional cash transfers (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	17652.00	32500.00
			Sub Type	Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
			Breakdown	Comment			
New	Beneficiaries of Safety Nets programs - Female (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	10012.00	25000.00
			Sub Type	Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
			Breakdown	Comment			
New	Beneficiaries of Safety Nets programs - Social pensions (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	2815.00	3500.00
			Sub Type	Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
			Breakdown	Comment			
New	Beneficiaries of Safety Nets programs - Other social assistance programs (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	40000.00
			Sub Type	Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
			Breakdown	Comment			
New	The percentage of households reporting that asset depletion is prevented as a result of transfers (CCT and IGA)	<input type="checkbox"/>	Percentage	Value			50.00
				Date			30-Jun-2019
				Comment			
Marked for Deletion	The number of (direct and indirect) recipient of the cash transfer program	<input type="checkbox"/>	Number	Value	0.00	17712.00	20000.00
				Date	01-Jan-2014	31-May-2016	28-Feb-2018
				Comment			
Marked for Deletion	and the percentage of these that is female	<input type="checkbox"/>	Percentage	Value	0.00	38.00	50.00
			Sub Type				
			Supplemental				

Revised	The percentage of cash transfer beneficiary households who receive payments in a timely manner as defined in the project implementation manual (PIM)	<input type="checkbox"/>	Percentage	Value	0.00	93.00	90.00
				Date	01-Jan-2014	31-May-2016	30-Jun-2019
				Comment			End target date change.
Revised	The percentage of beneficiary households who live below the food poverty line	<input type="checkbox"/>	Percentage	Value	0.00	83.21	75.00
				Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
				Comment		Base line survey	End target date change.
Revised	The percentage of beneficiary children aged between 6 and 14 years old who are regularly attending primary schools (at least 80 percent of the time every month)	<input type="checkbox"/>	Percentage	Value	0.00	84.00	90.00
				Date	01-Jan-2014	09-Sep-2016	30-Jun-2019
				Comment		Compliance based on project monitoring activities.	End target date change and revision of the goal based on current evaluation cycle.
Revised	The percentage of infant beneficiaries aged between 0 and 11 months old who had regular monthly visits to health centers	<input type="checkbox"/>	Percentage	Value	0.00	70.00	70.00
				Date	01-Jan-2014	09-Sep-2016	30-Jun-2019
				Comment		Compliance based on project monitoring activities.	End target date change.
Revised	The percentage of beneficiaries aged between	<input type="checkbox"/>	Percentage	Value	0.00	47.00	70.00
				Date	01-Jan-2014	09-Sep-2016	30-Jun-2019

	12 and 23 months old who had regular bi-monthly visits to health centers			Comment		Compliance based on project monitoring activities.	
--	--	--	--	---------	--	--	--

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Percentage of beneficiaries households with 15% consumption increase in participating areas	<input type="checkbox"/>	Percentage	Value	0.00		75.00
				Date	01-Jan-2014		30-Jun-2019
				Comment			End target date change.
New	Percentage of beneficiaries that feel project investments (IGA) reflected their needs	<input type="checkbox"/>	Percentage	Value			80.00
				Date			30-Jun-2019
				Comment			
New	% of beneficiaries receiving contingency resources within 90 days of identification of needs	<input type="checkbox"/>	Percentage	Value			80.00
				Date			30-Jun-2019
				Comment			
New	% of beneficiaries that report they are aware of IGA objectives and entitlements	<input type="checkbox"/>	Percentage	Value			80.00
				Date			30-Jun-2019
				Comment			
Marked for Deletion	Number of Elderly Benefiting from the Cash Transfer Program	<input type="checkbox"/>	Number	Value	0.00	2815.00	1000.00
				Date	01-Jan-2014	10-Dec-2016	28-Feb-2018
				Comment			
Marked for Deletion	and percentage of these that are female	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	50.00	63.00	50.00

Revised	Percentage points increase in Enrolment rates in primary schools by grades and gender in participating areas	<input type="checkbox"/>	Percentage	Value	0.00		4.00
				Date	01-Jan-2014		30-Jun-2019
				Comment			End target date change.
Revised	Percentage points increase of children under 1 year-old in participating areas with vaccination card up-to-date	<input type="checkbox"/>	Percentage	Value	18.00		40.00
				Date	09-Sep-2016		30-Jun-2019
				Comment	Baseline line data shows that full immunization rate is at 18% based on baseline monitoring. Therefore the baseline and the text must be updated to reflect that children actually have the vaccination card up-to-date.		End target is revised downwards due to the shortage of vaccines in health centers.
Revised	Percentage point increase of pregnant women receiving the maternal health package	<input type="checkbox"/>	Percentage	Value	60.00	87.00	80.00
				Date	01-Jan-2014	09-Sep-2016	30-Jun-2019
				Comment			End target date change.

Revised	Number of staff trained at <i>Circonscription d'Action Sociale</i> (CAS) level in participating areas	<input type="checkbox"/>	Number	Value	0.00	138.00	170.00
				Date	01-Jan-2014	31-May-2016	30-Jun-2019
				Comment			End target date change.
Revised	Percentage of caretakers who know their rights and responsibilities in terms of co-responsibilities, program rules and entitlements	<input type="checkbox"/>	Percentage	Value	0.00		75.00
				Date	01-Jan-2014		30-Jun-2019
				Comment			End target date change.
Revised	Number of Households Benefiting from the Cash Transfer Programs	<input type="checkbox"/>	Number	Value	0.00	3039.00	9000.00
				Date	01-Jan-2014	10-Dec-2016	30-Jun-2019
				Comment			End target date change and AF
New	Number of Households Benefiting from the Cash Transfer Programs: conditional cash transfer	<input type="checkbox"/>	Number Sub Type Breakdown	Value	3039.00		6500.00
				Date	10-Dec-2016		30-Jun-2019
				Comment			End target date change and increase due to AF resources.
New	Number of Households Benefiting from the Cash Transfer Programs: income generating activities	<input type="checkbox"/>	Number Sub Type Breakdown	Value			8000.00
				Date			30-Jun-2019
				Comment			Most beneficiaries are also receiving the sub component 2.a.
			Number	Value	0.00	11850.00	10000.00

Marked for Deletion	Number of Children Benefiting from the Conditional Cash Transfer Program	<input type="checkbox"/>		Date	01-Jan-2014	31-May-2016	28-Feb-2018
				Comment			As the project is increasing in size this breakdown has become obsolete.
Marked for Deletion	and percentage of these that are female	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00		50.00

Annex 2: Detailed Description of Component 2

1. This annex includes detailed information on (a) the new activities to be carried out as part of Component 2 in the parent project, and which would be financed through the proposed AF and (b) the new additional components to be financed through the proposed AF.

Component 2: Development and implementation of cash transfer programs. (Total US\$9.4 million)

2. This component will be implemented in the selected departments: Brazzaville, Pointe-Noire, Cuvette, Niari, Pool and Plateaux. The base conditional cash transfer (CCT), as in the parent project, aims to increase the consumption of the poorest households with children and/or elderly members by providing them with direct transfers, where children are required to respect the following conditions:

- (a) Health: Regular health center visits including prenatal and post-natal exams and age-relevant check-ups and vaccination
- (b) Education: a minimum of 80 percent regular school attendance per child a month.

3. In addition to the CCT, a top-up cash transfer can be provided to select households (either current beneficiaries of the CCT or to other poor households enrolled in the social registry) on the basis of a short plan outlining proposed Income Generating Activities and will include accompanying measures such as training and guidance on how to make a success of the activities. This new cash transfer, named income generating activity program (IGA), is designed to increase productivity and promote empowerment on selected beneficiaries. The proposed income generating activities will be small-scale (undertaken at household level) and could include (a) the purchase of inputs for gardens or subsistence farming to improve dietary diversity of households; (b) the establishment of community savings groups; (c) the support to adopt alternative livelihoods such as the purchase of small equipment e.g. a sewing machine or the means to deliver goods to market; and (d) the provision of capacity building activities to ensure that the small scale activities are operational. Besides that, this activity aims to increase beneficiaries' access to credit and promoting savings by establishing linkages with micro-finance institutions and/or banks.

4. It is expected that only 20-30 percent of the 8,000 activities planned will work on subsistence agriculture activities. Those households that demand support for subsistence activities would be working on their own small plot to increase subsistence activities so that we improve dietary diversity and food security, while receiving one to one accompanying measures on how to run such activities.

5. Component 2 will not finance the purchase of land or buildings, nor will the project procure any pesticides but the project will carry out extension services towards project beneficiaries on the proper use of pesticides and other agro-chemicals although the project will not finance any of these products. Therefore, IGA Beneficiaries will receive guidance on how to undertake their proposed activities in an environmentally friendly, sustainable and successful manner. The participation of women in the subcomponent will be strongly encouraged, since women are traditionally involved in small-scale IGA and are economically marginalized.

6. This component will be implemented in the parent project locations of:
- (a) Brazzaville: Districts of Makelekele, Bacongo, Moundali, Talangai, Madibou, Djiri and M'filou.
 - (b) Pointe-Noire: Districts of Mvou-Mvou and Loandjili.
 - (c) Cuvette: Districts of Oyo and Makoua.
7. The AF will support expansion of Lisungi to households already identified as poor and vulnerable through the collaboration of Lisungi and Health Sector Project (PDSS II, P143849), which has developed an Indigenous People Policy Framework (IPPF) and followed the guidelines described in the Indigenous People's Plan (IPP) developed. The Health Sector Project / Lisungi partnership did not discriminate against IPs, and ensured they had equal opportunity to access any social intervention in place either for Lisungi or for the Health Sector program. The three new districts selected are:
- (a) Niari: District of Dolisie.
 - (b) Pool: District of Goma tse-tse (quartier Nganga-Lingolo).
 - (c) Plateaux: Districts of Gamboma and Ngo.

Subcomponent 2A: Conditional Cash Transfers to Poor Households (US\$4.6M)

8. This subcomponent will support Component 2 of the parent project by financing quarterly cash transfers for households with children and elderly individuals in selected district(s).
9. This subcomponent will provide timely, predictable, and regular transfers to eligible households. Timely transfers ensure the achievement of program objectives, smooth and increase household consumption, and protect household assets. Predictable transfers allow households to maximize the use of their money and help them make livelihood investments because the timeliness and predictability of transfers enables households to plan and invest in the future, particularly in the human capital of their children.
10. The minimum benefit level remains at FCFA 10,000 per month for households with children and the child benefit is set at FCFA 5,000 per child per month. Elderly individual benefit is set at FCFA 10,000 per elderly per month. The maximum number of child benefits is FCFA 15,000, which represents three children, and due to the multigenerational households, the maximum transfer per household is FCFA 45,000 that represents a household with three children and two elderly.
11. The cash transfer will be delivered following the same targeting approach used in the parent project, and this component will ensure first that the current cash transfer caseload receives regular payments until the end of the project, then it can be used to increase the number of beneficiary households.

12. The cash transfer program's geographical coverage will be expanded to add the departments of Niari, Pool and Plateaux, while the number of households will increase from 5,000 to 6,500 by adding 1,500 households in these three selected areas.

Subcomponent 2B: Income-Generating Activities (US\$4.8 M)

13. This subcomponent seeks to enable the poor and vulnerable households enrolled in the Social Registry to be more productive. All poor and vulnerable households currently enrolled in the Social Registry can be eligible to participate in the IGA financed under this subcomponent. The selection of beneficiary households will be made based on a short plan outlining the proposed activities, using the community knowledge and favoring current CCT beneficiaries. In addition to supporting small-scale income-generating activities, this sub-component will also include accompanying measures to increase the success of the businesses and training on financial education, savings and credit.

14. The proposed income generating activities will be small-scale (undertaken at household level) and could include (a) the purchase of inputs for gardens or subsistence farming to improve dietary diversity of households; (b) the establishment of community savings groups; (c) the support to adopt alternative livelihoods such as the purchase of small equipment e.g. a sewing machine or the means to deliver goods to market; and (d) the provision of capacity building activities to ensure that the small scale activities are operational.

15. All poor and vulnerable households currently enrolled in the Social Registry will be eligible to participate in the IGA financed under this subcomponent. A detailed description of this project's subcomponent will be included in the PIM.

16. IGA Beneficiaries will receive guidance on how to undertake their proposed activities in an environmentally friendly, sustainable and successful manner. The participation of women in the subcomponent will be strongly encouraged, since women are traditionally involved in small-scale IGA and are economically marginalized.

17. The subcomponent is expected to support 8,000 IGA under the project.

18. The subcomponent will finance the following package of services to be provided to selected beneficiaries: (a) a total maximum transfer of FCFA 250,000 (US\$500) in two installments—according to the specifications included in the business plan and the PIM—first upon receipt of a validated business plan to allow for up-front investments and second midway through the implementation of the activities; (b) training on the preparation of a business plan and other technical skills; (c) communication and mentoring of beneficiaries to support implementation and boost their self-confidence and social capital; and (d) financial literacy training to improve their income management and to encourage them to save in case of shocks.

19. It is expected that the new sub-component IGA will not have environmental impacts because of the nature, scale, and scope of these activities. It is expected that any environmental footprint will be moderate and localized and have well-defined mitigation measures. The project activities are also expected to have positive impacts to increase subsistence activities and household productivity, while promoting knowledge activities to inform the population on how to

benefit better from the investments. The project will put in place guidelines and procedures in order to avoid potential negative environmental or social impacts. These include:

- (a) A document comprising the General conditions for environmental and social management will be prepared by the project team and will be included in the PIM.
 - (b) The PIM will feature some safeguard related wording and a negative list of economic activities which shall be excluded from funding. Excluded activities include those that require the involuntary acquisition of land, such as construction leading to involuntary resettlement of people and/or loss of access to assets, revenues and/or means of livelihoods, and/or restriction of access to legally designated parks.
 - (c) The project will not finance the purchase of pesticides and will provide guidance to beneficiaries on how to avoid the use of pesticides, including a do not use list.
 - (d) The PIM will further provide a checklist for the regional selection committees to capture potential social and environmental risks of sub-projects.
 - (e) For due diligence purposes, the agreements between the implementing agency and the selected livelihood groups will include general social and environmental clauses derived from the general conditions for environmental and social management.
20. As in the parent project, accredited payment agencies will make payments to beneficiaries under this subcomponent.
21. As in the parent project, a yearly process evaluation of the sub-component will be conducted to ensure that all processes (targeting, registration, and payments) are functioning properly and, if not, to enable the design of the program to be adjusted accordingly.
22. Implementing agencies can be competitively selected by the Lisungi UGP to carry out the training/coaching of beneficiaries.
23. A PIM will be prepared by the Lisungi UGP, with support from the World Bank team, with detailed design and implementation arrangements related to this subcomponent.