



The World Bank

AF for COVID-19 Response under the Service Delivery and Support to Communities Affected by Displacement Project (P174547)

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

Appraisal Stage | Date Prepared/Updated: 02-Nov-2020 | Report No: PIDISDSA30302

BASIC INFORMATION

A. Basic Project Data

| | | | |
|-----------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Country Central African Republic | Project ID P174547 | Project Name AF for COVID-19 Response under the Service Delivery and Support to Communities Affected by Displacement Project | Parent Project ID (if any) P161591 |
| Parent Project Name Service Delivery and Support to Communities Affected by Displacement Project | Region AFRICA WEST | Estimated Appraisal Date 20-Sep-2020 | Estimated Board Date 29-Oct-2020 |
| Practice Area (Lead) Social Protection & Jobs | Financing Instrument Investment Project Financing | Borrower(s) Central African Republic | Implementing Agency Ministry of Humanitarian Action and National Reconciliation |

Proposed Development Objective(s) Parent

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

Proposed Development Objective(s) Additional Financing

The PDO is to increase access to basic services, infrastructure and safety nets for communities affected by crises, including forced displacement and COVID-19.

Components

Component 1 – Access to basic services and infrastructure

Component 2 – Safety nets

Component 3 - Community mobilization, capacity building, technical assistance and project management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

| | |
|---------------------------|-------|
| Total Project Cost | 16.00 |
| Total Financing | 16.00 |
| of which IBRD/IDA | 16.00 |

| | |
|----------------------|------|
| Financing Gap | 0.00 |
|----------------------|------|

DETAILS

World Bank Group Financing

| | |
|---------------------------------------------|-------|
| International Development Association (IDA) | 16.00 |
| IDA Grant | 16.00 |

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Central African Republic is a highly fragile economy with a history of recurrent conflict.** The most recent conflict took place in 2013 between multiple armed groups. At the peak of the crisis, the death toll surpassed 3,000, roughly one-quarter of the population was internally displaced or had fled to neighboring countries,¹ and 2.6 million people needed humanitarian assistance. Half of the population was in a situation of food insecurity.

2. **The conflict had a devastating impact on economic activity and poverty.** Real GDP contracted by 36.7 percent in 2013, tax revenues fell by 47.5 percent, and state institutions and basic services collapsed. The poverty rate surged from 64 percent in 2012 to 75 percent in 2013, before falling back to an estimated 71 percent in 2019²—still among the highest poverty rates in Sub-Saharan Africa. An estimated 3.4 million people are living in extreme poverty in the country. Increases in poverty varied by region. Poverty rates range from 45 percent in Bangui, which accounts for 11 percent of the country’s poor, to 78 percent in the country’s northwest region. The northwest also has the highest concentration of IDPs. Insecurity and forced displacement have severely aggravated poverty, and accelerating urbanization has strained already-limited host community infrastructure

¹ The entire population in two-thirds of the Central African Republic's territory has been displaced at least once.

² Measured at the international poverty line of \$1.90 per day.

and services. Many of the displaced do not return to their communities of origin for fear of retaliation and lack of economic opportunities.

3. **The Central African Republic ranks very poorly in development indexes and health indicators.** In 2018, the country ranked 188 out of 189 countries on the UN's Human Development Index (HDI).³ Health outcomes are among the lowest in the world, with life expectancy at birth of 52.2 years; infant mortality of 87.6 deaths per 1,000 live births; under-five mortality of 121.5 deaths per 1,000 live births (both far above the averages for Sub-Saharan Africa of 52.7 and 77.5, respectively); and maternal mortality of 882 deaths per 100,000 live births.⁴ The prevalence of stunting for children under five years of age was 40.8 percent in 2019, and the rate of wasting or acute malnutrition was 6.6 percent. Nearly half the population lacks access to safe drinking water.

4. **The country is trapped in recurrent cycles of conflict and violence, making development progress inherently slow.** The 2011 *World Development Report* concluded that the path to long-lasting stability following a violent conflict is rarely linear.⁵ Flare-ups of violence are inevitable, and exogenous shocks—the COVID-19 pandemic and natural disasters like the current floods—can erase hard-fought gains. Nevertheless, the Central African Republic has made tangible development progress in recent years. The country's CPIA improved from 2.4 in 2016 to 2.6 in 2019, reflecting the steady implementation of structural reforms that strengthened policies and institutions. The IMF successfully concluded an Extended Credit Facility Program in 2019, started a new program the same year, and disbursed on a Rapid Credit Facility in April 2020 (25 percent of quota).

5. **Progress has been driven by the country's budding democratic institutions, strong engagement of the international community in a climate of growing mutual trust, and critical steps toward stability.** The Central African Republic's turnaround opportunity was created by the Bangui Forum in 2015 and democratic elections in 2016. Under the government of President Touadéra, democratic institutions have begun to take hold. Development partners have dramatically scaled-up their support.⁶ The *Accord Politique pour la Paix et la Reconciliation* (APPR), signed in 2019 by the government, has created a framework for dialogue with armed groups, resulting in a steady decline in violence and fatalities. Despite multiple violations, the APPR holds, underscoring the shared commitment to a settlement within a formal state context. The upcoming general elections, scheduled for December 2020, are a critical milestone to establish the precedent of a peaceful democratic transition. Local elections in 2022 can establish a legitimate system of local governance.

Sectoral and Institutional Context

6. **In 2020, the country has been hit by the COVID-19 pandemic that is adversely affecting the population's welfare.** While the reported numbers are relatively low—4,782 cases and 82 deaths as of September 17, 2020—there is likely significant underreporting. The pandemic continues to spread, threatening a longer economic fallout than initially anticipated. The situation could deteriorate rapidly, as transmission across borders and local

³ UNDP. Human Development Indices and Indicators: 2018 Statistical Update. New York: United Nations Development Programme.

⁴ World Bank. 2019. *World Development Indicators*. Washington, DC: World Bank.

⁵ World Bank. 2011. *World Development Report, Conflict, Security, and Development*. Washington, DC: World Bank.

⁶ The two main development partners are the World Bank (IDA) and the European Union, each with cumulative investments of about \$1 billion since 2016. Other partners include ADB, IMF, USA, Global Fund and AFD, each with \$100–\$200 million in cumulative investments.

expansion remains a high risk, and poverty and food insecurity are expected to increase.

7. **The government has adopted measures to minimize the spread of COVID-19.** In collaboration with the World Health Organization (WHO), the government formulated a COVID-19 preparedness and response plan in March 2020. The plan, estimated to cost CFAF 27 billion (roughly \$45 million), aims to address some of the national health system's main weaknesses. The authorities later complemented the plan with additional activities to strengthen social protection, support the private sector and economic recovery, and enhance justice and security. The government imposed measures such as social distancing, mandatory use of masks, and community-based surveillance. It also closed night clubs and places of worship, restricted restaurants to take-out service only, banned mass gatherings, closed aerial borders until July 18, and closed land borders (the border with Cameroon remained open because it is a critical trade route⁷). A moratorium remains in place on travel for government staff and elected officials. The government is actively promoting social distancing and mask use on radio, television, billboards, and other displays in public areas.

8. **The global pandemic will increase poverty and food insecurity.** Roughly 92 percent of households in the Central African Republic work in agriculture. They suffer from the security situation, recurrent population displacement, difficulties accessing inputs and agricultural tools, and torrential rains and cassava disease. The COVID-19 lockdown raised input and transport costs and adversely impacted the population. Supply-chain disruptions at the border with Cameroon led to an increase in food prices. For example, the cost of a 50kg bag of rice increased from CFAF 20,500 before the COVID-19 pandemic to CFAF 26,917 in July 2020. About 50 percent of the population is estimated to be suffering from acute malnutrition. On June 4, 2020, the World Bank's Famine Action Mechanism Global Technical Working Group identified the Central African Republic as a "hotspot" country facing a looming food security crisis. The majority of the labor force in urban and peri-urban areas are self-employed in informal jobs, such as street vendors or moto-taxi drivers. As a result, they lack employment-based insurance and face difficulties coping with reduced demand for their services due to the restrictive measures adopted by the government. Urban transport prices have risen by more than 60 percent since social-distancing measures went into effect. The global pandemic may also reduce critical remittances from abroad. Furthermore, the need for a lockdown to contain the virus's spread initially had detrimental impacts on the distribution of much needed international assistance, according to the International Committee of the Red Cross and the Central African Red Cross. The effects of COVID-19 could push as many as 140,000 more persons into extreme poverty in the Central African Republic.

9. **The ongoing multi-dimensional stressors—on an already impoverished and vulnerable population—could destabilize the country and the peace process and jeopardize national elections planned for December 2020.** The impacts of the global pandemic are expected to worsen an already precarious humanitarian situation, including increasing poverty, food insecurity, and social tension. This could jeopardize the Presidential and General elections scheduled to take place in December 2020 and a singular opportunity for establishing the precedent for peaceful democratic transition.

10. **Inherent and systemic state weaknesses have left poor people in the Central African Republic desperate for social assistance.** This assistance typically comes only in times of crisis, in the form of humanitarian, short-

⁷ The Central African Republic is at heightened risk given its trade dependence on Cameroon, where the outbreak is widespread.

term assistance to help people survive. As such, financing flows can be unpredictable and volatile, and the majority of safety net spending finances relatively small, uncoordinated, short-term interventions. Furthermore, these programs tend to focus on immediate humanitarian goals, such as food support, while devoting less attention to long-term challenges, such as the reintegration of IDPs or the return of refugees.

11. **The government's ability to protect the population from the impacts of the COVID-19 crisis is limited.** The Central African Republic is ill-prepared to face the pandemic. The government lacks the implementation capacity and resources to finance a large-scale safety net to mitigate the direct impacts of COVID-19 or the indirect effects of the associated lockdown. Personal protective equipment is not widely available outside of Bangui. The country has only three ventilators, one oxygen concentrator, and one COVID-19 treatment center with 14 beds—all located in Bangui. There are no isolation centers to quarantine COVID-19 patients.

12. **The compounding impacts of recurrent flooding and COVID-19 could destabilize the country and the peace process and jeopardize the upcoming elections.** The APPR, signed in 2019 by the government and the 14 officially-recognized armed groups, details the Central African Republic's roadmap to stabilization. It has resulted in a sharp decline in violence. The December 2020 presidential and general elections and 2022 local elections constitute significant steps toward stabilization. However, the recurrent devastating floods and the pandemic worsened an already precarious humanitarian situation and exacerbated social tension, which could eventually drive a deterioration in the fragile security situation. There is a real risk that—if not addressed effectively—the current crises will jeopardize the stabilization process and reverse the hard-earned gains of the past five years. The proposed AF would provide cash transfers to affected households and contribute to building government capacity to manage safety net programs, critical to fostering development, social cohesion, and peace.

13. **A key element of the government's response to the pandemic is adopting the revised 2020 budget and introducing a mechanism to monitor the use of COVID-19-related funds.** On July 16, 2020, the National Assembly adopted a revised 2020 budget law that redirected expenditures toward the health, social, and economic impacts of the pandemic and cut non-priority spending. The revised budget provides funds for micro-infrastructure projects, including constructing a new health facility, expanding access to water, and supports the private sector. The government also established a multi-sectoral committee, presided by the Minister of Finance and Budget, responsible for the effective, transparent, and accountable spending of the pandemic-related resources allocated in the 2020 revised budget. The fiscal impact will be significant, given the need to maintain basic services and security and fight the pandemic amid a sharp decline in domestic revenues

14. **IDPs are facing compounding multi-dimensional challenges as a result of the current flooding, requiring urgent assistance.** The poor are particularly vulnerable to crisis-induced livelihood loss and income shocks from flood damage. They are often displaced and exposed to increased vulnerability and have the least ability to save and smooth consumption. Emergency cash transfers would help protect flood-affected IDPs from falling deeper into food insecurity and rebuild their private and productive assets at a time when vulnerability is worsened by COVID-19 impacts.

15. **Forced displacement is an on-going phenomenon in CAR, prevalent in specific geographic areas and driven by recurrent violence and social polarization.** A total of 658,998 people were internally displaced in CAR in June 2020, up from 384,314 in July 2016. Internally displaced people (IDPs) are concentrated in Bangui (87,892 in June 2020), in the Ouaka (70,272), Haute Kotto (97,792), Ouham (66,151) Prefectures as well as in other areas.

Within those Prefectures, large number of IDPs sought refuge in urban areas, i.e. Bambari, Kaga Bandoro, Batangafo, Bria and other centers. It is estimated that 64 percent of IDPs took shelter with host families whereas 36 percent are in displacement camps managed by the Catholic Church and humanitarian agencies.⁸

16. **Displacement has disrupted livelihoods, depleted the assets of the displaced and host families, and put an enormous strain on already limited infrastructure and services.** It has accelerated urbanization, as people have sought refuge in urban areas close to sites protected by MINUSCA forces. It has intensified overcrowding in host communities and put pressure on rental prices in areas receiving IDPs. The overall wellbeing of the displaced has been severely affected by the deterioration of living conditions, exposure to atrocities and violence, including gender-based, and fear of continuous community tensions and insecurity. Hosting families and communities are also directly affected as their living space become more constrained as they often take on the burden to provide for extended families.⁹

17. **Various dynamics are at work in CAR regarding the return or not of the displaced.** Surveys undertaken by humanitarian agencies indicate that, in general, IDPs have a strong desire to return to their areas of origin, provided that security, livelihoods, and services are guaranteed and available. In addition to those, IDPs' decision to return is also related to i) overall perception of security and fear of intercommunity violence fueled by the presence of armed groups; ii) community dynamics and household ties to their own social group; iii) support by aid groups in areas of displacement and return; and iv) available information allowing for informed decision.

18. **The sustainable return of IDPs will only occur if there is a continuous and sustained improvement of security conditions.** CAR's Turn-Around opportunity was created by the Bangui Forum in 2015 and democratic elections in 2016. Under President Touadéra's government, democratic institutions have begun to take hold. Development partners have dramatically scaled up their support.¹⁰ The *Accord Politique pour la Paix et la Reconciliation* (APPR), signed in 2019 by the government has created a framework for dialogue with armed groups, with a steady decline in violence and fatalities. The fact that the APPR still holds, despite multiple violations, reflects the commitment to a settlement within a formal state context. The upcoming general elections in December of 2020 are a critical milestone to establish the precedent of a peaceful democratic transition. Local elections, in 2021 or 2022, can establish a legitimate system of local governance.

19. **The project will intervene in urban areas affected by COVID-19 and displacement to improve affected communities, IDPs and host communities' access to safety nets.** The project will adopt a flexible approach to be able to adjust to shifting patterns of displacement and return. The priority areas of intervention are those with a high concentration of COVID-19 cases and displaced people, particularly in the center and southeastern parts of the country. Current cities of intervention are Bambari, Kanga-Bandoro, Paoua, Bangassou and Berberati (last one financed directly from the government's own resources). The Additional Financing would still include Bambari, Kanga-Bandoro, Paoua and Bangassou but also Bangui, Bria (if the security situation permits) and another city on the West still to be defined along the frontier with Cameroon;

⁸ *Commission Mouvement de Populations/UNHCR*, June 2020.

⁹ On the economic and social impact of forcible displacement, see the recent: *Forcibly Displaced. Toward a development approach supporting refugees, the internally displaced, and their hosts*. The World Bank, 2016

¹⁰ The two main development partners are WB (IDA) and EU, each with cumulative investments of about \$1 billion since 2016. Other partners include ADB, IMF, USA, Global Fund and AFD, each with \$100-\$200 million in cumulative investments.

C. Proposed Development Objective(s)

Original PDO

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

Current PDO

The PDO is to increase access to basic services, infrastructure, and safety nets for communities affected by crises, including forced displacement and COVID-19.

Key Results

- Direct project beneficiaries (number) of which women, displaced people, and host populations (percentage)
- Beneficiaries of social safety net programs (number), of which women, displaced people, and host populations (percentage)
- Number of beneficiaries provided with cash transfers in response to COVID-19 (number), of which female (percentage), displaced (percentage)

D. Project Description

39. **The proposed \$16 million AF** would support the government's effort to mitigate the impacts of COVID-19 on affected communities while continuing to support IDPs and the most vulnerable, strengthen the country's safety net, and promote stability.

40. **The proposed AF would modify the PDO to: "increase access to basic services, infrastructure, and safety nets for communities affected by crises, including forced displacement and COVID-19."** The original PDO was to "increase access to basic services, infrastructure, and safety nets for communities affected by forced displacement." This modification would allow the Project to provide support to populations affected by COVID-19 and the ongoing flooding.

41. **The proposed AF would finance the following activities:**

- a. Scale-up safety nets component (Component 2) of PACAD to provide cash transfers to an incremental number of households, including those affected by COVID-19 (\$12m); and
- b. Scale-up the community mobilization and accompanying measures, capacity building and technical assistance, and project management activities (Component 3) to implement activities related to the safety nets component (\$4m).

42. **The AF would scale up cash transfers.** The AF would not finance access to basic services and

infrastructures (Component 1. The AF would scale-up Component 2 activities in areas impacted by displacement to cover new communities most affected by COVID-19 and flooding, including Bangui and other urban and peri-urban areas. The following funding allocation is proposed for the AF. The final component allocations would be determined at negotiations.

A. Components

Component 2: —Safety nets (AF: US\$12 million)

43. **The AF would scale up the cash transfer program.** It would provide incremental temporary income to vulnerable households in communities impacted by COVID-19 and flooding in areas affected by forced displacement. The UNOPS delivery mechanisms under the parent project would be used to implement the cash transfers. The intervention areas, criteria for selecting beneficiaries, and benefit amount would be determined in collaboration with development and humanitarian partners. Such collaboration would avoid duplication and create synergies with other food and cash transfer programs, thereby maximizing the impact on the ground. For example, the Project could select communities with the following characteristics to receive the COVID-19-related cash transfer: (i) greater share of its population diagnosed with COVID-19; (ii) larger impact of lockdown/social-distancing measures on earnings; and (iii) inability to purchase food because of scarcity or higher prices.

44. **Locations.** Current cities of intervention are Bambari, Kaga-Bandoro, Paoua, Bangassou, and Berberati, where cash transfers have been financed directly with government resources. The AF would be implemented in Bambari, Kaga-Bandoro, Paoua, and Bangassou, and extended to Bangui, Bria (if the security situation permits), and another city along the border with Cameroon (to be defined).

45. **Targeting mechanism.** Targeting would be based on the methodology used for PACAD in areas impacted by displacement. First, the team would identify the areas within the intervention locations with high poverty and COVID-19 infections, as well as the areas affected by flooding. Next, screening for household eligibility using economic criteria (presence of women, IDPs, housing characteristics) would be conducted. Lastly, community-based targeting would validate beneficiaries. As per the parent project, community targeting would be preceded by simple and easy-to-deliver household assessments using targeting tools or quick surveys. In order to address the gender gap that limits female voice and agency, the AF would ensure women's participation in the community consultation process and community committees with equal representation.

46. **Beneficiaries would be heads of households – preferably females who are IDPs, hosts of IDP returnees, or households in communities affected by displacement or by crises, including COVID-19 and floods.** International experience shows that cash transfers enable poor households to spend more on goods (food, clean water, and medicine) and services (health and education) that generate human capital accumulation. Regular and predictable cash also allows families to improve livelihood strategies and reduce negative coping mechanisms, including during crises. In an effort to address the gender gap, particularly in terms of access to income, the preference would be to make females the direct beneficiary of the cash transfers in eligible

households. Potential beneficiary households would be registered in the social registry. Accompanying measures would seek to promote community participation, ensure that cash transfers are used for their intended purposes, as well as raise awareness to reduce the spread COVID-19.

47. **There would be two types of cash transfers: standard cash transfers and crisis-response (COVID-19, floods, etc.).** The standard cash transfers would remain the same as under the parent project. That is, over a 2-year period, households would receive quarterly payments of CFAF 25,000 (approximately \$50), which is about the cost of a 50 kg bag of rice and represents 15 percent of food consumption for a five-person household in line with international experience. Due to their emergency nature, the crisis-response cash transfers (for COVID-19 and floods) would consist of four quarterly payments of CFAF 25,000. The crisis-response cash transfers would be available only to those who do not already benefit from the PACAD standard cash transfers in order to spread benefits. The total number of expected beneficiaries is estimated at 30,000 households, corresponding to 150,000 individuals.

48. **The AF would pursue mobile cash transfer payments.** Initially, payments would be in cash as per the parent project. The payment mechanism would progressively switch to that used in Berberati, which transferred government-funded cash transfers through mobile payments. Mobile payments would reduce security challenges related to the physical transport and delivery of cash and also the potential health risks associated with the COVID-19 pandemic. Where mobile payments are not feasible, UNOPS would continue making direct cash transfer payments. UNOPS could consider purchasing mobile phones for beneficiaries when appropriate. Transitioning the payment system to mobile money and providing mobile phones to beneficiary households would contribute to linking them to communication, financial and education services (such as accompanying measuring messages transmitted via SMS). Synergies with other World Bank projects (such as the new DPO, Second Consolidation and Social Inclusion Development Program – P168474 and the planned Digital Development Project) would also be investigated to identify the most appropriate payment mechanism for cash transfers.

49. **COVID-19-related awareness measures would accompany cash transfers.** Such measures could include health and hygiene briefings and promotional materials to ensure household and community awareness of necessary safety precautions. Beneficiaries of both the standard cash transfers and crisis-response cash transfers would be required to attend the COVID-19-related accompanying measure sessions. Throughout the duration of the pandemic, the Recipient through the Service Provider would ensure that all beneficiaries attend these COVID-19 accompanying measures sessions.

Component 3 – Community mobilization, capacity building, technical assistance, and project management (AF: US\$4 million)

50. **The AF would scale-up community mobilization, accompanying measures, GRM, capacity building, technical assistance and project management, and create a social registry.** This component would finance the costs associated with implementing Component 2 (community mobilization, cash transfers and accompanying measures), including capacity building, technical assistance to national and local institutions, project management and the creation of a social registry.

- a. **Subcomponent 3.1: Community mobilization, accompanying measures, and GRM.** Activities under

this subcomponent would support community mobilization and the provision of accompanying measures for cash transfers that promote beneficiary community engagement, foster community dialogue, and promote activities for healthy and peaceful coexistence among different groups. It would also finance the costs associated with the implementation of the GRM.

- b. **Subcomponent 3.2: Capacity building and technical assistance.** This subcomponent would provide technical assistance to the government institutions involved in cash transfers, including MAHRN and especially its Technical Unit, the Ministry of Labor, Employment and Social Protection (*Ministère du Travail, de l'Emploi et de la Protection Sociale*) and the Ministry for the Promotion of Women, Family and the Protection of Children (*Ministère de la Promotion de la Femme, de la Famille et de la Protection de l'Enfant*) to gradually provide the Central African Republic with the tools and the capacities to effectively implement cash transfers. To reach this objective, UNOPS would preferably recruit and train local consultants. This subcomponent would also support the development of a social registry, which would support future program expansion and interventions.
- c. **Subcomponent 3.3: Project management.** This subcomponent would support the costs associated with project management, coordination, implementation, and monitoring and evaluation

E. Implementation

Institutional and Implementation Arrangements

51. **Implementation arrangements would remain the same as PACAD.** MAHRN would enter into a standard a service agreement with UNOPS to support implementation of all Project activities and would bear all fiduciary responsibilities related to the Project. The MAHRN Technical Unit would remain responsible for Project activity coordination and technical oversight. The Project Steering Committee would provide overall institutional oversight, ensuring that Project activities align with national plans and guidelines.

Institutional arrangements

20. **Ministry of Humanitarian Action and National Reconciliation.** The Ministry of Humanitarian Action and National Reconciliation (MAHRN) will have the responsibility for the overall implementation of the project.

21. **Project Inter-ministerial Steering Committee.** At the policy level, a Project Inter-ministerial Steering Committee (ISC) will assume overall institutional oversight of this project. The Committee will be responsible to provide overall policy oversight and to review and validate the annual work plan and budget for the project. In particular, the Committee will be chaired by the Minister of Social Affairs and National Reconciliation and co-chaired by the Ministry of Planning. Other members will include the Ministries of Interior, Agriculture, Health, Education, Transports, Urbanism and a representative of the Strategic Committee for the Return and

Reinstallation of Displaced Persons.¹¹

Implementation arrangements

22. Project implementation capacity is extremely low in CAR. As such, the project will keep all fiduciary responsibilities within the *Unité de Coordination des Projets* (or the Fiduciary agent) at the Ministry of Transport but have within the MAHRN a technical unit, which would guide and oversee the implementation of the project and retain technical responsibility.

23. **Fiduciary agent.** The Fiduciary Agent within the Ministry of Transport would maintain overall fiduciary responsibility for the Project. The Fiduciary Agent would record the Service Agreement in the Systematic Tracking of Exchanges in Procurement (STEP). The Service Agreement would ensure that UNOPS procure services to implement Project components.

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

25. **Main executing agency.** The government will recruit the main executing agency and will contract out project activities. On the basis of technical readiness and proven capacity, the choice of the main executing agency is UNOPS. The main executing agency will provide key services, including: i) ensure efficient overall project management; ii) procurement of services to implement project components; iii) report to the MAHRN Technical Unit on project progress and present payment requests to be then processed by the FA; iv) collaborate and support the MAHRN TU in supervision missions; v) provide the FA with all financial information required to prepare the financial reports; vi) support the preparation of a Mid Term Review (MTR) and the orderly closing of the project; vii) support information and communication campaigns; and ix) ensure that high quality independent assessments are carried out on project performance. The MAHRN TU will benefit from the On-track approach of UNOPS, which aims to provide hands-on technical assistance to civil servants by integrating them directly into project execution.

26. **Service providers.** The main executing agency will contract one or more service providers (NGOs, UN agencies, consultants) to: i) identify and register beneficiaries of cash transfers, and ensure their timely and secure payment (component 2); ii) develop and deliver accompanying measures to all members of targeted

¹¹ The *Comité Stratégique de retour/relocalisation des personnes déplacées en République centrafricaine* was established by Presidential Decree 16/316, August 19, 2016 and is chaired by the President of the Republic. Its mandate is to: i) define an overall strategic vision on returns of displaced people in CAR; validate the return/reinstallation projects prepared by its Technical committee; ensure mobilization of national and international funds; and ensure the monitoring and evaluation of activities.

communities (component 3); iii) support the implementation of environmental and social mitigation measures; iv) support existing (or to be established) local community committees in view of the implementation of component 2; v) report to the main executing agency on project progress and prepare and maintain all required financial statements; vi) carry out independent technical studies and impact and process assessments.

27. **Local committees and local authorities.** With the active involvement of local authorities, the project will leverage existing local committees to support the beneficiary targeting process. Where such committees do not exist, the project will support the establishment of new ones following the guidelines of the government related to Local Committees for Peace and Reconciliation (CLPR or *Comités Locaux de Paix et de Réconciliation*)¹².

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

The priority areas of intervention are those with a high concentration of COVID-19 cases and displaced people, as well as communities affected by floods. Under the original financing, cash transfers are made in the following cities: Bambari, Kanga-Bandoro, Paoua, Bangassou and Berberati (last one financed directly from the government’s own resources). The Additional Financing would still include Bambari, Kanga-Bandoro, Paoua and Bangassou but also Bangui, Bria (if the security situation permits) and another city on the West still to be defined along the frontier with Cameroon;

G. Environmental and Social Safeguards Specialists on the Team

Albert Francis Atangana Ze, Environmental Specialist
 Christophe Ngongo Muzyumba, Environmental Specialist
 Yves Bertrand Koudjou Tatang, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
|----------------------------------------------------------------|------------|------------------------|
| Environmental Assessment OP/BP 4.01 | Yes | |
| Performance Standards for Private Sector Activities OP/BP 4.03 | No | |

¹² Central African Republic, National Recovery and Peace Building Plan 2017-2021, Published in 2016 in view of the Donor conference on CAR held in Brussels, Belgium on November 17, 2016.

| | |
|---------------------------------------------------|-----|
| Natural Habitats OP/BP 4.04 | No |
| Forests OP/BP 4.36 | No |
| Pest Management OP 4.09 | No |
| Physical Cultural Resources OP/BP 4.11 | Yes |
| Indigenous Peoples OP/BP 4.10 | No |
| Involuntary Resettlement OP/BP 4.12 | Yes |
| Safety of Dams OP/BP 4.37 | No |
| Projects on International Waterways OP/BP 7.50 | No |
| Projects in Disputed Areas OP/BP 7.60 | No |

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

The Project is classified in Category B due to the low and limited social and environmental risks and impacts of its foreseen activities, which scope is site-specific and easily manageable.

The Additional Financing would exclusively finance cash transfers and related accompanying measures. As a consequence, it would have no impact on the environment.

The social impacts which would result from transferring cash to poor and vulnerable households as well as the accompanying measures are expected to be positive. The AF would support communication, mobilization, and community engagement campaign to raise public awareness and knowledge on prevention and control of COVID-19 in targeted areas.

Potential negative impacts of the Project include heightened risk for Gender-Based Violence, Sexual Exploitation and Abuse, and Sexual Harassment. The Project will address these issues in an updated ESMF, GRM, and SEA/SH plan with the objective of empowering women and girls.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The Additional Financing would exclusively finance cash transfers. By increasing temporary income to poor and vulnerable households, the Additional Financing would bring positive impacts to the targeted populations in terms of improved living conditions, improved food security -- which are expected to contribute to human development and peace. Project implementation would follow strict COVID-19-related awareness and prevention measures implemented by UNOPS.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Cash transfers are currently done by UNOPS staff. Mobile payments would be considered (if feasible) to mitigate contacts with targeted households.



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

The Technical Unit (TU) within the Ministry of Humanitarian Action and National Reconciliation would maintain the overall responsibility for safeguards. UNOPS, the executing agency for the Project, would remain responsible for the day-to-day implementation of the overall Project including safeguards. UNOPS gets support from and works closely with the Ministry of Environmental Affairs.

UNOPS has a fully dedicated Social and Environmental Safeguards Specialist who is responsible for all aspects of project implementation related to safeguards. He would be maintained during the implementation of the Additional Financing and would continue to be supported by the World Bank Social Safeguards Specialist. He would lead the systematic screening of all cash transfers and accompanying measures as well as the update and development of related safeguards instruments.

The Client would engage in consultations on policies, procedures, processes and practices (including grievances) with all stakeholders throughout the Project life cycle, and provide them with timely, relevant, understandable and accessible information.

In preparation for this AF, the Client has updated the assessment of the Gender-Based Violence (GBV) / Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) risks as well as its action plan, and strengthened the Grievance Redress Mechanism (GRM) to ensure a safe, confidential channel for all potential survivors and adequate referral for response.

The client is currently adopting an updated ESMF which would be disclosed in-country and at the InfoShop before Effectiveness (see below).

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

On November 2, 2020, the RVP approved a memo to defer the preparation and disclosure of the ESMF beyond the anticipated project Board approval date. Finalization and disclosure of the ESMF both in-country and on the World Bank InfoShop would be finalized before Effectiveness.

The instruments would be publicly disclosed in the new areas of cash transfers. Consultations would take place in communities which benefit from cash transfers. These consultations would provide information on project-related risks, including GBV/SEA/SH, risks of increase of GBV and especially intimate partner violence related to the COVID-19 emergency.^{1/} Consultations with women and girls that are related to GBV/SEA/SH risk would be conducted in safe and enabling environments, such as in sex-segregated groups and with female facilitators in order to understand women's and girls' risks and vulnerabilities, as well as their well-being, health and safety concerns, as they relate to COVID-19 project activities and cash transfers.

^{1/} Based on international experiences in countries which have been strongly hit by COVID-19, there has been an increase of intimate partner violence during the epidemic related in part to the confinement. After the virus outbreak, various countries also reported the increase of other forms of GBV, including Violence against Women and Girls in emergency settings, sexual exploitation and abuse by state officials and armed guards, workplace violence in the health sector, as well as racial and sexual harassment.



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

Environmental Assessment/Audit/Management Plan/Other

The review of this Safeguards has been Deferred.

Comments

Resettlement Action Plan/Framework/Policy Process

The review of this Safeguards has been Deferred.

Comments

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

CONTACT POINT

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AF for COVID-19 Response under the Service Delivery and Support to Communities Affected by Displacement Project (P174547)

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APPROVAL

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Approved By

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| Practice Manager/Manager: | Iffath Anwar Sharif | 02-Nov-2020 |
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