



# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

---

Concept Stage | Date Prepared/Updated: 05-Jun-2018 | Report No: PIDISDSC23935



**BASIC INFORMATION**

**A. Basic Project Data**

Country Djibouti	Project ID P166220	Parent Project ID (if any)	Project Name DJ - Scaling up Safety Nets Project (P166220)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date Jul 01, 2018	Estimated Board Date Sep 27, 2018	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Agence Djiboutienne de Developpement Social, State Secretariat for Social Affairs	

**Proposed Development Objective(s)**

The Project Development Objectives are to provide targeted cash transfers to poor households and support access to community-level interventions that improve human capital.

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	16.00
<b>Total Financing</b>	16.00
<b>of which IBRD/IDA</b>	16.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	16.00
IDA Grant	16.00

Environmental Assessment Category  
C - Not Required

Concept Review Decision  
Track I-The review did authorize the preparation to continue



Other Decision (as needed)

## Introduction and Context

1. Djibouti is a small lower-middle income country with a strategic geopolitical and trade position in the Horn of Africa and Gulf of Aden. The country overcame violent civil conflict in the early 1990s through a brokered peace and power-sharing agreement among major ethnic groups in the country, and has enjoyed a peace dividend with steady economic growth in the form of foreign capital inflows from foreign countries' military bases and port services. In 2016, the annual gross domestic product (GDP) growth rate for Djibouti was 6.5 percent, and inflation reached 3.5 percent in 2016 from 2.6 percent in 2015, spurred mainly by demand for housing and services.

2. Yet, the growth Djibouti experienced has not been broadly shared in recent decades. Djibouti remains a fragile state and faces serious obstacles to poverty reduction and improved service delivery to its population. In 2013, an estimated 40.7 percent of Djiboutian lived in poverty, consuming less than DJF 117,134 per capita per year or US\$2.98 per day (2011 PPP). In the same year, 23 percent of Djiboutian lived in conditions of extreme poverty spending less than DJF 78,157 per capita per year or US\$1.99 per day (2011 PPP), with rural areas showing higher rates of extreme poverty (44 percent). Unemployment remains widespread with the rate reaching 39 percent in 2015 according to official estimates; the rate is higher among women (49 percent) and in rural areas (59 percent).

3. Limited arable land and limited rainfall have had adverse effects on livelihoods including contributing to high levels of food insecurity. The location of Djibouti means also an arid desert climate, high temperatures all year round, prolonged droughts, and limited rainfall, and limited arable land, and a scarcity of ground water. Agriculture is almost nonexistent, accounting only for about 3 percent of GDP and 2 percent of employment. The country relies heavily on food imports, imports of manufactured goods and energy products. The recent prolonged drought in Djibouti exposes at least 20 percent of the population in Djibouti city and 75 percent of rural households to food insecurity.

4. In this context, Djibouti's Vision 2035 as well as the Social Protection Strategy (2013-2017) set an ambitious agenda for improving the standard of living. Through Vision 2035, the Government of Djibouti recognizes the importance of nutrition in building human capital, and the critical role of social safety nets in alleviating the devastating effects of poverty is recognized through the Social Protection Strategy. The strategy emphasizes the importance of a long-term, development-oriented approach integrating different forms of social assistance, including those associated with improving the nutrition status of the population

## Sectoral and Institutional Context

5. For equitable and sustained growth, substantial investments are needed in human capital development, especially for young children that represent the country's future. Djibouti ranks 172 out of 188 in the Human Development Index (HDI). Djibouti is severely affected by high rates of chronic malnutrition (stunting) and acute malnutrition (wasting). Djibouti's education sector is characterized by low enrolment, inequitable outcomes, and relatively poor quality. More than half of students fail to complete primary school, and overall 30% of the school-age population remains out of school. Access to early learning opportunities, including quality preschool, is virtually absent for low-income populations. In rural areas especially, access to clean water and improved sanitation is very low. Djibouti's children are additionally challenged by violence and exploitation, with the population of street children currently rising. The most urgent priority for human capital development is for the youngest children, given that a large body of scientific and economic research has shown



that the early years of a child's life are critical for development of cognitive, physical, and socioemotional skills, and that high-quality investments in the early years can have returns that surpass investments in primary or secondary education.

6. For poor and vulnerable households, climate and economic shocks continue to threaten households' ability to meet basic needs or invest in human capital. Famine and prolonged food and nutrition deprivation negatively affect cognitive development of children, especially during the women's prenatal and postnatal period (Agbor and Price, 2012; Almond et al., 2010). In addition to specific interventions in water, nutrition, education and agriculture, the establishment of a solid social safety net (SSN) system has become crucially important to alleviate the devastating effects of poverty and promote human capital development. Indeed, international evidence shows that SSNs have an immediate impact on extreme poverty and inequality, but also enable households to manage risks and make better investments for their future, often helping prevent malnutrition and underinvestment in education.

7. Djibouti has an evolving social protection system. Until recently, most social safety net programs had been established at the wake of drought shocks and were largely donor-driven initiatives which were mainly focused on providing food to vulnerable populations. At present, the scale and funding of an integrated SSN program remains inadequate to protect most poor and vulnerable groups. According to latest available data, only 32.7 percent of the poorest 20 percent of households are covered by any SSN program. In addition, the Government share of spending in SSN is quite limited, as Djibouti only spends 0.18 percent of its GDP on SSN, compared to a MENA average of 1.0 percent, and a World average above 1.5 percent. To that end, creating the fiscal space to establish a country-owned SSN system in Djibouti, which will be able to include donor assistance is one area is essential.

8. Djibouti has begun laying the groundwork for a social protection system through the introduction of a national cash transfer program, the National Program for Solidarity and Family (Programme Nationale de Solidarité Famille, PNSF), and the establishment of a social registry. While PNSF currently serves approximately 3,000 households, it has the potential to be the cornerstone of a country-owned and adaptive Social Protection system. The emphasis is now on the scaling up of PNSF to cover a greater share of the poor population. The scale-up will build on the capacity development already supported by the Bank's Crisis Response Social Safety Nets Project (SSNP, P130328) which has financed development of the social registry and a Management Information System (MIS). The Government is aiming to expand the delivery of services outside of the capital and spark regional development. To expand delivery of services, including to the poorest, the country requires additional physical infrastructure, including in education, health, water and sanitation. This is compounded by significant infrastructure challenges including lack of provision of electricity and transport, among other services. Decentralization is a key element of Government's strategy to strengthen service delivery, and accordingly in 2016 it established a Ministry 'délégué' charged with implementing its decentralization policy. At the same time, the Government would like to leverage the experience with community sessions to develop its ability to empower communities to play a stronger role in development actions. Increased community and local involvement in development of infrastructure is one way in which the Government seeks to expand access to basic services.

#### Relationship to CPF

9. The proposed project is fully aligned with the Country Partnership Strategy (CPS) for FY14-FY17, which supports Djibouti Vision 2015-2035 launched in June 2014. Vision 2015-2035 is Djibouti's long-term strategy to build the country's future. Vision 2015-2035 includes a Pillar on investing in human capital "Building a hardworking, healthy and educated workforce" to which correspond to CPS Pillar "Reducing vulnerability." Djibouti faces serious challenges in protecting poor and vulnerable households against shocks and the risk of irreversible loss of human capital. Vision 2035 includes a pillar on reducing vulnerability to improve institutional capacity to reach the poorest and most vulnerable population. The proposed project will aim to address inadequate targeting of beneficiaries of safety nets program and difficulties in



ensuring that benefits reach the poorest and most vulnerable while contributing to building human development.

10. The Proposed project is also in line with the upcoming Systematic Country Diagnostic (SCD) expected to go to Board in FY18 (Q4) and the MNA Regional Strategy supporting Economic and Social Inclusion for Peace and Stability, approved by the Board in February 2018.

## PROPOSED PDO/RESULTS

### A. Proposed Development Objective(s)

11. The objectives of the proposed Project are to provide targeted cash transfers to poor households and support access to community-level interventions that improve human capital.

### B. Key Results

12. Key outcome indicators:

- Number of direct Social Safety Nets Beneficiaries (core-indicator number)  
(Percent of female beneficiaries)
- Share of poorest quintile of households covered by the program
- Number of beneficiaries participating community-level interventions to improve human capital
- Number of households enrolled in National Social Registry

## PROJECT CONTEXT

### A. Concept

#### 1. Description

13. The proposed Scaling Up Social Safety Nets Project (SSNP) will be implemented over a five-year period, and is expected to reach 7,500 households.

14. The Project will consist of four components: (1) provision of conditional cash transfers under the PNSF, including accompanying measures to improve human capital, (2) institutional capacity building support for PNSF and SSN system building and for establishing a community driven-development platform; and (3) project management.

### Component 1: Conditional cash transfers

#### 1.1 Financing of cash transfers



15. This sub-component will finance direct payments to program beneficiaries based on eligibility criteria and conditions. Payments of about US\$60 (to be confirmed) to eligible households will be made monthly through a third-party payment agent for a period of 24 months. The Bank expects that it would finance a declining share of the cost of cash transfers over the life of the project, with the Government taking on an increasing share with the longer-term objective of achieving sustainable domestic financing. The transfers financed by the project will be part of the Government's flagship PNSF program, PNSF, which includes soft conditionalities related to participation in community-level behavioral change communication sessions aimed at building human capital (see component 1.2 for additional detail). Household eligibility criteria, while yet to be finalized, are expected to include the following: (i) households living in targeted regions, (ii) with young children, (iii) and below the threshold cut-off for the Proxy-Means Test (PMT) developed to assess household welfare.

## 1.2 Community-based accompanying measures to improve human capital

16. This component will finance the design and implementation of community-level behavior change sessions that will constitute the conditionality for the conditional cash transfers. The sessions will center around themes related to human capital development, particularly those linked to the early years/early childhood development agenda. The content of the community-level sessions is still being identified but will likely include: (i) simulation of cognitive development; (ii) promotion of good parenting practices; (iii) encouragement for attendance of school-age children in school; and (iv) hygiene promotion. Nutrition-related interventions are expected to be supported in parallel by the "Zero Stunting Initiative" led by the Ministry of Health (MoH), supported by a World Bank-financed operation. Participation in these sessions will be part of the conditionalities that the eligible households will have to meet to receive payments under the CCT program. Enforcement of the conditionalities is expected to be "soft," meaning that the conditionalities will be enforced in a flexible manner which will be determined by project appraisal. The sessions will be delivered by community volunteers (mères-conseillères) with technical oversight from local staff of relevant partner ministries.

## Component 2: Institutional capacity building for systems building and service delivery

### 2.1 Strengthening social protection delivery systems

17. Under this sub-component, the project will reinforce the capacity of the Government by financing technical assistance and social protection system investments that will support achievement of the objectives of the project. Specifically, the component will finance the scale-up and implementation of the expanded PNSF program targeting and delivery system. Investment in the targeting of the program will include refinement of the PMT methodology developed under the DJ Crisis Response project and its application using developed PNSF program MIS and the Social Registry.

### 2.2 Institutional capacity building to develop a platform for CDD

18. The Government has requested support to develop institutional capacity within ADDS, SEAS, the Ministry of Decentralization, and regional councils to carry out community-driven investments in local social services infrastructure, with the ultimate goal of improving the quality of services to strengthen human capital. The project will support the development of a community-driven development platform that will be expected to include training materials to help communities to: organize themselves in a participatory and representative manner; evaluate and prioritize their needs; prepare infrastructure project proposals and bidding documents; carry out community procurement, financial management, and monitoring; and maintain the infrastructure once completed. The component will not directly finance



these proposed sub-projects; resources to carry out investments in soft infrastructure would be expected to be made available by the Government or through other partner financing.

**Component 3: Project Management**

19. The component would finance: (i) consultant and ADDS staff (non-civil servant) salaries; (ii) purchase of equipment and operating costs for project implementation and supervision; (iii) regular internal audits and annual external audits; and (iv) training, workshops, and other events related to project implementation and supervision. Finally, the component will also support knowledge-exchange and South-South activities (travel, lodging and per diems).

**SAFEGUARDS**

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

Djibouti (Urban and Rural)

**B. Borrower’s Institutional Capacity for Safeguard Policies**

The project is rated category C and is not expected to require institutional capacity for safeguard practices.

**C. Environmental and Social Safeguards Specialists on the Team**

Antoine V. Lema, Social Safeguards Specialist  
Mohamed Adnene Bezzaouia, Environmental Safeguards Specialist

**D. Policies that might apply**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	Project focused on social protection, capacity building and technical assistance. No job creation or civil works are planned.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
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	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
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

### **E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jun 05, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

As the project is rated category C, no safeguard-related studies are anticipated.

### **CONTACT POINT**

#### **World Bank**

John Van Dyck, Amr S. Moubarak  
Sr Social Protection Specialist

#### **Borrower/Client/Recipient**

Ministry of Economy and Finance

#### **Implementing Agencies**

Agence Djiboutienne de Developpement Social  
Mahdi Mohamed-Djama  
General Director  
mahdi.mohamed.djama@gmail.com

State Secretariat for Social Affairs  
Mouna Osman Aden  
Secretary of State for Social Affairs  
ministre@sociales.gouv.dj



**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	John Van Dyck, Amr S. Moubarak
----------------------	--------------------------------

**Approved By**

Practice Manager/Manager:	Hana Brixi	15-Jun-2018
Country Director:	Asad Alam	25-Jun-2018