



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
REINTEGRATION OF EX-COMBATANTS PROJECT
APPROVED ON APRIL 13, 2017
TO

MINISTÈRE DE L'ECONOMIE, DU PLAN ET DE LA COOPÉRATION

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE

AFRICA

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ABBREVIATIONS AND ACRONYMS

ACTED	Agency for Technical Cooperation and Development (NGO)
CAR	Central African Republic
CS-REF	<i>Cellule Chargée du Suivi des Réformes Economiques et Financières</i> (Unit Responsible for Monitoring Economic and Financial Reforms)
CVR	Community Violence Reduction
DDR	Disarmament, Demobilization and Reintegration
DDRR	Disarmament, Demobilization, Reintegration and Repatriation
DDRR-PIU	DDRR Project Implementation Unit
IOM	International Organization for Migration
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in CAR
PIU	Project Implementation Unit

BASIC DATA

Product Information

Project ID P160272	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 13-Apr-2017	Current Closing Date 31-Dec-2020

Organizations



Borrower	Responsible Agency
Ministère de l'Economie, du Plan et de la Coopération	DDRR Project Implementation Unit

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to support the social and economic reintegration of demobilized ex-combatants and improve access to socio-economic infrastructure and economic opportunities for host communities.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D1800	13-Apr-2017	22-Jun-2017	21-Dec-2017	31-Dec-2020	30.00	1.09	30.48

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. The Reintegration of Ex-Combatants Project was approved on April 13, 2017 and became effective on December 31, 2017. The project is financed by an IDA grant of US\$30 million. As of July 2018, the project disbursement rate is about 3.47 percent against 36 percent of the project lifetime elapsed. The project’s overall progress towards achievement of PDO and overall implementation progress is rated Moderately Satisfactory.

2. The implementation of project activities faced significant delays, primarily due to the fact that social and economic reintegration support to demobilized ex-combatants (component 1) is linked to the completion of the Disarmament and Demobilization activities of the national Disarmament, Demobilization, Reintegration, and Repatriation (DDRR) Program. As agreed with the government and the UN Multidimensional Integrated Stabilization Mission in CAR (MINUSCA), the project’s socio-economic reintegration support will be provided to demobilized ex-combatants following the disarmament, demobilization and reinsertion activities. These activities are financed and implemented by government and MINUSCA. The status of project activities per two main components are described below.

3. *Component 1: Socio-economic reintegration of ex-combatants.* This component is designed to support the socio-economic reintegration of eligible demobilized ex-combatants under the National DDR Program. However, the launching of the National DDRR Program has been delayed primarily due to political issues and continued negotiations between the government and armed groups. A pilot DDRR phase was launched in August 2017 and the government envisages launching



DDRR activities in the western part of CAR where local armed groups are willing to join the program and disarm. Nevertheless, there is still political uncertainty around DDRR in the country, making it difficult to align the implementation of component 1 activities. In this context, no progress has been recorded in the implementation of component 1 activities. There will be no changes to component 1 activities.

4. *Component 2: Support to host communities.* This component is designed to support the rehabilitation or construction of small-scale social and economic infrastructure in host communities and capacity building for host communities to maintain their own infrastructure and design initiatives based on their development priorities. Pursuant to discussions with the government, this component will be revised to be implemented in alignment with the Community Violence Reduction (CVR) Program led by the government with support of MINUSCA, in coordination with a range of partners such as the European Union (EU) and the International Organization for Migration (IOM). In addition to activities presented in the original project, including (i) building and rehabilitating socio-economic infrastructure, and (ii) reinforcing local capacities and promoting social cohesion, Component 2 will be revised to include (iii) skills training for vulnerable groups in the host communities. The training will particularly target youth with conflict-carrying capacities. Further, given the uncertainty as to when the DDRR process will be launched, Component 2 will be revised in a way that makes its implementation independent from the progress in component 1 activities, while allowing both components to be highly complementary in view of the government's request to support both the eligible demobilized ex-combatants through DDRR, and the host communities in line with CVR.

5. Data received from the Project Implementation Unit (PIU) indicate that the project can meet its overall PDO with outcome indicators reached following this restructuring, particularly regarding the implementation of Component 2. This component covers community-level activities that are not contingent on the political discussions and progress on the national DDRR.

B. Rationale for project restructuring

6. While previously being contingent on the start of Component 1 activities under the National DDRR Program, and given the uncertainty as to when the disarmament activities will precisely start, the revised Component 2 under the CVR strategy seeks to implement activities as a means to stabilize regions with high concentration of armed groups and, and according to progress in DDRR programming, it aims to: (i) accompany DDRR, therefore leveraging positive benefits and outcomes for the local communities, or (ii) prepare the ground for DDRR, humanitarian assistance, and development programs. This restructuring will allow the government to start the implementation of activities towards the host communities (component 2), irrespective of tangible progress made in the political negotiations relating to DDRR, prerequisite to start the socio-economic reintegration of ex-combatants (component 1).

7. As per the grant agreement, DDRR-PIU at the Office of the Presidency is responsible for the implementation of project activities for the technical aspects, while the fiduciary unit (CS-REF) at the Ministry of Finance and Budget, is responsible for the fiduciary matters pertaining to project implementation. Based on the letter addressed by the Ministry of Economy, Planning and Cooperation dated July 2018, and upon technical advice received from the World Bank fiduciary colleagues, it is determined that the DDRR-PIU has the fiduciary capacity to be fully in charge of the fiduciary management of the project. Against this background, in order to maximize the efficiency in delivering timely results, and to reduce upfront coordination times between two implementation units, the restructuring also proposed to transfer the project fiduciary responsibilities from CS-REF to the DDRR-PIU, which is now staffed with trained fiduciary experts (a procurement specialist, a financial management specialist, and an administrative and financial specialist) recruited on December 15, 2018, in compliance with the World Bank applicable procedure.



8. The project restructuring aims to improve the project overall implementation performance and thereby ensure achievement of the development objective and satisfactory completion at closure. The project restructuring and approach and changes to its structure were discussed and agreed with the Borrower during the last missions of supervision which took place consecutively during May 11-18 and July 23-27, 2018; and an action plan was further agreed with the government to finalize the project restructuring.

II. DESCRIPTION OF PROPOSED CHANGES

9. *Changes in Results Framework.* Based on the rationale provided on project restructuring, and in addition to the existing indicators, the results framework will be revised to measure outcomes of the new activities that will be added to component 2 (skills trainings provided to members of host communities). The revised RF includes new indicators as appropriate for the project component 2 (support to host communities) to better meet the project restructuring expectations, and revises the target values of all project indicators based on the project actual achievements to date and taking into account the priorities agreed on during the last supervision missions for the remainder of the project lifetime.

10. In line with the proposed changes to the components, the target values of the results indicators are created or revised as follows:

- (i) the number of host community members participating in community-based decision making/participatory planning exercises is revised from 1,500 to 2,500;
- (ii) 76 small-scale socio-economic infrastructure sub-projects are expected to be completed (construction or rehabilitation);
- (iii) 5,200 host communities' members, including at-risk and vulnerable peoples (disaggregated by age and sex), are expected to complete skills training related to the construction, rehabilitation and maintenance of infrastructures;
- (iv) 5,200 members of host communities, including at-risk and vulnerable peoples (disaggregated by age and sex), are expected to be employed and paid by the project;
- (v) 1,012 members of host communities, as part of local committees or community councils, are expected to be trained on conflict mediation, social cohesion and technical aspects related to the maintenance of infrastructures;
- (vi) The end target date of all project indicators initially set for April 13, 2020, is postponed to June 30, 2020.

11. *Changes in Components and Component Costs.* Based on the rationale provided on project restructuring, the cost per activity proposed under component 2 will be revised as following: (i) reduce cost of improvement of socio-economic infrastructure (sub-component 2.1) from US\$8.5 million to US\$7 million, (ii) increase cost of capacity building for host communities (sub-component 2.2) to US\$1 million, and (iii) adding new activity, on-the-job skills training for members of host communities (as sub-component 2.3), with a cost of US\$1 million.

12. *Changes in fiduciary arrangement.* In alignment with the rationale for the restructuring, the project's fiduciary responsibilities will be transferred from the fiduciary unit (CS-REF) at the Ministry of Budget and Finance to the DDR-



Project Implementation Unit (UEPNDDRR), therefore making the DDDR-PIU in charge of both the project technical implementation and fiduciary activities related to the project. At the project design stage, the initial fiduciary arrangement with CS-REF was proposed in the absence of any UEPNDDRR fiduciary capacities, situation which is no longer relevant.

13. *Change in Disbursement Estimates.* Owing to delays of implementation at project launch, the project disbursement rate to date stands at 3,47 percent against 36 percent of the project lifetime elapsed. The revised disbursement estimates provided in Section IV would align disbursements with the pace of project implementation after restructuring.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Disbursement Estimates	✓	
Procurement	✓	
Implementation Schedule	✓	
Other Change(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
APA Reliance		✓
Economic and Financial Analysis		✓



Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Social and Economic Reintegration Support	16940000.00	No Change	Social and Economic Reintegration Support	16940000.00
Support to Host Communities	9000000.00	Revised	Support to At-Risk/Vulnerable Individuals and Host Communities	9000000.00
Project Management	4060000.00	No Change	Project Management	4060000.00
TOTAL	30,000,000.00			30,000,000.00

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2017	0.00	0.00
2018	1,100,000.00	7,054,779.60
2019	18,600,000.00	16,182,169.40
2020	9,300,000.00	6,533,000.00
2021	545,454.54	230,051.00



Results framework

COUNTRY: Central African Republic
Reintegration of Ex-combatants Project

Project Development Objectives(s)

The Project Development Objective (PDO) is to support the social and economic reintegration of demobilized ex-combatants and improve access to socio-economic infrastructure and economic opportunities for host communities.

Project Development Objective Indicators by Objectives/ Outcomes

Table with 7 columns: Indicator Name, DLI, Baseline 2017, Intermediate Targets 1, 2, 3, End Target 2021. It contains two rows of indicators related to socio-economic reintegration support, both marked as revised.



The World Bank

Reintegration of Ex-combatants Project (P160272)

Indicator Name	DLI	Baseline 2017	Intermediate Targets			End Target 2021
			1	2	3	
Percentage of total project beneficiaries who report acceptance to return of demobilized ex-combatants (disaggregated by returnees vis-a-vis local communities) (Percentage)		0.00	50.00	60.00	65.00	65.00
Action: This indicator has been Revised						
Percentage of host community members who report social acceptance of ex-combatants (disaggregated by age and sex) (Percentage)		0.00	50.00	60.00	70.00	70.00
Action: This indicator has been Revised						
Support to Host Communities (Action: This Objective is New)						
Number of planned small-scale socioeconomic infrastructure sub-projects successfully completed (construction or rehabilitation) (Number)		0.00				76.00
Action: This indicator has been Revised						
Number of beneficiaries in target communities with improved access to socioeconomic infrastructure (disaggregated by sex) (Number)		0.00	6,000.00	18,000.00	30,000.00	30,000.00



The World Bank

Reintegration of Ex-combatants Project (P160272)

Indicator Name	DLI	Baseline 2017	Intermediate Targets			End Target 2021
			1	2	3	
<i>Action: This indicator has been Revised</i>						
Percentage of total beneficiaries in local communities reporting higher security and reconciliation (disaggregated by age, sex and armed groups affiliation) (Percentage)		0.00	60.00	75.00	80.00	80.00
<i>Action: This indicator has been Revised</i>						

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline 2017	Intermediate Targets			End Target 2021
			1	2	3	
Social and Economic Reintegration Support to Ex-Combatants (Action: This Component is New)						
Percentage of ex-combatants who successfully completed orientation, counseling and skills training (Percentage)		0.00	100.00	100.00	100.00	90.00
<i>Action: This indicator has been Revised</i>						
Percentage of identified eligible former combatants who received specialized support (Percentage)		0.00	100.00	100.00	100.00	100.00



The World Bank

Reintegration of Ex-combatants Project (P160272)

Indicator Name	DLI	Baseline 2017	Intermediate Targets			End Target 2021
			1	2	3	
Action: This indicator has been Revised						
Percentage of ex-combatants who received, from those who requested, additional drop-in reintegration support (Percentage)	0.00		100.00	100.00	100.00	100.00
Action: This indicator has been Revised						
Percentage of targeted former combatants reporting satisfaction with services provided by this program (Percentage)	0.00		90.00	90.00	95.00	95.00
Action: This indicator has been Revised						
Percentage of ex-combatants who are satisfied with the start-up reintegration support (Percentage)	0.00		85.00	90.00	95.00	90.00
Action: This indicator has been Revised						
Number ex-combatants who receive reintegration start-up support (Number)	0.00		1,000.00	3,500.00	5,000.00	5,000.00
Action: This indicator has been Revised						
Support to Host Communities (Action: This Component is New)						
8. Number of host community members participating in	0.00		500.00	750.00	1,500.00	2,500.00



The World Bank

Reintegration of Ex-combatants Project (P160272)

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
		2017	1	2	3	2021
community-based decision making/participatory planning exercises (Number)						
Action: This indicator has been Revised						
9. Number of host community members participating in capacity building activities (Number)		0.00	1,000.00	3,000.00	6,000.00	6,000.00
Action: This indicator has been Revised						
Number of host community members, including at-risk/vulnerable peoples, who completed skills training related to the construction, rehabilitation and maintenance of infrastructures (Number)		0.00				5,200.00
Action: This indicator has been Revised						
Number of members of host communities, including at-risk and vulnerable peoples, employed and paid by the project (disaggregated by age and sex) (Number (Thousand))		0.00				5,200.00
Action: This indicator has been Revised						



The World Bank

Reintegration of Ex-combatants Project (P160272)

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
		2017	1	2	3	2021
Number of host communities (local committees/community councils) members trained in conflict mediation, social cohesion and technical aspects related to the maintenance of infrastructures (Number (Thousand))		0.00				1,012.00
Action: This indicator has been Revised						



The World Bank

Reintegration of Ex-combatants Project (P160272)
