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

Appraisal Stage | Date Prepared/Updated: 29-Jan-2018 | Report No: PIDISDSA22057

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Guinea-Bissau	P163901	Guinea Bissau: Safety Nets and Basic Services Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
AFRICA	15-Dec-2017	28-Feb-2018	Social Protection & Labor
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Guinea-Bissau	Project Coordination Unit (PCU)	

Proposed Development Objective(s)

The Project Development Objective is to provide poor communities and households with greater access to basic service infrastructure and social safety nets.

Components

Component 1: Community-based micro-projects
Component 2: Cash transfer program
Component 3: Safety net development
Component 4: Project management

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.
Yes

Financing (in USD Million)

Financing Source	Amount
IDA Grant	15.00
Total Project Cost	**15.00**

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Guinea-Bissau is a fragile state with high and increasing levels of poverty, political instability, weak institutions and low growth. It is a small country on the West African coast located between Senegal and Guinea, with an estimated population of 1.9 million inhabitants in 2017. It is the 12th poorest country in the world, with an estimated gross national income per capita of US$550 in 2014, and with 67 percent of the population below the US$ 1.9 poverty line in 2014. Between 2000 and 2014, real GDP growth averaged a mere 0.4 percent per annum. In 2015-2016, the economy grew by 4.8 percent per year mostly fueled by an increase in the international price of cashew. Guinea Bissau ranks 178th out of 187 countries on the 2016 Human Development Index (UNDP).

2. The country is rich in natural resources (fisheries, forestry and agriculture) and biodiversity with a terrain of mostly low coastal plain with swamps of *Guinean mangroves*. The economy is dominated by agriculture and heavily reliant on the production and export of raw cashew nuts, which also constitutes the main source of income for more than two thirds of households, and virtually all small family farms as raw cashews nuts account for 90 percent of exports and 45 percent of gross domestic product. More than two thirds of households rely on this crop for their income, exposing them to international price fluctuations and adverse weather conditions. Guinea Bissau is a member of the Economic Community of West African States (ECOWAS) and the West African Monetary Union (WAEMU).

3. The country is host to a large variety of ethnic groups, languages and religions. Today only 14 percent of the population speaks Portuguese, while almost half the population (44 percent) speaks *Crioulo*, a *Portuguese-based creole language,* and the remainder speak a variety of African languages. The main religions are *African traditional religions* and *Islam* with a *Christian* minority. With high rates of fertility, the working age population is expected to double by 2040.

4. Guinea-Bissau has a history of political and institutional fragility dating back to its independence from Portugal in 1973. The country is one of the most coup-prone and politically unstable countries in the world. Since independence, four successful coups have been recorded in Guinea-Bissau, with another 16 coups attempted, plotted, or alleged. In addition to military coups, frequent government turnover is another manifestation of the country's political instability and fragility. Between 1999 and 2009, Guinea-Bissau experienced a government turnover each year, and in the last 18 months the country has had four governments. The fragility in Guinea Bissau is mainly a consequence of the unfinished political transformation and disconnect between state and society, with weak state institutions and a lack of state presence outside Bissau, which has rendered the state illegitimate in the eyes of many of its citizens. Furthermore, military engagement in the political and economic spheres is strong, the justice sector weak, and the economy is poorly diversified and captured by elite interests.[1] Harmonized average CPIA for 2016 is 2.5, a decrease from the country's rating of 2.6 in 2012 and well below the cut-off point of 3.2 for fragile states.

[1] UN/WB Fragility Assessment (2015), UNDP G7+ update of Fragility Assessment (2016).

5. Fragility is also the result of competition for rents among elites. Weak governance has allowed a "rentier" economy to develop, effectively diverting many public resources toward private gain. Guinea-Bissau ranks in the bottom 10th percentile on all indicators measuring public sector capacity in the World Bank's Worldwide Governance Indicator (WGI). These institutional weaknesses translate into a weak public financial management framework manifested in insufficient internal and external controls, disconnect between the budget and the implementation of government programs and policies, an outdated tax framework and ineffective tax management. Public administration is undermined by a large bureaucracy, notably the overrepresentation of the military.

6. The cost of political and institutional fragility is very large. The 2011 World Development Report (WDR) shows that there is strong correlation between state fragility and low levels of economic development. In the case of Guinea-Bissau, the costs of recent political instability and fragility have been severe. In 2015, the IMF estimated that Guinea Bissau's GDP per capita could have been 65-90 percent higher had it not been of its endemic fragility.[2] There is also close link between political developments and outputs, for example, after the 2012 military coup the economy contracted by 1.8 percent in 2012 and barely recovered in 2013 due to mismanagement of the cashew harvest, suspension of donor funds, which further led to halted public sector investments and increased arrears.

7. The population of Guinea-Bissau has been suffering enormously from the political and institutional fragility. Weak governance and fragility have undermined the country's economic development with public institutions geared toward providing private goods to elites –political and military ones– rather than public goods to citizens. The main consequences of this broken social contract have been high levels of poverty and inequality as the result of the low provision of services, faltering infrastructure, low access to education and health and high vulnerability to shocks. Access to basic social and economic services remains low. Public spending related to education, health, water or roads health are almost exclusively spent on salaries with little or no resources devoted to the rehabilitation of existing infrastructure or the construction of new ones. Community-based infrastructures are financed by donors and Non-Governmental Organizations (NGOs).

8. In Guinea Bissau, both poverty and extreme poverty are high.[3] Nearly 1.2 million people (69.4 percent) were poor in 2010. One-third of the population (33.1 percent) lived in extreme poverty, surviving on under US$1 per adult equivalent per day (national extreme poverty line). Indicative of the country's persistent poverty trap, both absolute and extreme poverty rose between 2002 and 2010 by 3.7 and 11.5 percentage points, respectively. The country's limited economic growth during the period had no measurable or sustained poverty reducing benefits. Inequality is also high and has worsened over time. The Gini coefficient for Guinea-Bissau (0.50 in 2010) is very high which indicates a large level of inequality.

9. Poverty is especially severe outside Bissau. Regional poverty rates vary from 51 percent in Bissau to 83.5 percent in Gabu and 80.5 in Cacheu. The poorest sectors (Guinea Bissau is divided in 39 sectors which are the administrative levels below those of the regions) are Caicine (in the region of Tombali) with poverty and extreme poverty rates of 91.3 percent and 67.2 percent, respectively, Fulacunda (in the region of Quinara) and Pirana (in the region of Gabu). There is also a broad spatial variation in poverty rate within regions. The higher levels of poverty seen outside Bissau are further compounded by multiple deprivations in non-monetary dimensions, such

[2] Article IV assessment (IMF, July 2015)
[3] Poverty numbers are based on ILAP2010 which is the last available household survey.

as limited access to basic and social services, low human capital, and woefully inadequate levels of public infrastructure.

Sectoral and Institutional Context

10. In 2011, the Government of Guinea Bissau prepared a Poverty Reduction Strategy Paper (PRSP) (*Segundo Documento de Estratégia Nacional de Redução da Pobreza - DENARP II)* for the period 2011-15 in broad consultation with stakeholders and development partners, including the World Bank. The PRSP describes the country's macroeconomic, structural, and social policies in support of growth and poverty reduction, including those related to human development and social protection. It further laid out its development strategy for the period 2015-25 in the document *Terra Ranka* (which translates into "Fresh Start"). A strategic and operational plan for 2015-20 aiming at operationalizing *Terra Ranka* was presented at a donor's conference held in Brussels in March 2015. It includes social protection objectives under the axis of human development. *Terra Ranka* currently guides the government's action towards reducing poverty and inequalities. Its implementation is ongoing, and priorities focus on increasing access to basic services with the objective of reducing poverty, and reaching the Sustainable Development Goals (SDGs) by 2030.

11. *Terra Ranka* identified five main pillars to build Guinea-Bissau. The development of a safety net figures prominently among the "human development" axis whose key objective is to generate "a large-scale reduction of poverty, through the creation of a safety net and real empowerment opportunities for the most vulnerable."[4] The strategy aims at "establishing a national social development plan, with a social protection component introduced along the lines of the "Bolsa Familia" cash transfer program in Brazil, and to empower the most vulnerable population groups to increase their access to basic services including water and sanitation, and education." Under its peace and government axis, the strategy also seeks to promote citizen participation in their own development.

12. The Government's commitment to improve access to basic services has been translated into several other sector policies and programs, among which, the 2008-17 Health Sector Development Plan (*Segundo Plan Nacional de Desenvolvimento Sanitario – PNDS 2008-2017),* the 2015-19 Nutrition Strategic Plan (*Plan Estratégico Nacional de Nutrição 2015-19*), the 2010-20 Water and Sanitation Development Plan (*Plan Director da Agua y Saneamento 2010-2020*), and the 2017-25 Education Sector Plan *(Carta Política do Sector Educativo 2017-2025*). These policies are complemented by a 2012-15 National Gender Policy (*Política Nacional para Promoçao da Igualdade y Equidade de Género* 2012-15) which includes a National Strategy for the Abandonment of Female Genital Mutilation. These strategies are endorsed by donors, who support their implementation.

13. Despite the commitment of the Government to expand provision of basic services, important challenges remain. Guinea Bissau did not achieve many of the millennium development goals (MDGs). Less than six in ten households have access to potable drinking water (the situation in rural areas is worse). There are about 17,000 inhabitants per basic health care center on average in Guinea Bissau in 2017. The maternal mortality rate (900 death per 100.000 live births) is one of the highest in the world due to costs (including informal charges), low quality (high mortality within providers) and a lack of access to all-season roads. In education, the primary completion rate (PCR) is 64 percent much below the Millennium Development Goal of universal primary completion.

[4] Republic of Guinea Bissau. March 2015. Guinea Bissau 2025. Strategic and Operational plan for 2015-20 "Terra Ranka". p. 26.

14. The central government lacks the resources and capacity to scale up basic service delivery rapidly. Cognizant of this situation, the Government requested a PHRD grant from IDA in 2005 to create a Project Coordination Unit (PCU) within the Ministry of Economy and Finance to improve access to basic social services through the implementation of micro-projects at the level of communities following a community-driven development approach. Since its creation in 2005, PCU has implemented several projects including: (i) the *Participatory Rural Development Project* financed from a State and Peace Building Fund Grant; and (ii) the *Rural Community Development Project* financed from three successive IDA grants. The objectives of these projects were to increase access to basic services in rural areas of Guinea Bissau. These community-driven interventions have been successful at increasing the delivery of basic socials services at the community level. Furthermore, in 2014, the *Rural Community Development Project* was restructured to prevent the Ebola crisis to spread from neighboring Guinea.

15. As already indicated, social safety nets are an increasing priority for the Government, and important progress has been made in the social protection sector in recent years. A new activity was included in the *Rural Community Development Project* in 2016 to initiate the building blocks of a safety net system and pilot a cash transfer program. These activities are pursued in partnership with UNICEF and WFP, which also introduced a program of cash transfers targeted toward families affected by HIV/AIDS. In addition, the government is currently developing a social protection strategy with the technical and financial support of donors (especially the World Bank, UNICEF and WFP). The Ministry of Women and Social Cohesion has signaled its ownership of these programs by leading a forum on social protection held in November 2017 and following-up on an implementation plan. It is expected that the safety net program could eventually be institutionalized at the Ministry of Women and Social Cohesion once the conditions permit in collaboration with the Ministry of Finance where the PCU is located

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to provide poor communities and households with greater access to basic social services and social safety nets.

Key Results

16. The Project's performance in achieving its development objective would be measured through the following key outcome indicators:

- Direct project beneficiaries (number), of which female beneficiaries (percentage) (corporate);
- Beneficiaries of Safety Nets programs (number) (corporate); disaggregated by:
    a. Beneficiaries of Safety Nets programs – Female (number)
    b. Beneficiaries of Safety Nets programs -- Unconditional cash transfers (number)
- Improvement in stunting in children <2 years in households benefiting from the cash transfer program;
- Improvement in school registration in children 6-14 in households benefiting from the cash transfer program;
- Number of individuals participating in their community development plan on average (voice and accountability indicator);

- People provided with access to improved water sources under the project (number);
- People with access to an all-season road rehabilitated by the Project (number).

D. Project Description

17. The Project would focus on continuing and strengthening the community infrastructure and safety net program started under the Rural Community-Driven Development Project (P090712). The project seeks to help Guinea-Bissau make a step forward in how it supports safety nets and access to basic services for poor and vulnerable households. The Project would develop further an identification system for targeting poor and vulnerable households which was initiated in July 2016 as part of the second additional financing to the Rural Community-Driven Development Project. The Project would allow the storage of household information in a national social registry expected to be used across multiple programs. The project would also support country capacity by strengthening the project implementation unit (Project Coordination Unit – PCU). Finally, the Project would support the provision of basic social services through the implementation of a community-driven development approach to community development.

18. The Project is designed to build upon the Rural Community-Driven Development Project while developing further the social protection agenda. The Project would include three main types of interventions: (i) community-based micro-projects which includes the development of community development plans; (ii) a cash transfer program with accompanying measures; and (ii) safety net development including an impact evaluation.

Component 1: Community-based micro projects (US$4.0 million)

19. The objective of this component would be to support the rehabilitation and construction of basic infrastructure in targeted communities, in order to increase access to basic socio-economic services. Eligible community micro-projects would include the construction and rehabilitation of primary schools and water points and the rehabilitation of rural feeder roads. However, the Project would not finance the construction of new roads. The Project would also not finance the rehabilitation of paddy fields (*bolanha).* Micro-projects would include physical infrastructure and accompanying support to ensure operability and quality of service such as school desks and chairs, and other similar items.

20. The number of micro-projects financed under the Project is extremely difficult to determine as the type of micro-projects selected by the communities would only be known during implementation and there is large difference between the cost of a feeder road and that of a water point. Assuming an average value of about US$100,000 per micro-project, the component is expected to finance 40 basic infrastructure micro-projects in three regions of the country (Gabu, Cacheu and Oio). These regions have been selected because of their high level of poverty (see above) and the possibility of synergies with other projects financed by IDA for maximum impact (see below). Implementation of activities at the community/village level would be based on the principles of the community-driven development approach, in which targeted communities would select their subprojects, participate in their construction and supervise their implementation.

21. Targeting would remain identical to that of the Rural Community-Driven Development Project. It would follow a two-step process. First, project resources would be divided among the three regions of Gabu, Cacheu and Oio according to each region's contribution to national poverty. Second, in order to target beneficiary communities in the absence of poverty data at the village level, the PCU would continue working with the National Institute of Statistics (*Instituto Nacional de Estatística* or INE) to create a composite index measuring the lack of access to basic services (or a similar indicator, depending on data availability). Villages (*tabancas*)

would be ranked in the order of their lack of access to basic social infrastructure and selected up to the limit of available resources for each region and a transparent process of consultation with authorities at the local level. The component would also finance the costs associated with the preparation of community development plans by communities.

Component 2: Cash transfer program (US$7.5 million)

22. The main objective of this component is to support: (i) increased access to safety nets (cash transfers) among the poorest households in selected communities of Guinea-Bissau; and (ii) the implementation of accompanying measures to enhance households' ability to benefit from the transfers.

Sub-component 2.1: Cash transfers (US$7.0 million)

23. This sub-component aims to increase income and consumption of targeted households and thus increase their ability to cope with shocks. Resources would be distributed geographically following the same two-step process as under Component 1, i.e. (i) dividing resources among the three targeted regions of Gabu, Cacheu and Oio according to each region's contribution to national poverty;[5] and (ii) selecting communities based on an index of access to socio-economic infrastructure (or a similar indicator, depending on data availability). Once villages (*tabancas*) are selected, the methodology to target beneficiary households would follow the three-pronged approach to targeting currently implemented under the Rural Community-Driven Development Project. First, the PCU would contract the National Statistics Institute (*Instituto Nacional de Estatística, INE*) to conduct a consumption and income survey of all households in the selected communities. Second, households would be ranked using a scoring method based on several key household characteristics (housing characteristics, water and sanitation and a few selected assets). Third, interviews with selected households would be conducted to validate the ranking[6].

24. The proposed project is expected make quarterly transfers of CFAF70,000 (approximately Euro107 or US$126) to approximately 6,500 households (about 50,000 individuals) over 2 years for a total amount of

[5] A new household survey (ILAP3) financed by UEMOA is expected to be conducted by INE in 2017-18. This survey will have two rounds: March-May 2018 for the first round and September-November 2018 for the second round.

[6] The team investigated whether targeting could benefit from community inputs whereby communities themselves participate to the identification of its poorest members. However, this option was not selected. Habitat in Guinea Bissau is spread (in part because water is largely available everywhere) and the appropriate concept of "communities" is that of "tabancas" which consists essentially of a small number of houses shared by relatives. Communities are "constructed" as a group of "tabancas" for the purpose of the Project and may not correspond to the concept of "communities" as usually understood in West Africa where villages are settlements around a water point. In this context, field workers have reported that communities' participation in the selection of its poorest members would not be feasible. However, community targeting will be tested during the early phase of project implementation and may eventually be used if proven feasible.

approximately US$7.0 million.[7] Four quarterly transfers of CFAF70,000 represent about 25 percent of the 2010 food poverty line for a household of 10 persons.[8] [9]

25. While the cash transfer program would not specifically target households with pregnant women and small children, it is expected that they would largely benefit from the program. First, the presence of small children is correlated with poverty so that households with small children are more likely to be eligible for the cash transfers. In addition to the quarterly transfers to beneficiary households, all mothers from the selected communities would have the opportunity to participate in learning activities related to child stimulation, nutrition, and protection (see below).

Sub-component 2.2: Accompanying measures (US$0.5 million)

26. Cash transfers are most effective when they are accompanied by additional measures (also called accompanying measures) aiming at building the capacity of beneficiary households. This sub-component would support carrying out training for beneficiary communities or households. It would take advantage of the existing network of community health workers and social workers. Each community would benefit from several accompanying measures. Before the first transfer is made, accompanying measures would include: (i) information and communication to all households living in the community about the cash transfer program including the scoring method and the Grievance Reporting Mechanism (GRM) (see below); (ii) training to households to explain how best to use the cash transfers. After the first cash transfer is made, accompanying measures delivered to the whole community could include awareness sessions on nutrition, cooking, child stimulation, healthy behavior, family planning, HIV/AIDS, Female Genital Mutilation (FGM), among others.

27. At the inception of the cash transfer program, all households from the community would be asked to sign a document agreeing to participate in the program. This document would explain the requirements expected from the participants including the participation in selected sessions/training. However, these conditions will be “soft” to the extent that they will not stop future cash transfers. Accompanying measures would include: (i) families (minimally the adults responsible for food preparation and for child care) attend quarterly health days organized by Community Health Workers (CHW). At these days, CHWs would monitor growth (wasting, stunting, Mid-Upper Arm Circumference (MUAC), obesity) and deliver education units to groups of parents on healthy child nutrition and general family nutrition; (ii) families with children identified as being at risk of malnutrition would also attend monthly meeting with CHWs where supplementary growth monitoring and additional education would be given to groups of parents until child is no longer at risk. Advice would include traditional remedies for preventing/treating malnutrition which parents can make up themselves out of local products; (iii) any family with a malnourished child who is acutely sick would be recommended to go to the regional malnutrition clinic. CHWs would be encouraged to keep a stock of inexpensive shelf-stable supplementary foods suitable for treating dangerously malnourished children, which the parents would buy if necessary. A local NGO would be hired to train and supervise CHWs for these activities, and provide materials to measure growth and

[7] This assumes that the exchange rate CFAF/Euro is fixed at CFAF656/Euro and that the exchange rate US$/Euro is US$1.1/Euro. The number of beneficiaries may need to be adjusted if these exchanges rates vary during Project implementation.

[8] The food poverty line is CFAF302 per day (Ibid, p. 20). Calculation is as follows: (CFAF70,000 x 4 quarterly payments)/(302 x 365 days/year x 10 persons/household)=25.4%.

[9] The Rural Community-Driven Development Project pilot program is currently testing three different levels of transfers: CFAF8,000 (about Euro12), CFAF10,000 (about Euro15) and CFAF12,000 (about Euro18) per person per quarter (up to 7 persons per household) to approximately 1,600 households during 2 years (which corresponds to 8 payments).

deliver education units. CHW would be paid a per diem for these activities. They would also record attendance on paper forms to be collected by the NGO for delivery to PCU for integration into the evaluation database.

Component 3: Safety net development (US$2.5 million)

28. The main objective of this component is to support: (i) the development safety net systems including the development of a social registry; and (ii) the design and implementation a rigorous impact evaluation.

Sub-component 3.1: Support for safety net systems (US$1.0 million)

29. Guinea-Bissau is in the early stages of developing a social safety net system. A targeting methodology is currently being developed under the Rural Community-Driven Development Project. The sub-component would provide technical assistance for the elaboration of a national targeting strategy which could be used for a number of social programs including cash transfer programs.

30. The sub-component would also provide technical assistance and equipment for the development of a Social Registry of beneficiaries.[10] The development of a Social Registry of beneficiaries started in 2015 as part of the implementation of a Rapid Social Response (RSR) Multi-donor Trust Fund (MDTF). The Rural Community-Driven Development Project contracted selected NGOs (AIDA, Ceu y Terra, etc.) to establish and feed the Registry while providing selected health- and education-related services to poor and vulnerable households. Approximately, 6,200 individuals (2,250 families) were included in the Social Registry as of end-July 2017. The software would be updated to incorporate the information of the new social datasheet prepared as part of the implementation of the Rural Community-Driven Development Project. The hardware would be progressively upgraded to incorporate all the elements of a Social Registry. This work would be closely coordinated with other relevant government-, NGO- and donor-financed programs included those currently implemented by the World Food Program (WFP) and the NGO AIDA.

31. The sub-component would also support a basic information system including modules to track payments and to prepare reporting information on cash payments. A module for monitoring cash transfers to each beneficiary and attendance at the accompanying measures would then be linked to the Social Registry. Importantly, the sub-component would support the extension of the Grievance Redress Mechanism (GRM) established under the Rural Community-Driven Development Project. The sub-component would also establish: (i) a strong monitoring and evaluation program with spot checks including beneficiaries' surveys, as well as a process assessment of the cash transfers; (ii) any additional studies that may be deemed useful if funds and time allow. Finally, the sub-component would continue supporting AIDA to feed the Social Registry while providing selected health-related services to poor and vulnerable households.

[10] The Social Registry is an information system for the creation and maintenance of data (biographical, socio-economic, demographic, etc.) on households, and individuals potentially eligible to benefit from social protection or other programs. Any data integrated in the Social Registry is pre-checked at several levels: intrinsic validity, coherence with other data already integrated in the Social Registry, and completeness. All personal data would be secure and encrypted to ensure privacy. The Social Registry would uniquely identify households and their members. The unique identifiers would be shared with social program implementing agencies including the PCU to link them with their own Management Information Systems (MIS). The Social Registry is a platform for coordinating and managing social protection programs.

Sub-component 3.2: Impact evaluation (US$1.5 million)

32. The Rural Community-Driven Development Project includes an impact evaluation to assess: (i) the impact of cash transfers on households' consumption and expenditures, as well as on health and education indicators particularly for small children; and (ii) evaluate the impact of different transfer amounts (see above). This impact evaluation is currently carried out by the PCU with support from INE, IDA, Tufts University and the International Partnership for Human Development (IPHD) a local NGO specialized in the collection of health and education indicators. The impact evaluation would consist of: (i) a baseline; (ii) a first impact evaluation after four cash transfers; (ii) a second impact evaluation after eight cash transfers; and (iv) a final impact evaluation one year after the last cash transfer to assess the long-term impacts of the program. The proposed Project would continue this impact evaluation and expand it to new communities. Lessons from the impact evaluation would inform the design and implementation of future phases of the cash transfer program.

Component 4: Project management (US$1.0 million)

33. This component would cover the implementation cost of the Project which includes staff-related costs, equipment, vehicles, fuel, office space at national and regional level, and communications costs, and operating costs related to the procurement, supervision, auditing and evaluation of project activities.

E. Implementation

Institutional and Implementation Arrangements

34. The Project would use the existing and well-established institutional arrangements in place for the implementation of the Rural Community-Driven Development Project. The Project Coordination Unit (PCU), the implementing agency of the Project, was established in 2009 within the Ministry of Economy and Regional Integration (MERI) which is now the Ministry of Economy and Finance (MEF). Since its creation, the PCU has worked continuouslywith communities to construct and rehabilitate basic infrastructure and also, more recently, implement a cash transfer program. The PCU is currently the only entity in Guinea-Bissau with the reputation, management, staffing, administrative capacity, and decentralized structure necessary to implement the proposed Project.

35. The PCU National Coordinator (*Coordenador Nacional*) would remain responsible for day-to-day Project implementation. He would be assisted at the national level by a Financial and Administrative Director (*Director administrative y financiero*, DAF) who heads the financial management unit supported by an Accountant, a Procurement Specialist, a Monitoring and Evaluation Specialist and an Environmental and Social Specialist. The PCU would adjust its current institutional structure to account for a decrease in activities under the community-based micro-projects component (Component 1) and an increase in the activities under the cash transfer program (Component 2) and the impact evaluation (Component 3). It would rationalize its regional offices, each headed by a Regional Coordinator and staffed with Development Agents to adjust to the Project's activities. The implementation of the cash transfer program may require the recruitment of an information specialist and an internal auditor to strengthen the existing fiduciary team. The recruitment of the PCU staff would follow procedures acceptable to IDA and would require a non-objection from IDA. The salary structure of the PCU's full time consultants would remain that currently used for the Rural Community-Driven Development Project.

36. The PCU currently has three regional offices (*Unidad Regional del Projecto* – URP). Each URP comprises a regional coordinator and development agents with a profile of social workers or engineers. With this basic

structure each URP would be at the forefront of the implementation of the Project at the local level. Once the geographical targeting of beneficiary communities for micro-projects (component 1) and cash transfers (component 2) is completed, the URPs, would be responsible for facilitating the implementation of component 1 activities using a community-driven development approach. In practice, regarding component 1, URPs would: (i) work closely with Regional Planning Committees *(Gabinetes Regional de Planificação)* and Sectoral Direction Counsels (*Consejos Directivos Sectoriales*) to identify the poorest communities (*tabancas*) and ensure the consistency of micro-projects with sector policies and standards; (ii) assist communities to elaborate their development plan including a prioritized list of micro-projects; (iii) coordinate with the PCU to contract a consulting firm (*bureau d'étude*) to design and supervise the work and a construction firm to build it; (iv) supervise the *bureau d'étude* and construction firm during micro-project implementation; and (v) follow up on complaints made through the GRM. Regarding component 2, URPs would: (i) elaborate the index of access to socio-economic infrastructure in selected areas; (ii) support and supervise INE during the implementation of the consumption and income surveys; (iii) support PCU to validate the ranking; (iv) inform all households about the cash transfer program including scoring method and GRM; (v) provide selected training to communities and beneficiary households; (vi) support the impact evaluation; and (vi) follow up on complaints made through the GRM.

37. The Procedures Manuals (together called the Project Implementation Manual, or PIM) used for the implementation of the Rural Community-Driven Development Project would continue to be used for the proposed Project. The PIM includes the following manuals: (i) Administrative Manual (*Manuel de gestion administrative*); (ii) Financial Manual (*Manuel de gestion financi*ère); (iii) Procurement Manual (*Manuel de passation des marchés*); (iv) Operations Manual (*Manuel des opérations*); (v) Monitoring and Evaluation Manual (*Manuel de suivi-évaluation*); and (vi) Cash Tranfer Manual (*Manuel de transferts monétaires*). Safeguard frameworks complement these manuals (see below).

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

The Project would be located in both urban and rural areas of Guinea-Bissau.

G. Environmental and Social Safeguards Specialists on the Team

Gernot Brodnig, Social Safeguards Specialist
Medou Lo, Environmental Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project activities for rehabilitation and construction of basic infrastructures have the potential for some localized environmental and social adverse risks and impacts. These include vegetation clearing, dusts, soil erosion due to borrow pits areas, noise, poor construction related waste management, risks of injury, and increased prevalence of HIV/AIDS and other STDs due to workers potentially coming from other cities/villages. Since the type and location of micro-projects selected by the communities would only be known during implementation, the Borrow prepared an Environmental and social Management Framework (ESMF), which outlines an environmental and social screening process for future micro-projects to ensure that they are environmentally and socially sound. The ESMF has been consulted up and disclosed in country on January 11, 2018 and at the Bank website on January 10, 2018.
Natural Habitats OP/BP 4.04	No	The project will not support activity that can lead to conversion or degradation of Natural Habitats. The ESMF includes preventive measures for avoiding encroachment or negative leakage on natural habitats
Forests OP/BP 4.36	No	Not applicable.
Pest Management OP 4.09	No	Not applicable. Micro-projects would not include agricultural activities.
Physical Cultural Resources OP/BP 4.11	Yes	Though it is unknown which micro-project sites may contain Physical Cultural Resources (PCR), as a measure of prudence potential impacts on PCR are assessed in the context of the ESMF and mitigation measures commensurate to those impacts, including proper handling of chance finds, would be implemented in the design, screening, implementation, and monitoring of micro-project, in accordance with national and Bank policies and procedures included in the ESMF.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous peoples in the Project area.
Involuntary Resettlement OP/BP 4.12	Yes	Whenever possible, micro-projects would avoid adverse impacts on people, land and other economic

		resources and livelihoods. In situations where this cannot be avoided, the Resettlement Policy Framework (RPF) describes the redress mechanisms to compensate the persons affected by a loss of economic activities, access to resources, land acquisition and/or involuntary resettlement. The RPF has been finalized and disclosed both at the World Bank InfoShop and in-country. In addition, where applicable, site-specific Resettlement Action Plans (RAPs) or Abbreviated Resettlement Action Plans (ARAPs) would be prepared and disclosed prior to the implementation of micro-projects.
Safety of Dams OP/BP 4.37	No	Not applicable.
Projects on International Waterways OP/BP 7.50	No	Not applicable.
Projects in Disputed Areas OP/BP 7.60	No	Not applicable.

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 proposed Project would finance: (i) community-based micro-projects (Component 1); (ii) social safety nets (Component 2); and (iii) Project management (Component 3).

Only the activities under Component 1 would trigger the social and environmental safeguards. Component 2 (Social safety nets), component 3 (Project management) would not trigger any safeguard instrument.

The micro-projects implemented under component 1 of the proposed Project would be identical to those implemented since 2009 under the Rural Community- Driven Development Project (P090712) except that the rehabilitation of paddy fields would not be eligible. More specifically, the Project would exclusively finance: (i) construction and rehabilitation of water points; (ii) construction and rehabilitation of schools; and (iii) rehabilitation of feeder roads. The environmental and social impacts of the individual micro-projects are small and no large scale, significant or irreversible impacts are expected as a result of their implementation.

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

The potential indirect and long-term environmental and social impacts of micro-projects are the typical ones for a rural Community-Driven Development Project supporting small scale basic social and economic infrastructures in communities.

The environment impacts could include: (i) limited localized degradation/encroachment of natural habitats and associated loss of biodiversity; (ii) limited soil degradation and erosion; (iii) decline in water quality; (iv) improper disposal of waste; (v) limiting cutting of trees; and (vii) potential public health concerns as side effects of micro-project constructions.

The social impacts could include involuntary resettlement, including loss of access to resources and loss of/damage to cultural properties although the latter is unlikely.

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

Not applicable.

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.

As noted above, the micro-projects implemented under the proposed Project would be identical to those implemented since 2009 under the Rural Community- Driven Development Project (P090712) whose compliance with environmental and social safeguards policies has consistently been rated as Satisfactory.

In May 2017, the Government updated the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) prepared for the Rural Community- Driven Development Project (P090712) to govern the proposed Project. These instruments have been updated and disclosed both at the World Bank website and in-country respectively on January 10, 2018 and on January 11, 2018.

The processes and procedures defined within the ESMF and the RPF are an integral part of the Project Implementation Manual (PIM).

The PCU has the institutional capacity to manage the safeguard aspects brought about by the proposed micro-projects. The PCU ensures that micro-projects are fully compliant with safeguard policies and that mitigation measures are implemented during the micro-projects cycle. These measures include: (i) completion of a checklist of possible environmental and social impacts prior to the implementation of each micro-project; (ii) detailed Safeguards Procedures for inclusion in the technical specifications of contracts; and (iii) specific environmental and social mitigation measures.

The specific environmental mitigation measures for each micro-project would be systematically integrated in all bidding documents, including the preparation of ESMPs and RAPs.

For the proposed Project, safeguard compliance would continue to be assured through a three tiered process.

First, at the micro-project preparation stage, beneficiary communities assisted by trained Facilitators would be required to complete an Environmental and Social Safeguards Checklist (ESSC) as part of the micro-project funding application. This would help them identify any safeguard issues of concern, and prompt the incorporation of appropriate mitigation measures into the micro-project design. Provision exists under the Project to contract specialized technical assistance to support the preparation of environmental and social management plans and resettlement action plans when deemed necessary.

Second, at the micro-project appraisal stage, the project's a Safeguard Specialist, together with Regional Coordination Units (RCUs) of the project, would conduct a desk and field review. Depending on the magnitude of the impacts and risks, the Project safeguard specialist will determine whether simple mitigation measures will be attached to the micro-project or a of specific safeguarding instrument will be prepared. Any additional environmental study will be processed according to the national regulations under the control of the ''Environmental Assessment Authority'' (EAA).

Third, during micro-project's implementation, environmental and social safeguard measures will be implemented by

communities ender the control of the Project's Safeguard Specialist and the EAA.
Although the project's safeguard specialist has some experience with the Bank safeguard policies, the ESMF includes provisions to strengthen his capacity. To this end, and to support other relevant mitigation measures and safeguards supervision, the project includes an allocation of USD 292,000 for safeguard mitigation measures

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Key stakeholders include: (i) beneficiary communities which would continue to identify the micro-projects; (ii) local authorities (local government authorities, traditional authorities and civil society organizations) which would be participating in final selection of micro-projects; (iii) technical sectoral ministries implicated in the implementation of micro-projects, as appropriate. Development partners (donors, NGOs, religious organizations, etc.) active at the local level are also considered important stakeholders.

Preparation of the ESMF and RPF included consultation and discussion of the safeguard procedures with representatives of each of these stakeholder groups. Particular attention was paid to identifying vulnerable groups and potentially affected people.

As already noted, both the ESMF and the RPF were updated in May 2017. They have now been finalized following comprehensive public consultations and disclosed in the World Bank InfoShop and in-country.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
09-May-2017	31-Oct-2017	

"In country" Disclosure

Guinea-Bissau
11-Jan-2018

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
14-Jun-2017	31-Oct-2017

"In country" Disclosure

Guinea-Bissau
11-Jan-2018

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
NA

OP/BP 4.11 - Physical Cultural Resources
Does the EA include adequate measures related to cultural property?
Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?
Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

CONTACT POINT

World Bank

Philippe Auffret
Sr Social Protection Specialist

Borrower/Client/Recipient

Republic of Guinea-Bissau

Implementing Agencies

Project Coordination Unit (PCU)
Alfa Umaru Jalo
Coordenador Nacional
alfamajal@gmail.com

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):	Philippe Auffret

Approved By

Safeguards Advisor:	Maman-Sani Issa	26-Jan-2018
Practice Manager/Manager:	Jehan Arulpragasam	29-Jan-2018
Country Director:	Louise J. Cord	07-Feb-2018