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

Appraisal Stage | Date Prepared/Updated: 22-Feb-2019 | Report No: ISDSA25808
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honduras</td>
<td>P152057</td>
<td>Social Protection Integration</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>26-Feb-2019</td>
<td>30-Apr-2019</td>
<td>Social Protection &amp; Labor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Republic of Honduras</td>
<td>Secretary of Development and Social Inclusion</td>
</tr>
</tbody>
</table>

Proposed Development Objective(s)

To improve the outcomes of the Urban CCT program and to strengthen the integration of social protection services for the extreme poor.

Components

- Strengthening of the Urban Conditional Cash Transfer Program and the Implementation of the Integrated Transition Strategy
- Institutional strengthening for the CCT Program and the Integration of the Social Protection System
- Project Management
- Contingency Emergency Response Component

PROJECT FINANCING DATA (US$, Millions)

**SUMMARY**

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>30.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financing</td>
<td>30.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>30.00</td>
</tr>
<tr>
<td>Financing Gap</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**DETAILS**

World Bank Group Financing

| International Development Association (IDA) | 30.00 |
B. Introduction and Context

Country Context

1. **Over the past 40 years, Honduras has experienced modest economic growth rates which have not kept pace with the country’s high population growth, resulting in high poverty rates relative to other countries in the Latin America and the Caribbean (LAC) region.** With 32 percent of its population living in moderate poverty (less than PPP US$3.20 per day in 2017) and over 17 percent living in extreme poverty (PPP US$1.90 per day), Honduras has the second highest extreme poverty rate in the LAC region and double the average moderate poverty rate among Central American countries. Honduras also reports persistently high inequality, among the highest in the LAC region, with little improvement over time. Between 1996 and 2016, the income shares of the bottom 40 percent of the population have shown little change (at 10 percent) and the Gini coefficient estimated at 50.5 in 2015.¹

Sectoral and Institutional Context

2. **In recent years, the Government has made great strides in establishing the foundation of the Social Protection (SP) system.** In 2015, Congress approved the Social Protection Law, legislating the social protection system and the social security reform, although the implementation of the law has been stalled. The law, with the objective to reach universal coverage, establishes the non-contributory *Vida Mejor* (VM) Social Assistance Platform. The Platform extends the coverage of the contributory public pensions, and institutes personal retirement accounts for those who earn at least twice the minimum wage.

3. **The rural conditional cash transfer (CCT) program is effective and well-targeted thanks to the Unique Registry of Participants (RUP).** A second impact evaluation of the rural BVM completed in 2018, confirmed the positive impacts on extreme poverty, and health and education indicators such as school enrollment and attendance, incidence of acute diarrhea, and on attendance in growth monitoring

sessions. The key challenge of the CCT Program, however, is the low coverage of targeted poor households.

4. **The Government is committed to reform the urban CCT to make it more effective.** Reforming the urban CCT program and harmonizing it with the rural CCT is critical for two reasons. First, there are no other poverty reduction programs operating in the urban areas at scale and, second, establishing a single CCT Program will enable the Government to more efficiently and effectively operate this core poverty reduction program nationwide.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The development objectives are to improve the outcomes of the Urban CCT program and to strengthen the integration of social protection services for the extreme poor.

Key Results

Proposed PDO indicators:

- Percent of urban CCT beneficiaries who are in the bottom four deciles of the income distribution
- Number of urban CCT participants in the three prioritized municipalities of the Project who complete upper middle school (11th grade or 12th grade)
  - Number of female urban CCT participants in the three prioritized municipalities of the Project who complete upper middle school (11th grade or 12th grade) (Number)
- Number of urban CCT participants in the three municipalities prioritized by the Project who enroll in a technical vocational education program
  - Number of female urban CCT participants in the three municipalities prioritized by the Project who enroll in a technical vocational education program
- Percent of beneficiary households receiving the cash benefits via an alternative payment mechanism
- Certification of the RUP to ensure the quality of the targeting system

D. Project Description

5. **The proposed project will support two pillars of activities aligned with the PDO, aimed at strengthening the operation of the CCT Program, and reinforcing the operational integration of the SP system.** The activities supporting these two pillars are structured as the project components. The components are: (1) Strengthening of the Urban CCT Program and Implementation of the pilot Integrated Transition Strategy; (2) Institutional Strengthening for the Operation of the CCT Program and the

---

2 Unless the indicator specifies "in the three municipalities prioritized by the Project" the indicator measures the result nationwide.
Integration of the Social Protection System. Two additional components are also planned: (3) Project Management; and (4) Contingency Emergency Response Component.

6. Component 1 will finance the cash transfers for the reformed urban CCT Program as well as the design and implementation of a strategy to help beneficiaries transition out of the program. Component 2 will strengthen the CCT Program delivery system and build institutional capacity to support the integration of the SP System. Component 3 supports the Technical Coordination Unit by financing its staff, their capacity building and the operational cost for the day-to-day management of the Project. Component 4 will provide immediate response to eligible emergencies.

E. Implementation

Institutional and Implementation Arrangements

7. The proposed project will be implemented by the Sub-Secretary of Social Integration (SSIS) at the Secretary of Development and Social Inclusion (SEDIS), in line with the institutional arrangements established by the government to execute the Bono Vida Mejor CCT Program. Component 2 will support investments to improve service delivery of the CCT Program managed by SSIS, and support activities led by Secretariat for General Government Coordination (SCGG) and the National Center for Information for the Social Sector (CENISS) respectively, in line with their institutional mandates. Component 3 will finance the Project Coordination Unit (UCP) and its operational costs to run the day-to-day operation of the Project.

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

The Bono Vida Mejor (BVM) CCT Program is implemented at the national level and thus Indigenous Peoples and Afro-Hondurans will be present in the project area. The Project will finance CCTs in all urban CCT program areas, prioritizing the three municipalities identified for the first phase implementation of the transition strategy: San Pedro Sula, Choloma, and Central District of Tegucigalpa. Although the Social Protection Integration is an urban project, the social assessment has identified the presence of Indigenous/Afro-Honduran communities in the in the area of influence of the project, specifically the Garífuna colony Alfonso Lacayo, in the Rivera Hernández sector of San Pedro Sula.

G. Environmental and Social Safeguards Specialists on the Team

Andrew Francis Drumm, Environmental Specialist
Rodolfo Tello Abanto, Social Specialist
<table>
<thead>
<tr>
<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safeguard Policies</strong></td>
</tr>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
</tr>
<tr>
<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
</tr>
</tbody>
</table>
Given the probability of the presence of Indigenous and/or Afro-Honduran peoples in the project area, an Indigenous and Afro-honduran Peoples Plan (IAPP) has been prepared by the Social Team at the Sub-Secretariat of Social Integration (SSIS) which is part of the Secretariat of Social Development and Integration (SEDIS). The IAPP includes: (a) An assessment of the performance of the rural IAPP under the project that closed in December 2018 (P115592), and recommendations for dealing with Indigenous and Afro-Honduran communities in urban and rural areas for enrolling and dispensing the BVM and the Transition Strategy; and (b) A protocol for contacting Indigenous/traditional authorities in the sector area, and a framework to identify, and carry out informed consultations with Indigenous and/or Afro-Honduran 6th and 9th grade students receiving the BVM and engaging in the Transition Strategy.

The IAPP will include measures to address barriers hindering participation of Indigenous and Afro-Honduran Peoples, to ensure the programs envisioned are culturally appropriate and indigenous peoples can reap the benefits from these programs.

Under component 2.2, the Grievance and Redress Mechanism for the urban BVM will be revised during project implementation. At the moment, there are three mechanisms to present grievances: (a) The community associations (mancomunidades); (b) The call center that is centralized 22 30 1989; and (c) The assistance tables, the social facilitators, and the SSIS offices. In all cases, the complaints are acknowledged, and assigned a number. The complaint goes to the Managing Information System (SIG) to verify the case. The response/feedback goes back on the same route to the participant. The system is actively tracking and responding to complaints and effective in its record-keeping.

The social assessment recommends that the GRM for the urban BVM include 2 specific fields to identify Indigenous and Afro-Honduran people: (a)
In the case of Indigenous and Afro-Honduran peoples and BVM, the complaints are submitted locally to the Indigenous authority and the social facilitator, before they enter the system. The social facilitator passes on the response to the complainant.

### 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:**

   There are no potential large scale, or significant and/or irreversible adverse impacts identified in this project. The project is not expected to generate negative impacts for Indigenous or Afro-Honduran communities, but rather positive impacts through financial support. The project is not expected to result in any involuntary land acquisition and/or displacement of people, irrespective of IP or non IP population.

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

   The only adverse impacts are likely to occur if the projects fails to identify and collect data from eligible people in the targeted communities, thus excluding eligible youths. For this reason, given the extreme poverty and high poverty conditions of the geographic sectors selected, the social assessment is advising to carry out, subject to financing, a massive registration of eligible recipients of the BVM, and of the Transition Strategy.

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

   There are no potential alternatives to registering all the eligible recipients of the BVM. The only way to avoid adverse impacts is to provide opportunities to all potential beneficiaries to participate in the Program.

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 Borrower has prepared an Indigenous and Afro-Honduran Peoples Plan (IAPP), a Social Assessment, and a
Stakeholder Engagement Plan. Key actions to be implemented by the Borrower are: (a) identify potential beneficiaries of the BVM and the Transition Strategy; (b) ensure that all beneficiaries have all the necessary identifications to be able to register in the national cadaster as beneficiaries of the Vida Mejor Program; (c) coordinate the registration of beneficiaries with the National Public Registry (RNU).

The borrower’s social team is capable of managing the social safeguards and IAPP implementation addressed to Indigenous and Afro-Honduran peoples. The social team has been strengthened throughout the past few years and now includes one Coordinator and five staff.

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

The key stakeholders, and the mechanism of consultation and disclosure on safeguard policies, are:

During project preparation the following stakeholders were consulted: school principals; parents of BVM-students; sixth and ninth grade students meeting the conditions of eligibility to become beneficiaries of the urban BVM and the Transition Strategy; INFOP; Crédito Solidario; Facilitators (gestores); Family guides (guías de familia); Information Center (CENISS) of Platform Vida Mejor, and managers of the GRM for urban BVM. All of the above were consulted during project preparation, during the social assessment.

During project implementation, consultations will be carried out every time a new group of 6th or 9th grade BVM-students is introduced to the project, at midterm, and at the end of the Transition Strategy. BVM-students will be consulted together with the school Principal, and their parents. Consultation Forms will be designed during implementation.

The IAPP, Social Assessment and Stakeholder Engagement Plan will be published on the web pages of the SEDIS, INFOP, Crédito Solidario, and the external web page of the World Bank by appraisal.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Indigenous Peoples Development Plan/Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of receipt by the Bank</td>
</tr>
<tr>
<td>31-Jan-2019</td>
</tr>
</tbody>
</table>

"In country" Disclosure

Honduras
11-Feb-2019

Comments
The IAPP, Social Assessment and Stakeholder Engagement Plan were disclosed on the client's website. Some revisions are expected in the coming weeks.

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

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?
NA

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?
No
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

Junko Onishi
Sr Social Protection Specialist

Miriam Matilde Montenegro Lazo
Sr Social Protection Specialist

Borrower/Client/Recipient

Republic of Honduras

Implementing Agencies

Secretary of Development and Social Inclusion
Lissi Matute Cano
Viceminister
limamacasedis@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):
Junko Onishi
Miriam Matilde Montenegro Lazo

Approved By

Safeguards Advisor: