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Report No: PAD5129

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 23.4 MILLION  
(US\$30 MILLION EQUIVALENT)

OF WHICH US\$15 MILLION EQUIVALENT FROM THE CRISIS RESPONSE WINDOW

TO THE

UNION OF COMOROS

FOR A

SHOCK RESPONSIVE AND RESILIENT SOCIAL SAFETY NET PROJECT

December 9, 2022

Social Protection & Jobs Global Practice  
Eastern and Southern Africa Region

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## CURRENCY EQUIVALENTS

Exchange Rate Effective October 31, 2022

Currency Unit =	Comorian Franc (KMF)
KMF 495.287=	US\$1
US\$ 1.28 =	SDR 0.779

FISCAL YEAR  
January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

AcM	Accompanying measure
AM	Accountability Mechanism
CfWR	Cash for work for resilience
COMPASS	Comprehensive Approach to Health System Strengthening
COVID-19	Coronavirus disease 2019
CPF	Country Partnership Framework
CPI	Consumer Price Index
CRW	Crisis Response Window
E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
FA	Fiduciary agent
FAO	Food and Agriculture Organization
FM	Financial Management
IT	Informatic Technology
GBV	Gender-based violence
GCRF	Global Crisis Response Framework
GDP	Gross Domestic Product
GNI	Gross National Income
GoC	Government of Comoros
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HDI	Human Development Index
IT	Information Technology
IDA	International Development Association
IFR	Interim Financial Report
IGA	Income-generating activity
ISR	Implementation Status Reports
KMF	Comorian franc
LMP	Labor Management Procedures
MIS	Management and Information System
MoHSSPGP	Ministry of Health, Solidarity, Social Protection and Gender Promotion
M&E	Monitoring and Evaluation
NGO	Nongovernmental organization
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PMT	Proxy-Means Test

PPA	Project Preparation Advance
PPSD	Project Procurement Strategy for Development
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SCT	Social Cash Transfer
SEAH	Sexual exploitation and abuse and sexual harassment
SEP	Stakeholder Engagement Plan
SOE	Statement of Expenditures
SSN	Social Safety Net
SSNP	Social Safety Net Project
STEP	Systematic Tracking and Exchanges in Procurement
UCT	Unconditional Cash Transfer
UGP-FSS	Social Safety Net Project Management Unit ( <i>Unité de Gestion de Projet-Filets Sociaux de Sécurité</i> )
UOC	Union of Comoros
UNICEF	United Nations Children's Fund
WASH	Water, sanitation, and hygiene



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## DATASHEET

### BASIC INFORMATION

Country(ies)	Project Name		
Comoros	Shock Responsive and Resilient Social Safety Net Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P179291	Investment Project Financing	Moderate	Urgent Need or Capacity Constraints (FCC)

### Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
22-Dec-2022	30-Jun-2027

Bank/IFC Collaboration

No

### Proposed Development Objective(s)

To provide emergency cash transfers and improve the resilience of vulnerable households



**Components**

Component Name	Cost (US\$, millions)
Ensuring Immediate Response to Shock	9.50
Establishing Economic opportunities	16.50
Strengthening safety net coordination, project management, monitoring, and evaluation	4.00
Contingent Emergency Response	0.00

**Organizations**

Borrower: UNION OF COMOROS

Implementing Agency: MINISTRY OF HEALTH, SOLIDARITY, SOCIAL PROTECTION AND GENDER PROMOTION

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

**SUMMARY**

Total Project Cost	30.00
Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	30.00
IDA Grant	30.00

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Comoros	0.00	30.00	0.00	0.00	30.00



National Performance-Based Allocations (PBA)	0.00	15.00	0.00	0.00	15.00
Crisis Response Window (CRW)	0.00	15.00	0.00	0.00	15.00
<b>Total</b>	<b>0.00</b>	<b>30.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30.00</b>

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2023	2024	2025	2026	2027	2028
Annual	1.00	3.50	9.00	8.00	8.00	0.50
Cumulative	1.00	4.50	13.50	21.50	29.50	30.00

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Social Protection & Jobs

**Contributing Practice Areas**

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Moderate
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate





9. Other

10. Overall

● Moderate

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant



**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

## Legal Covenants

### Sections and Description

Financing Agreement. Schedule 2, Section I, A, 1. The Recipient shall establish by no later than one (1) month after the Effective Date, and thereafter maintain at all times during the implementation of the Project, a Project Steering Committee, chaired by the Ministry in charge of health’s General Secretary and the membership of representative from: ministry in charge of health, ministry in charge of gender, and social protection, ministry in charge of finance, ministry in charge of agriculture, the President’s office, the governorate of each island, the general directorate of civil security, the regional directorate of solidarity and social protection of each island, and four representative from the private sector and non-profit organizations and with terms of reference, composition, powers, functions, staffing, facilities and other resources satisfactory to the Association, to be responsible for inter alia, overseeing overall Project performance, approving Annual Work Plans and Budgets, providing strategic oversight and guidance.

### Sections and Description

Financing Agreement. Schedule 2, Section I, A, 2, e. UGP-FSS . Not later than six (6) months after the Effective Date, the Recipient shall cause the UGP-FSS to maintain an internal auditor for the Project, throughout Project implementation.

### Sections and Description

Financing Agreement. Schedule 2, Section I, A, 2, f. UGP-FSS. Not later than two (2) months after the Effective Date, recruit an environmental specialist and social assistants in targeted regions, and thereafter maintain at all times during Project implementation. Each of whose qualifications, experience, and terms of reference shall be acceptable to the Association.

### Sections and Description

Financing Agreement. Schedule 2, Section I, F.5. The Recipient shall not later than two (2) months after the Effective Date establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

### Sections and Description

Financing Agreement. Schedule 2, Section I, F. 6. The Recipient shall, not later than three (3) months after the Effective Date, adopt, disclose and maintain a Capacity Building Plan in a manner acceptable to the Association.

## Conditions



Type Disbursement	Financing source IBRD/IDA	Description Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for category 3, unless and until the Association has received evidence satisfactory that the UGP-FSS has adopted and signed Service Agreement with at least one payment agent, in form and substance satisfactory to the Association.
Type Disbursement	Financing source IBRD/IDA	Description Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for category (4) unless and until the (i) ESMF and RF have been adopted and publicly disclosed in accordance with the PMs in form and substance acceptable to the Association, (ii) for category (4.a) the Association has received evidence satisfactory that the UGP-FSS has adopted and signed a Partnership Agreement with at least one Implementing Partners, in form and substance satisfactory to the Association for the payments of Cash for Work payments, and (iii) for category (4.b) the Association has received evidence satisfactory that the UGP-FSS has adopted and signed a Payment Agreement with at least one Payment Service Provider, in form and substance satisfactory to the Association for the payments of Livelihood Grants.
Type Disbursement	Financing source IBRD/IDA	Description Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for Emergency Expenditures under Category (6), unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (6); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.



## I. STRATEGIC CONTEXT

### A. Country Context

1. **The archipelago of Comoros, a fragile state, is highly vulnerable to climate change and natural disasters, which exacerbates the risk of food insecurity and poverty.** Comoros' population, 50 percent of whom live in Grandes Comores which represents two third of its surface area, is growing rapidly. Urbanization is increasing, the share of urban dwellers rose from 27 percent to 33 percent between 2003 and 2017. The country's location and topography are among the most climate vulnerable in the world. Around 54 percent of the 887,929 Comorian population and 59 percent of the land are highly exposed to natural disasters. Additionally, the most recent<sup>1</sup> reports that droughts pose a significant threat to the Comorian population and natural resources, as the rainy season has become more irregular and has shortened in duration (from six months to around three months per year). The country's capacity to respond to emergencies remains weak: in April 2019, Cyclone Kenneth left six dead and more than 150 injured and at least 11,000 displaced, with considerable damage to houses, agriculture, and infrastructure. The latest Comoros Poverty Assessment highlighted the fact that there was a correlation between poverty and exposure to the cyclone, further underlining the multidimensional vulnerability to shocks.<sup>2</sup> A large share of the population, more than 44 percent, is considered poor with no significant improvements since 2014. Low growth over the past decade has resulted in limited poverty gains and the country remains heavily dependent on remittances.<sup>3</sup> Poor Comorians are more likely to be young, with lower levels of education, living in rural areas, working in agriculture and informal sector and particularly exposed to food insecurity. The share of households receiving remittances is important, around 38 percent, and these transfers are vital since they are primarily used to cover food and everyday consumption of households.<sup>4</sup>

2. **The effect of the war in Ukraine in the aftermath of the Coronavirus disease 2019 (COVID-19) crisis has led to a major global food crisis, which is set to exacerbate vulnerability in the Comoros.** Expected short-term impact of the war in Ukraine include the disruption of wheat and grain exports from both Russia and Ukraine. With a stark decrease in global supplies of wheat and grain, food prices on the islands are increasing. This is in addition to already higher food prices on the islands due to their relatively limited access to certain resources and dependency on international exports. The situation induced by COVID-19 has intensified the vulnerability and food insecurity of the Comorian population. Prior to the war in Ukraine, 22.4 percent of the population faced severe food insecurity, while 22.0 percent was moderately food insecure.<sup>5</sup> High rates of food insecurity were observed in both rural and urban areas, but food insecurity was higher in rural areas where 24.6 percent of the population was severely food insecure, compared to 17.9 percent in urban areas.<sup>6</sup> This is likely to worsen and put further pressure on vulnerable households.

<sup>1</sup> Country Environmental Analysis (CEA, 2022)

<sup>2</sup> Comoros Poverty Assessment Report, World Bank, 2021.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.



**3. Given longstanding challenges in the food systems, the exposure to international price shocks will put consumers at risk and may worsen food poverty.** The Comoros national food production only meets 25 percent of the national food needs, and the remaining 75 percent are covered by food imports.<sup>7</sup> The share of calories from imported cereals, the main caloric source, reaches 30.6 percent. Furthermore, a persistent drought has made an impact on agriculture and food production in Comoros delaying fruit maturation, drying grasses, and reducing pasture area.<sup>8</sup> A food system profile published in May 2022 by the Food and Agriculture Organization (FAO) reports that currently about 33 percent of the population is in absolute food poverty, meaning they do not have access to the goods and services that would allow them to have the minimum daily calorie intake.<sup>9</sup> Additionally, local production is unable to satisfy the demand generated by population growth.<sup>10</sup> This results in a growing food deficit requiring more imports. For instance, food imports have increased sevenfold between 2000 and 2016.<sup>11</sup>

**4. The unfavorable economic outlook and tight fiscal space may leave households particularly exposed to hardship in the short-term and limit their ability to cope.** Growth contracted to -0.3 percent in 2020 due to mobility restrictions and the suspension of international travel, resulting in a drop in tourism receipts.<sup>12</sup> However, contrary to expectations, remittances from the diaspora have proven to be resilient despite the slowdown of economic growth in Europe (France in particular) and the country recorded a small increase in transfers in 2021.<sup>13</sup> The overall consumer price index has seen a 16 percent increase since September 2021.<sup>14</sup> In the aftermath of the war in Ukraine, the Comorian government increased fuel prices (25 to 44 percent) in May 2022, leading to a 33 percent increase in the cost of rice, 50 percent increase in the cost of electricity, and 25 percent increase in public transportation fees.<sup>15</sup> As a result, Gross Domestic Product (GDP) growth is expected to slow in 2022 compared to initial projections. This situation will likely cause a decrease in household purchasing power, a reduction in investment particularly in human capital, and a drop in economic performance exacerbating existing inequalities, making the situation of the poorest even more fragile, and increasing the possibility of social unrest.

**5. The existing job prospects will likely offer limited relief, while the persistent gaps for women and young people will put them at further risk.** The country's population is predominantly rural (60 percent), but agriculture accounts for only about a third of jobs. The lack of jobs is a key factor underlying both poverty and inequality in Comoros: while the overall economic activity rate for adults is 45.4 percent, it is 33.4 percent for adult women and only 37.1 percent for youth aged 18-35.<sup>16</sup> This represents an exclusion of a significant share of the total population, especially when about one quarter of the Comorian population is between 18 and 35. Despite Comorian society being matrilineal, traditional gender norms affect women's participation in the labor force which is only 33.4 percent (one of the lowest in the region),

<sup>7</sup> FAO, European Union and CIRAD. 2022. *Food system profile – Union of Comoros. Catalyzing the sustainable and inclusive transformation of food systems*. Rome, Brussels and Montpellier, France

<sup>8</sup> Country Environmental Analysis (CEA, 2022)

<sup>9</sup> FAO, European Union and CIRAD. 2022. *Food system profile – Union of Comoros. Catalyzing the sustainable and inclusive transformation of food systems*. Rome, Brussels and Montpellier,

<sup>10</sup> Ibid.

<sup>11</sup> FAOSTAT, 2020

<sup>12</sup> World Bank. Comoros Economic Overview. 2022

<sup>13</sup> Central Bank of Comoros. Annual Report. 2021

<sup>14</sup> Bulletin Indice prix à la consommation septembre 2022 (INSEED, 2022).

<sup>15</sup> Bulletin Indice prix à la consommation septembre 2022 (INSEED, 2022).

<sup>16</sup> World Bank. (forthcoming). Analysis of Comoros' Labor Market Trends from 2004 to 2021.



compared to 81 percent for men.<sup>17</sup> Women’s employment is also more likely to be precarious: 20 per cent of the employment in petty trade/microbusinesses are held by women, and a high percentage of women (approximately two-thirds) work in the informal agricultural sector.<sup>18</sup> Social and customary norms translate into low influence over household decision making and low control of assets. Over 17 percent of all women ages 15–49 reported experiencing physical and sexual violence, they are often widowed, separated or divorced, paid in cash and with low education.<sup>19</sup>

**6. The short-term toll of the unfolding crisis may severely impact the country’s long term human capital outcomes.**

Recent surveys indicate high levels of vulnerability: of surveyed households, 76 percent reported lack of access to sufficient food, 74 percent reported lack of access to healthy and nutritious food, and 70 percent reported skipping meals.<sup>20</sup> The latest prevalence of wasting data shows that 11.2 percent of children under 5 years of age are affected.<sup>21</sup> About 31 percent of children under the age of five are stunted, or at low weight in proportion to their height, and 25 percent are underweight.<sup>22</sup> The nation’s Human Capital Index was at 0.40 in 2020 (a slight decline from previous years) – that is, a child born today in Comoros will achieve on average 40 percent of his/her potential by age 18 – lower than the average for lower-middle-income countries, and places Comoros at the lower end of the global distribution (145th out of 175 countries).<sup>23</sup> Existing inequalities as well as low human capital outcomes underline the need for continued investments in social protection systems to mitigate the impact of immediate shocks and help build better long-term outcomes.

**B. Sectoral and Institutional Context**

**7. The country’ social safety net (SSN) system for the vulnerable group is still in its infancy and depends almost solely on support from the World Bank.** The World Bank-supported Social Safety Net project (SSNP, P150754) started in 2015 and covers four types of support: (a) productive cash-for-work programs, (b) nutrition services, and (c) livelihood support and recovery grant; and (d) crisis response. The productive cash for work has so far benefited 4,217 families in sixty-nine villages, including 2,507 women recipients, through its cash-for-work component. It has also enabled access to safety net and nutrition services to 187 poor communities, with over 30,000 pregnant or lactating women, adolescent girls and/or children under age five benefiting from basic nutrition services.

**8. Following the outbreak of the COVID-19 pandemic, the project allocated US\$6.5 million to support the Government of Comoros (GoC) to address the socioeconomic effects of the pandemic through Social Cash Transfers (SCTs) that benefited 21,556 vulnerable households in urban and peri-urban areas.** Similarly, in response to cyclone Kenneth in 2019, 10,290 vulnerable households in 118 villages in the three islands were supported through livelihood support and socio-economic resilience activities. The SSNP has grown progressively in recent years and has helped the Comoros expand the coverage and build a national safety net system, focusing on household resilience and increasing

<sup>17</sup> Ibid

<sup>18</sup> Ibid

<sup>19</sup> UNICEF Global Databases 2018, based on Demographic and Health Surveys (DHS), Multiple Indicator Cluster Surveys (MICS) and other nationally representative surveys.

<sup>20</sup> Comorian National Institute of Statistics, Economic and Demographic Studies, 2020.

<sup>21</sup> Global Nutrition Report: Country profile, 2022.

<sup>22</sup> Sachs, Jeffrey, et al. Sustainable Development Report 2021. Cambridge University Press, 2021

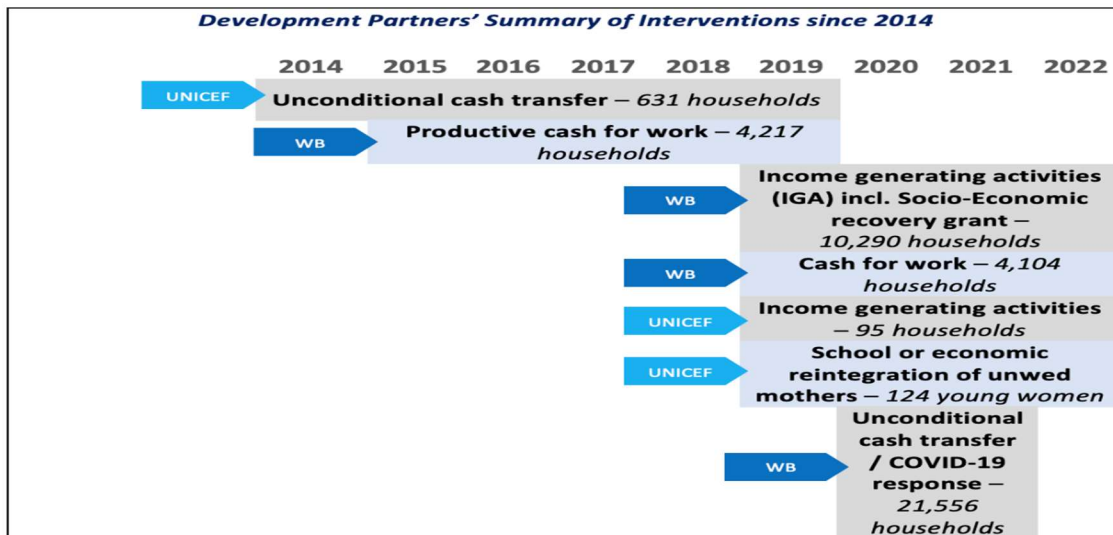
<sup>23</sup> Comoros Human Capital Country Brief, 2022



self-employment, the protection of human capital, women’s empowerment, and economic inclusion, as well as strengthening crisis response.

9. **The coverage by existing safety net programs and public expenditure in the sector is still insufficient to meet the country’s needs.** Covering only seven percent of the population, and 44 percent of the poorest, the coverage of SSN programs has increased but significant gaps remain. This increase is mainly due to bank-funded interventions, supports from other partners (such as United Nations Children’s Fund (UNICEF) are very limited in coverage. Comoros spends around 0.7 percent of GDP<sup>24</sup> in safety nets while the average of safety net expenditure is 1.3 percent for fragile African states.<sup>25</sup> Furthermore, a recent assessment of the Social Protection sector in the country highlighted the need to improve coordination across existing stakeholders and promote processes and upstream planning to reduce fragmentation.<sup>26</sup>

Figure 1: Social safety net interventions



10. **The severity of the current crisis brought by the war in Ukraine and the effects in the aftermath of the COVID-19 pandemic highlight the need to accelerate progress toward a sustainable social protection system.** Since the pandemic outbreak in early 2020, the GoC took measures to limit the entry and spread of the virus in the country. Measures to contain the second wave of the pandemic included a curfew from 8 pm to 5 am, the prohibition of religious and cultural gatherings or festivities, and the closing of schools and universities. Domestic commercial flights were limited and marine travel with Mayotte was also suspended, which impacted both mobility and tourism. The shock post-Cyclone Kenneth and the ongoing war in Ukraine further exposed the vulnerability of the Comorian population. To address the immediate needs and protect against the long-term scars of the crisis, the efforts to build an adaptive social protection system that can expand in times of crisis need to be boosted and sustained.

<sup>24</sup> The Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE), 2018

<sup>25</sup> Ibid.

<sup>26</sup> Rapport de la Protection Social aux Comores, 2020 (Comoros Social Protection Report, 2020).



### C. Relevance to Higher Level Objectives

**11. The proposed project is fully aligned with the World Bank Group's Country Partnership Framework (CPF) for the Comoros for FY20-24** (report number 145699-KM) discussed by the Board on July 16, 2020. The CPF aims to support the country in finding a sustainable growth path and strengthening its resilience in the face of multidimensional and exogenous shocks like COVID-19 and focuses on strengthening human capital. The proposed operation is aligned with Objective 1 of the CPF: Building Human Capital, under *Focus Area I: Crisis Response and Building Resilience*, which tackles women's empowerment, health, nutrition, and education. The project is expected to enhance women's empowerment and vulnerable households' access to health and nutrition services through accompanying measures (AcM) and cash transfers. The proposed project is also consistent with Objective 2: Supporting Disaster Recovery and Resilience, which is also under *Focus Area I: Crisis Response and Resilience*. The project is designed to build resilience by supporting the economic opportunities of vulnerable households through livelihood diversification, economic inclusion, enhanced resilience at the household and community level, as well as through the strengthening of the Social Protection system.

**12. The project will directly aim to help achieve the twin goals of reducing extreme poverty and promoting shared prosperity in Comoros.** It will do so by investing in the economic and human capital of extremely poor and vulnerable households, especially women, and in the productive capital of poor communities. This will be achieved by (i) expanding safety net programs including livelihood and income generating activities (IGAs), a cash for work for resilience (CfWR) program that will provide economic opportunities to extremely poor households through subprojects designed to enhance communities' productive capacity, and SCTs in immediate response to shock; and (ii) supplementing all these programs with AcM linked to women's empowerment and investment in children's development through improved nutrition, health, and education. The approach will promote the resilience of extremely poor and vulnerable households and communities and increase food security and equity through more opportunities to participate in the country's productive and human development.

**13. The proposed project is consistent with the World Bank Group's Global Crisis Response Framework (GCRF) and aligns with its four Pillars.** The GCRF highlights the need to (i) respond to food insecurity; (ii) protect people and preserve jobs; (iii) strengthen resilience; as well as (iv) strengthen policies, institutions, and investments for rebuilding better. The interventions under this project will contribute to these Pillars through direct support to the most vulnerable to both help them cope with immediate shocks and build longer term resilience. Systems strengthening and better sector coordination will also enable a more adaptive response to future shocks. Section II.B below highlights how each component relates to the four above-mentioned Pillars.

**14. The project reflects the GoC's emergency plan priorities (*Plan Comores Emergent 2020-2030*), which focuses, on harnessing human capital and building the resilience of the vulnerable.** The plan intends to help the poor manage risk, respond to shocks, build assets, enhance economic opportunities, and increase their access to basic services. The proposed project will help develop key elements of an effective SSN system to ensure that safety net programs are targeted to those in extreme poverty and seek to protect families and communities from the devastating effects of shocks (food insecurity, economic or natural disasters) from which many households never fully recover.

**15. The project is also aligned with the National Social Protection Policy, adopted in 2016 and revised in 2022, with a vision to provide every citizen with sustainable access to comprehensive and inclusive social protection to satisfy his**





or her basic needs (Box 1). This policy recognizes the importance of having a social protection system that is not limited to emergency or short-term responses only but geared towards a long-term and development-oriented approach. It emphasizes the importance of sustainable enhancement of the living conditions of the most vulnerable, including access to basic social services and women empowerment. Finally, the project is also part of the GoC's proposed multi-sectoral response to the current crisis<sup>27</sup> facing the country. Through its immediate response, and World Bank support, the GoC aims to protect the poor and vulnerable population from food insecurity by providing support to vulnerable households and strengthening food systems.

### Box 1: Snapshot of National Social Protection Policy

#### *The National Social Protection Policy*

**Vision:** A comprehensive and inclusive social protection system that ensures every citizen can permanently satisfy their basic needs.

**Achievements:**

- *Action Plan:* validated with representatives from all three islands in 2016.
- *Institutional framework of the social registry:* a decree establishing a social registry was adopted by the Government in 2020 to advance coordination and implementation of the social protection policy. A collaboration protocol for the different actors in the sector was developed, along with the draft of an “*arrêté*” (the legal base for the registry).
- *Beneficiary registry:* already exists, comprising the beneficiary households of the SSNP.
- The National Social Protection Policy was updated in 2022 to account for the social-economic context, the *GoC's* new strategic vision as well as the recent expansion of SSN programs.

**Pending:**

- *Implementation of the unified social registry:* the registry still needs to be elaborated, and operational materials expected to support the registry are still not complete, and thus the registry is not yet functional.
- The updated version of the National Social Protection Policy is not validated yet.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

The Project Development Objective is to provide emergency cash transfers and improve the resilience of vulnerable households.

#### PDO Level Indicators

<sup>27</sup> Note de Réflexion et d'orientation sur le Renforcement de la Protection Sociale à travers les Programmes de Filets Sociaux de Sécurité, Commissariat National de la Solidarité, de la Protection Sociale et de la Promotion du Genre, 2022. (Reflection and Orientation Note on Strengthening Social Protection through Social Safety Nets Programs, National Commission for Solidarity, Social Protection and Gender Promotion, 2022).



1. Number of beneficiaries of Social Safety Net Programs (Core Result Indicator), gender-disaggregated.

Outcome: Providing emergency cash transfers

2. Share of the vulnerable households receiving Social Cash Transfers in response to shock, gender-disaggregated.

Outcome: Improve Households resilience

3. Share of households among beneficiaries who started their activity at the end of the economic opportunities program, gender-disaggregated.

## B. Project Components

**16. The project provides both immediate and medium-term support to vulnerable populations and invests in setting up a strong social protection system for the Comoros.** Interventions build on international evidence and the track record of successful delivery of Social Protection programs in the country, including in the context of emergencies. For instance, the COVID-19 response included cash transfers that were delivered through adequate accuracy in targeting and community mobilization, and improvements in living conditions, as reported by beneficiaries.<sup>28</sup> Furthermore, previous Cash for Work and economic inclusion programs have been implemented in the country with documented links of subsequent spending by households on food, education and health.<sup>29</sup> Component 1 will ensure provision of SCTs to the chronically poor and vulnerable communities, as immediate response to socio-economic emergencies. Component 2 focuses on the medium-term objective of enhancing beneficiaries' resilience and improving their human capital outcomes through the combination of cash-for-work, livelihood grants, and technical training. The impacts of short- and medium-term interventions will be more sustained through a well-coordinated social protection sector; therefore, this project will reinforce institutional capacity and project management through Component 3. Finally, given the multiple threats (economic and climatic) this island nation faces, a fourth component on a Contingent Emergency Response is also included.

**17. The project will help address exposure to shocks and resilience along multiple dimensions, with a strong focus on climate resilience.** In case of shocks, vulnerable households may turn to negative coping strategies that can put them on a downward spiral. By providing both income support and sensitization to human capital enabling behaviors, households are further incentivized to maintain investments in the future productivity and wellbeing of their children. Furthermore, by providing skills training and support to establish IGAs and helping them get productive experience through the provision of community infrastructure, households will be more likely to secure new sources of revenue and leverage opportunities to diversify income. Given the country's high exposure to climate shocks, including the ongoing and persistent drought, the targeting of cash transfers will also be particularly geared toward high-risk areas that are particularly exposed to natural and climate disasters.

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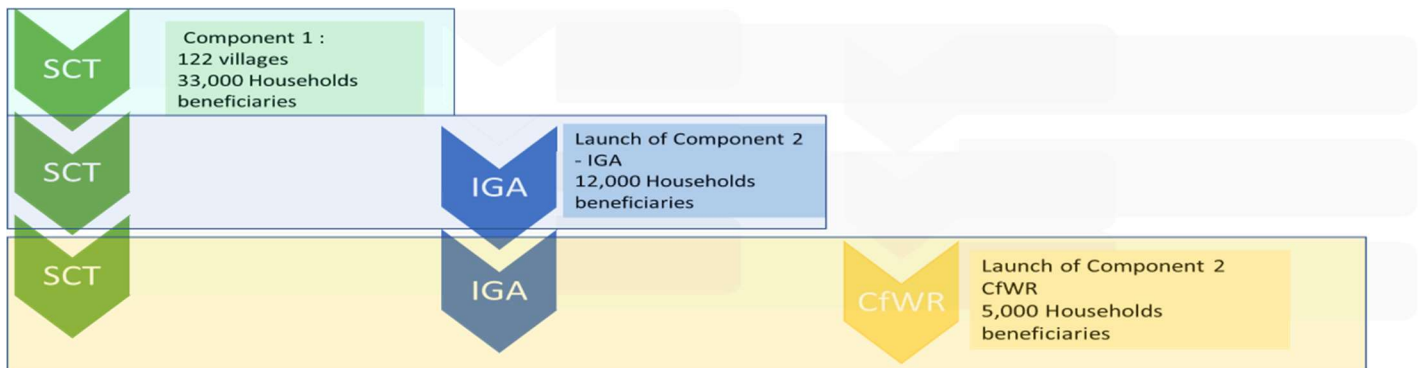
<sup>28</sup> Rapport d'analyse sur évaluation du processus et des résultats du programme TMNC-COVID-19 aux Comores, 2022. Assessment report on the process and results of the TMNC-COVID-19 program in Comoros, 2022.

<sup>29</sup> Comoros – Emergency Crises Response Project, 2016



**18. Coverage and Sequencing.** The project will provide national coverage and will be implemented in the three islands of Mwali, Ndzouwani, and Ngazidja. Beneficiaries of the project will be poor and vulnerable households across 122 villages. Targeted areas will be ranked according to their degree of vulnerability, taking into account climate risks, including the lingering impacts of the Kenneth cyclone and the impact of the ongoing drought. The SCT program will be implemented essentially during Year 1 of the project to address the urgent needs. Component 1 will reach 33,000 vulnerable households, of which 17,000 households will benefit from Component 2. Training, AcM and activities mapping to support households who will benefit from livelihood grants will start in the second half of Year 1 to ensure that they receive uninterrupted support even after SCTs stop – this is to minimize the risk of economic opportunities’ grants being used for everyday consumption. Landscaping for CfWR activities will start in the last quarter of Year 1 so that work can start quickly after the end of SCTs. This sequencing is illustrated in Figure 2.

**Figure 2. Sequencing and launch of activities**



**19. Activity implementation under this project will be supported by AcM throughout, which will mainly target women-heads of households and young people of productive age, reflecting the GoC’s own priorities to focus on (i) human capital development; and (ii) economic inclusion.** Human capital AcM are centered around improving early childhood development (ECD), parenting practices, nutrition, awareness for children’s education, and women empowerment. Coordination of these AcM will be done in collaboration with the health sector, especially the Comprehensive Approach to Health System Strengthening (COMPASS) Project (P166013), and implementation at the community level will be led by mother and father leaders. On the other hand, AcM focusing on economic and financial inclusion are geared towards fostering climate resilience by encouraging adoption of improved agricultural techniques, promoting village savings, and supporting diversification and adaptability of livelihoods.

**20. All activities under the proposed project will be facilitated by greater community mobilization.** Based on lessons learned from the COVID-19 response, community mobilization will be enhanced to increase communities’ capacity to participate in the project. Community-level committees will be set up to ensure better quality and efficient service delivery, serve as focal points and support beneficiaries from the selection process to the implementation of the various activities, including access to the grievance mechanism. Information about the project, especially targeting processes, selection criteria, payment system and the grievance mechanism will be disseminated at the village level to ensure that households in the selected communities have the chance to participate in the community validation process.



**21. Project Cost and Financing.** The overall budget of the project is US\$30 million, US\$15 million of which comes from the Crisis Response Window (CRW). The CRW funds have been allocated to help mitigate the ongoing food crisis and contribute to building longer term resilience at both community and systems levels. CRW financing will help provide short term cash transfers to the most vulnerable while contributing to long term preparedness and resilience. The breakdown by component and sub-component is in Table 1.

**Table 1: Project cost and financing (US\$ million)**

Component	Total Project Cost (US\$ million)	Percentage of Financing
<b>Component 1: Ensuring Immediate Response to Shock</b>	<b>9.50</b>	<b>31.7%</b>
<b>Component 2: Establishing economic opportunities</b>	<b>16.50</b>	<b>55.0%</b>
<i>Sub-component 2.1. Livelihood and income generating activities</i>	<i>10.50</i>	<i>35.0%</i>
<i>Sub-component 2.2. Cash for work for resilience</i>	<i>6.00</i>	<i>20.0%</i>
<b>Component 3: Strengthening safety net coordination, project management, monitoring, and evaluation</b>	<b>4.0</b>	<b>13.3%</b>
<i>Sub-component 3.1. Building institutional capacity</i>	<i>0.75</i>	<i>2.5%</i>
<i>Sub-component 3.2. Project management, monitoring, and evaluation</i>	<i>3.25</i>	<i>10.8%</i>
<b>Component 4: Contingent Emergency Response</b>	<b>-</b>	<b>0%</b>
<b>Total Cost</b>	<b>30.00</b>	<b>100%</b>

#### **Component 1: Ensuring Immediate Response to Shock (US\$9.5 million equivalent)**

**22. The objective of this component is to mitigate the effects of the economic shocks from food and fuel price increases on poor and vulnerable urban and rural households through temporary income support.** Component 1 will provide SCTs to support poor and vulnerable households avoid a significant erosion of their living conditions and human capital, given the adverse effects of decreasing purchasing power and consumption. Unconditional temporary income support will be provided, fixed at the current safety net amount equivalent of 25,000 KMF (around US\$55) per household per transfer, with three transfers per family paid bi-monthly or quarterly throughout mobile money or a microfinance institution, to the extent possible. The intervention under this component directly contributes to *responding to food insecurity* by scaling up social protection support to the most vulnerable and is aligned with Pillar 1 of the GCRF.

**23. The component will support the expansion of safety net programs in the most vulnerable rural and urban areas.** The coverage is expected to reach a total of 33,000 households, of which around 45 percent are in urban areas and 55 percent in rural areas. A combination of geographical, community-based and Proxy-Means Test (PMT)<sup>30</sup> mechanisms will be used in a complementary way to identify beneficiaries and minimize exclusion and inclusion errors. Targeting will also take into account overall risks to climate shocks as well as the impact of the ongoing droughts on livelihoods. Among the

<sup>30</sup> Given the difficulty of collecting accurate data on household consumption especially in short period, the PMT is an alternative to approximate the vulnerability or a household's living standard. The PMT will give a score calculated from a series of variables characteristics of households that are highly correlated with living standards, poverty, or vulnerability. With the support of the World Bank, the Directorate of Solidarity and Social Protection has developed a PMT formula, with the support of the national statistical office, and using census and household surveys. The PMT will be integrated into the operational manual.



villages that will benefit from the support under this project, 88 percent are at high risk of at least one type of environmental disasters, and 58 percent are exposed to cyclones and have been impacted by the Cyclone Kenneth. More than 40 percent of the villages are in areas that are vulnerable to flooding and 22 percent are exposed to soil erosion and landslides. The combination of cash transfers and climate sensitive public works aim to improve the ability of both households and communities to cope with current and future shocks. Validation of enrolled beneficiaries will be done through community visits, processing of potential complaints, and public meetings.

**24. The component will strengthen the ability of the GoC to respond quickly and efficiently to large shocks through a rapid and flexible response providing cash transfers for vulnerable populations.** This component will build on the recent experience of the Government through the SCT response implemented in urban/peri-urban areas to address the socio-economic impacts of the COVID-19 pandemic. For the targeting process, tools and monitoring systems will be prepared in advance, and the project will be assisted by external consultants and NGOs. The payment system will use mobile money whenever possible, and communication will also be strengthened throughout the program.

**25. Households targeted in this component will benefit from a multi-faceted AcM package to complement cash transfers.** Past evaluations and international experiences have shown that AcM implemented at community level yield significant impacts that go beyond the benefits of cash. As with the rest of the project, measures will have a particular focus on human capital development, namely on health; water, sanitation, and hygiene (WASH); and ECD. They will also address Gender-Based Violence (GBV), life skills (self-confidence, planning, financial literacy), and citizen governance.

#### **Component 2: Establishing economic opportunities (US\$16.5 million equivalent)**

**26. This second component aims to provide economic opportunities by supporting self-employment for the most vulnerable households, especially women and youth, and strengthening their resilience.** This component will benefit 17,000 households in 90 villages who would have received SCTs under Component 1. Additionally, around 7,000 households benefiting from IGAs program in the current SSNP will receive exit funds, bringing the total number of beneficiary households to 24,000 for Component 2. This component will seek to provide longer-term protection against shocks by providing self-employment opportunities and supporting the objective of economic autonomy among the poorest and most vulnerable households, especially among women, through productive inclusion initiatives.<sup>31</sup> Through this component, beneficiaries are expected to be made up of 65 percent of women and to include around 7,000 young people aged between 18 and 34 years old by the end of the project.

**27. The project will provide livelihood grants to those most vulnerable, while mobilizing those able to work for community infrastructure and resilience.** The project's approach for this component covers two complementary modalities: (a) a set of livelihoods and IGAs (Sub-component 2.1), which essentially forms an economic and productive inclusion program, supporting productive skills and asset formation, market participation, and economic diversification; and (b) a CfWR program (Sub-component 2.2) that promotes climate-sensitive work and facilitates training and labor force participation in community activities to support social and economic infrastructure and services. Beneficiaries under this component will be enrolled in either one or the other of the two modalities, but all beneficiaries will benefit

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<sup>31</sup> Details on the targeted areas, beneficiary number distribution, and targeting methodology can be found in section II.C on project beneficiaries.



from exit funds and reinforced AcM before leaving the program.

**28. Collaboration with the agriculture sector is needed for the development of IGAs and CfWR programs.** Livelihood support, agricultural activities and technical training will require coordination with the agriculture sector, a practice that has already been established under the SSNP and which will be continued. The project will collaborate with the local agriculture offices to ensure that existing good practices are carried forward and that training sessions are delivered jointly.

**29. Given the high level of vulnerability and exposure to climate and natural disasters, the project will aim to raise public awareness around mitigating best practices and behavior.** Community mobilization messaging and AcM will include key messages around climate and disaster preparedness. This public awareness, which will be prepared jointly with the disaster risk management sector, will help communities improve their knowledge of natural disasters (floods, droughts, volcanic eruption, cyclone, etc.) and increase their resilience by promoting habits and behaviors that can help improve communities' response to such shocks.

***Sub-component 2.1: Supporting livelihood and income generating activities (US\$10.50 million equivalent)***

**30. This sub-component targets those with relatively high levels of vulnerability, such as labor constrained households and female headed households at the lower end of the income distribution, and aims to contribute to their economic and financial autonomy and stronger resilience by supporting self-employment and increasing productivity.**<sup>32</sup> Building on the strengths and lessons learned from the SSNP (P150754), this sub-component will provide beneficiaries with conditional productive funding to invest in eligible IGAs of their choice, along with technical training and AcM to build their capacity. The objective of this activity is to enable long-term livelihood improvement by stabilizing income and fostering economic dynamism in the targeted areas. This sub-component will also contribute to Pillar 2 of the GCRF, on *protecting people and preserving jobs*, through its strong focus on gender equality both through specific targeting of beneficiaries as well as AcM to change behavior.

**31. Selection of beneficiaries.** This sub-component will aim to reach around 12,000 direct beneficiary households whose selection will be based on vulnerability scores obtained using PMT. Eligible households will submit their applications - including a fund utilization plan - to take part in the program to their local Social Protection Committee (SPC), who, in collaboration with the implementing agency will make the final selection at a village level community assembly meeting. At program start, selected households will sign a contract to commit to attending AcM and technical training sessions as well as the other program arrangements (fund utilization plan, implementation plan, etc.). Households who are labor constrained and identified as vulnerable will receive unconditional payments, i.e., they will not be required to submit a fund utilization plan.

**32. Conditionality.** Each beneficiary household will receive a total amount of 200,000 KMF (around US\$440) through third-party institutions (mobile banking or microfinance as with SCTs) paid in three installments over three periods.<sup>33</sup> In

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<sup>32</sup> Labor-constrained households include (1) households composed solely of children and/or people over 65; (2) single mother-led household with four or more children under 15; and (3) households with at least an adult (16- to 64-year-old) but no adult can work due to physical or mental disability.

<sup>33</sup> One period ranges from a minimum of three months to a maximum of six months.



the first period, a first installment of 20,000 KMF (10 percent of total) will be allocated after signing of program commitment agreement and validation of a fund utilization plan, which will lay out how the household proposes to use the money. A second installment of 140,000 KMF (70 percent of total) will be disbursed on the condition of a validated implementation schedule in the second period; and the remaining 40,000 KMF (20 percent of total) will be provided in the third period following the validation of a simplified implementation report. This represents a simple assessment of the progress made in implementing the plan using a pre-established form, and without applying rigid criteria. During the enrollment period, the household member who will collect the grants and benefit from support services and take part in training sessions, will be identified.

**33. Eligible activities will reflect the needs of target communities and will be identified in a participatory process.** A full list of fundable activities is provided in the Project Implementation Manual (PIM); and households will be able to use this list, as well as the information received through the participatory process at community level to make their final choice of activity. The catalog of eligible activities may include farming (cattle, poultry, sheep, etc.); agriculture (market gardens, subsistence agriculture, cash crop production); nursery; fishery; local commerce; and vocational professions (plumbing, masonry, sewing, catering, etc.), but is not limited to this list. During the orientation phase, beneficiaries will receive basic information regarding all eligible activities, as well as available technical training, to help their decision. Executive Agencies – local NGOs recruited to deliver training and AcM – will also support beneficiaries in choosing their IGAs.

**34. Beneficiaries will be provided with the necessary skills and support to develop their IGAs and to ensure they meet the conditions for livelihood grants.** Support will entail orientation and training in business planning during the first and second periods of the IGAs activities; and coaching starting in the third period and continuing after payment of exit funds. Technical training will also be provided throughout the entire duration of the IGAs program: this specific training will provide beneficiaries with skills relevant to their chosen field of activity (e.g., modern methods of planting, farming, organic composting, etc.), and thus will enable them to successfully implement their resilience plan. Executing agencies will have been trained in the themes relevant to their areas of intervention and will deliver the training with other technical partners, if necessary.

**35. Throughout the IGA program, targeted households will be supported through wide-ranging and multi-thematic AcM to help enhance their productivity.** Aside from the human capital-focused AcM interventions under component 1, which will continue, beneficiaries of this sub-component will be helped through measures focusing on supporting livelihoods (financial literacy, marketing and processing, business plan, green economy<sup>34</sup>, livelihood diversification, planning, etc.); as well as personal and community development (self-confidence, citizen governance, etc.). These measures will be delivered through sensitization sessions and/or behavioral nudges. By combining economic opportunities with human capital-focused AcM, the goal of the livelihood and income generating program is not only to address extreme poverty but to strengthen the capacity of families to improve children’s cognitive and physical development, enhance their readiness for school, and increase their chances of achieving long-term educational and economic success.

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<sup>34</sup> Activities under green economy messaging include raising awareness about alternatives to wood for heating and techniques to manage soil erosion.



**36. Exit strategy for IGAs program.** The exit strategy aims to prepare households for the end of supports to maintain and improve their level of resilience to shocks that they would have developed through the safety net program, particularly by enhancing their IGAs, developing and carrying out a communication plan and community mobilization effort to support the livelihood and income generating program, setting up producers' associations and improving market opportunities. To this end, AcM related to productive inclusion, market analysis and human capital are particularly reinforced during the last year of the program. Beneficiaries who have effective IGAs and have attended all AcM sessions are entitled to a final exit payment of 25,000 KMF. This exit package will be offered to both current (under the SSNP) and new beneficiaries to strengthen the incentives for participants and help sustain the performance of the recipients after the program. In total, the sub-components 2.1 will cover 12,000 household beneficiaries of the livelihood and income generating activities and the additional 7,000 households to the exit program.

***Sub-component 2.2: Cash for work for resilience (US\$6.00 million equivalent)***

**37. The objective of this sub-component is to (i) provide employment to those with lower levels of vulnerability, unskilled and semi-skilled workers through labor intensive interventions; (ii) support beneficiaries with additional income to meet their immediate needs and build their skills; and (iii) generate community assets for local development and further address food insecurity.** This sub-component will build on the experience of the productive safety nets under the ongoing SSNP and previous cash-for-work programs in the Comoros. It will help support the beneficiaries in developing productive activities while smoothing their consumption. The resilience subprojects carried out under this sub-component will provide public goods such as improved productive infrastructure for water conservation, landscape management, the prevention of soil degradation, and reforestation, which will yield public benefits for the communities.

**38. This public works program will prioritize poor areas where there is a potential to increase local agricultural production and will allow local communities to undertake subprojects that are centered on climate change adaptation and resilience building at community level.** This sub-component will target vulnerable rural villages which have lands for agricultural activities or farmers' field schools, using the same available vulnerability scores obtained through PMT. This activity will target around 5,000 vulnerable households. Activities will focus waste treatment and recycling, tree or fruit tree nurseries, water security improvement, soil erosion reduction, reforestation, small rehabilitation, and reconstruction projects to improve productive capacity or water infiltration and storage, and livelihood diversification. Rehabilitation and reconstruction of community infrastructure will be implemented entirely through public work intervention and not through private firms. Projects under this sub-component will also include agricultural works that will promote adoption of climate-smart agricultural practices. Beneficiaries' exposure to agricultural practices, training and production techniques will have positive spillover effects as non-beneficiaries learn through the community how to use such measures. Activities for this sub-component will be deliberately small-scale to minimize negative environmental or social impact.

**39. Only labor-intensive activities that are of common public interest or that benefit the whole community are eligible under this sub-component.** This sub-component will not finance infrastructure for private, administrative, political, or religious purposes; activities planned to be financed by other projects; and activities that might cause involuntary displacement or income loss for any group of people. A full list of eligible and ineligible activities under this sub-component will be provided in the PIM. On average, at least 65 percent of the funds for the sub-projects will be used to pay cash benefits to the participating households. The remaining 35 percent will be used for non-labor inputs, such as





basic tools and materials, and for hiring skilled labor and/or supervision as beneficiaries will receive close on-the-job supervision to ensure efficient transfer of technical skills. Beneficiaries will be remunerated 2,500 KMF per day worked, calibrated to not exceed the labor market daily rate. As with other activities of the project, payment will be by mobile money to the extent possible. The program will last 2.5 years (excluding targeting and preparatory period) and offer a hundred days distributed over two years, and during the lean season, partly to allow an optimal female participation rate since a high proportion of informal agricultural workers are women. A portion of those hundred days will be used for training; a maximum number of training days will be specified in the PIM. The final period will be dedicated to the exit strategy during which each household will receive an exit fund of 25,000 KMF as well as intensive coaching and training.

**40. Recipients of CfWR will also be supported through a combination of community mobilization, AcM, coaching, and technical training to build their skills and promote productive inclusion related to the techniques learnt from cash-for-work demonstration sites.** Building on lessons learned from the SSNP and experiences of other countries, beneficiaries of the CfWR program will best benefit from coaching and technical capacity to improve their productivity in agriculture and livestock management, and soil and water conservation activities. They will also be trained in financial literacy and business planning to promote family and community savings and improve the capacity of households to develop their IGAs. This includes support to establish village savings groups and help in developing simple business plans. And in terms of AcM, households will be offered environmental education to encourage them to adopt positive environmental practices, such as waste management, minimizing water losses, combat deforestation and bushfires, and reduce water pollution. The effort to address income diversification for the poor and strengthen the adaptive nature of the social protection system will directly contribute to Pillar 3, *strengthening resilience*, of the GCRF.

**Component 3: Strengthening safety net coordination, project management, monitoring and evaluation (US\$4 million equivalent)**

***Sub-component 3.1: Building institutional capacity (US\$0.75 million equivalent)***

**41. The Commissariat of Solidarity, Social Protection and Gender Promotion, created in 2011 through a presidential decree to coordinate and lead the SSN sector, consists of two directorates at the national level and regional directorate at each island.** Although its role is legally established, given its limited resources, the commissariat needs capacity building and technical assistance to enforce its leadership, and fully play its role.

**42. The proposed sub-component will ensure the continuity of technical and institutional capacity building of the relevant departments of the GoC.** The objective of this sub-component is to build the institutional capacity of the Commissariat of Gender, Solidarity and Social Protection to gradually take the leadership and coordination of safety net interventions and lay the foundation for a more comprehensive social protection system in Comoros.

**43. Pillar 4 of the GCRF is supported through this subcomponent as it enhances the institutional framework, facilitates policy dialogue, and promotes coordination across relevant sectors. The activities under this sub-component will also initiate a transition to a more sustainable and development-oriented approach to social protection in Comoros.** Until the implementation of the ongoing SSNP, the delivery of non-contributory social protection services in Comoros was largely through short-term humanitarian and emergency assistance. As such, the potential impact on the structural causes of poverty has been limited. The proposed sub-component ensures continuity of support



to the GoC to set up systems and strengthen its capacity to coordinate the sector as well as to adopt a longer-term vision of interventions including building the resilience of the poor, promoting human development, and reducing poverty. Considering the limited capacity of the commissariat, the activities are presented by order priority.

- Primarily developing a National Social Protection Strategy.
- Establishment of a social protection committee to promote collaboration across institutions involved in the safety net sector and policy dialogue to foster adaptive social protection among key stakeholders in Comoros.
- Developing safety net sector manual on the coordination of social protection response to shocks which include operational procedure for registration, enrolment, targeting, registering grievances, payment delivery, community outreach, monitoring, and impact evaluation. The manual will represent the sector's roadmap to respond to shocks, with climate disasters being among the most prominent in the country.
- The expansion of the beneficiaries' registry and harmonization across stakeholders. Given the concentration of beneficiaries under this project in high-risk areas to climate shocks, this will provide a tool for future response and mitigation.
- Capacity building, including training, consultant, etc. further supporting the Government in its effort to establish a social registry.
- Enhancement of the legal and institutional framework of the social protection sector in Comoros.

#### ***Sub-component 3.2: Project management, monitoring and evaluation (US\$3.25 million equivalent)***

**44. This sub-component will finance project management costs**, including (i) the strengthening of the safety net administration through the provision of support for coordination, implementation and monitoring as well as other costs associated with the recruitment of the main service provider that will support the implementation of all project activities; (ii) the implementation of environmental and social requirements as defined into the Environmental and Social Commitment Plan (ESCP); (iii) the implementation of a communications strategy; (iv) gradual transition to mobile payments in partnership with mobile operators; (v) training for implementing partners and implementing agency staff; (vi) the implementation and strengthening of social accountability mechanisms and the Grievance Redress Mechanism (GRM); and (vii) operating costs.

#### **Component 4: Contingency Emergency Response (US\$0)**

**45. Following an eligible crisis or emergency<sup>35</sup> the Borrower may request the World Bank to re-allocate uncommitted project funds to support emergency response.** This component will allow for rapid reallocation of credit and grant uncommitted funds in the event of an eligible emergency in accordance with paragraphs 12 and 13 for situations of urgent need of assistance or capacity constraints of the World Bank Policy for Investment Project Financing (IPF). An annex (CERC Manual) will be included in the PIM to guide activation and implementation of the CERC. For the CERC to be activated and financing to be provided, the government will need to (i) submit a request letter for CERC activation and the evidence required to determine eligibility of the emergency, as defined in the CERC Manual; (ii) an emergency action plan, including emergency expenditures to be financed; and (iii) meet environmental and social requirements agreed to in the emergency action plan and environmental and social commitment plan.

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<sup>35</sup> An eligible emergency is defined as an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters. Such events include a disease outbreak.



### C. Project Beneficiaries

46. The project will benefit a total of 40,000 households reaching an estimated 200,000 individuals.<sup>36</sup> In the targeted villages, 33,000 households will receive SCTs, of which 17,000 will benefit from either livelihood grants or Public Works activities in the second phase (Figure 3). Furthermore, 7,000 beneficiaries of existing livelihood grants under the SSNP will receive exit funds to complement the support they already received. Thus, the estimated number of beneficiaries is 40,000 households or 26 percent of the Comorian population or 32 percent of population in project area (table 2). Household selection will be carried out using data on the areas' vulnerability levels calculated based on information available in the Population Census (RGPH2017)<sup>37</sup> and the households Survey (EHCVM2020)<sup>38</sup> databases.

**Table 2. Indicative coverage of the project**

Islands	Households (Estimated 2022) Total Comoros	Households (Estimated 2022) In project area
Comoros (household)	155,000	125,000
Total beneficiary	40,000	40,000
Estimated coverage	26%	32%

47. In response to the immediate crisis, Component 1 of the project will aim to reach the maximum number of the poor and vulnerable given the extent of the shocks and its impact on livelihoods and social cohesion. This first component will provide SCT to an estimated 165,000 individuals i.e., 33,000 vulnerable households. After completion of this first phase, 16,000 households (the least vulnerable) will exit the program, and the remaining households (17,000) will be provided support in the second phase of the project (Component 2) to help them build resilience and improve longer term outcomes (Table 3).

**Table 3. Estimated total of beneficiaries**

Islands	Estimated beneficiary households for SCT (a)=(b)+(c)+(d)	Estimated beneficiary households that will exit after SCT (b)	Estimated beneficiary households of IGA (c)	Estimated beneficiary households of CfWR (d)	Exit fund Current SSNP (e)	Total beneficiary households (f)=(a)+(e)
Comoros (household)	33,000	16,000	12,000	5,000	7,000	40,000
Comoros (individual)	165,000	90,000	60,000	25,000	35,000	200,000

<sup>36</sup> The number of individuals reached is computed from the number of households targeted and the average household size in the country.

<sup>37</sup> INSEED, 2017

<sup>38</sup> INSEED, 2020



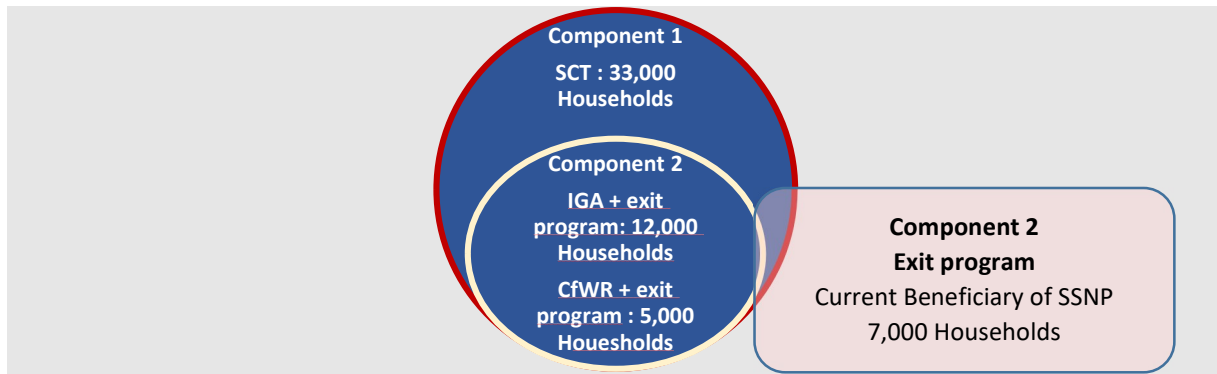
	Villages SCT (a)=(b)+(c)	Villages that will exit after SCT (b)	Villages of IGA and CfWR (c)	Villages SSNP (d)	Total villages (e)=(a)+(d)
<b>Number of villages</b>	122	32	90	119	241

**48. Activities under component 2 will benefit the most vulnerable and will have a strong focus on supporting women and youth.** The livelihood and IGAs envelope (sub-component 2.1) will cover approximately 12,000 of the poorest households (based on vulnerability scores), thus reaching an estimated 60,000 individuals in the selected communities. The CfWR program (sub-component 2.2) will target 5,000 poor households with a focus on households that can provide labor, thus reaching an estimated 25,000 individuals. In the past, almost 60 percent of the beneficiaries of the cash-for-work activities were female, and the interventions in this project will aim for a similar outcome. The PMT used in targeting beneficiaries favors female-led households by design, and for all eligible households the female head will be, by default, the primary recipient of payments from the project. The project is therefore expected to exceed its target of 65 percent of women as main recipients of the cash transfers and livelihood grants. The distribution of beneficiaries will also take into account the demographic distribution of the population. Thus, the youth will be prioritized amongst the beneficiaries.: at least 35 percent of participants and main recipients of cash transfer are expected to be young people aged 18-34. The project will particularly promote their access to economic opportunities. Lastly, the PMT model will include variable related to labor-constraints; thus, beneficiary households will include labor-constrained households composed of households without an adult, or households with an adult but without a labor force (pregnant women, elderly, disabled, chronically ill).

**49. The type of support provided under Component 2 will be selected to accommodate villages' geographic and demographic capacity.** Households receiving support under component 2 will be found in 90 villages, including eight in urban areas. Providing resilience support to urban poor, particularly the livelihood and IGAs program, is a new approach that has not been implemented in past projects; urban communities would represent a maximum of 25 percent of total beneficiaries under this component. The criteria used to choose the villages for this component will include vulnerability, but also the size of the village, access to relevant services, as well as availability of land and farming groups. Among the 90 beneficiary communities, those that are large enough (approximately 20 villages) will have both types of support, i.e., IGAs and CfWR, implemented; while others will benefit from only one or the other of the two types of support (for instance, CfWR-only villages will likely be small and fitting the right geographic terrain).



Figure 3 Project beneficiaries



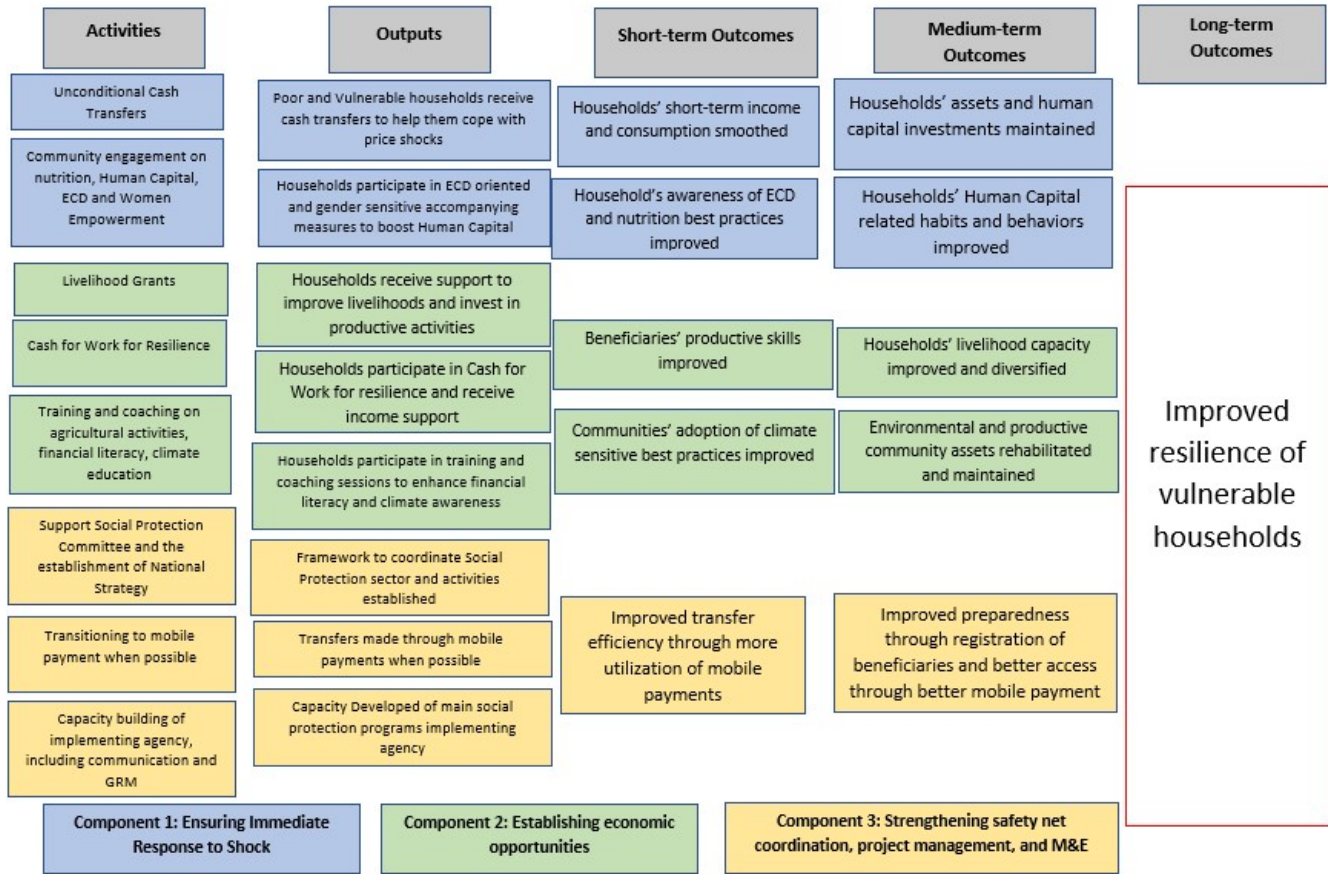
50. The exit program interventions will cover the beneficiaries of the livelihood and IGAs as well as the CfWR program which will represent 17,000 families. It will also extend to the 7,000 household beneficiaries of the current SSNP. In total, the exit program activities will cover 24,000 households. Exceptionally, exit funds for the current beneficiaries of SSNP will be set up during phase 1 of the proposed project.

#### D. Results Chain

51. The results chain below provides a hierarchical theory of change as reflected in the project components and main activities, outputs, and intermediate results, as well as the outcomes that will contribute to the achievement of the overall PDO.



Figure 4. Theory of change



E. Rationale for Bank Involvement and Role of Partners

52. The value added of the World Bank support is three-fold. First, it provides the much-needed financing to Comoros' social protection sector, for which both domestic funding and external support are limited. Second, the World Bank can amplify the effectiveness of its financing with the sharing of knowledge and solutions. Given its global footprint, the World Bank has a strong comparative advantage in knowledge management and can share with Comoros the international experience and innovations in social protection systems strengthening. Third, World Bank's financing is accompanied by intensive implementation support in both operational and technical matters to help the country achieve the PDO.

53. The World Bank has also been involved in social protection and emergency response in Comoros for more than a decade and is well placed to mobilize rapid support to national systems, strengthening core state functions, and building institutional resilience and capacity. The project represents a continuation of World Bank support over the past few years, including the Emergency Crises Response Project (P120631) and Emergency Food-Security and



unemployment support through Cash-For-Work (P121550). The project will be processed under paragraph 12 of Section III of the World Bank Investment Project Financing Policy: Projects in Situations of Urgent Need of Assistance or Capacity Constraints.

**54. Close coordination with development partners will be essential.** Few development partners support the non-contributory social protection sector – notably cash transfers – in the Comoros. The French Development Agency (AFD) is supporting a network of small health insurance schemes to cover some of the expenses faced by the population, especially women and children. UNICEF has supported the government through the piloting and implementation of early Social Protection interventions and is supporting the operationalization of the National Social Protection Strategy. The implementation of the project will be closely aligned with the few ongoing activities funded by development partners to accelerate the preparation of investments, facilitate the complementarity of interventions, avoid overwhelming communities with multiple demands, and minimize disruption to already weak national institutions.

## F. Lessons Learned and Reflected in Project Design

**55. The proposed project builds on lessons learned during the implementation of the ongoing SSNP.** The project design has been updated to incorporate the wide array of lessons learned through previous implementation, system assessments, process evaluation conducted during the ongoing SSNP with support from the Rapid Social Response Trust Fund. The design is also benefitting from experiences of other countries using a variety of safety net modalities.

**56. Continued coaching and technical trainings are keys to successful IGA implementation.** Recent experience in setting up IGAs in Comoros showed that lack of skills in and/or technical knowledge about the chosen activities caused beneficiaries to give up on their IGA; an issue that the proposed project will attempt to avert by providing technical training tailored to the needs of beneficiaries. Additionally, while common challenges such as climate hazards or health issues cannot be avoided, the project will make coaching available throughout to support households sustain their IGAs even in adverse circumstances.

**57. SCTs for emergency response are effective for mitigating the impacts of crises affecting basic consumption needs for the poor and vulnerable, and in reducing the adverse impacts of shocks on targeted households.** The programs are being increasingly used across several countries. For Comoros, the proposed intervention under Component 1 builds on lessons learned from the response to the COVID-19 pandemic. The interventions leverage national systems and mechanisms developed by the Comorian government with the support from the World Bank under the ongoing SSNP. Supporting national systems and programs is critical to ensuring sustainability and lasting impact by reducing fragmentation and boosting institutional capacity. Experience from the COVID-19 pandemic has also shown that vulnerable urban and rural families are likely to be most affected by the economic crisis. These households tend to be disproportionately affected by increases in food prices because food consumption takes up a larger share of their income. Experience also shows that in the absence of support they may resort to negative coping strategies, such as reallocating funds from IGAs, or reducing investment in (children's) human capital, with long-term implications for household welfare.

**58. AcM and exit strategy.** Evidence has shown that a combination of cash transfers and support measures such as training can help improve livelihoods. The global evidence also highlights the importance of exit strategies and especially in preparing households beneficiaries for the end of the program. The design of AcM and model of mother leaders are



built on the experience with the current SSNP as well as international experience with safety nets and accompanying measures. The project will draw on lessons from other countries with behavioral interventions, such as Madagascar and Kenya, for the design and implementation of these adult learning sessions. Exit strategies will emphasize both AcM related to human development, as well as productive inclusion support through coaching and technical training. Based on the lesson from the current SSNP, these AcM will be intensified, and the social protection committee will participate in the organization and monitoring of adult sessions to ensure community's ownership and sustainability.

**59. Climate resilience and adaptation.** Based on lessons learned from the SSNP, the enhancement of technical training and climate smart public works is another improvement in program design to respond to the need to use safety net mechanisms for building community resilience to climate related shocks. In addition, given the decrease in water resources and rainwater, the rehabilitation of relevant community infrastructures, through cash for work interventions, in rural areas will help to enable people in coping with climate change and improving agricultural activity.

**60. Digitalization and system delivery.** An assessment of the COVID-19 response highlighted payment delays and insufficient information at household level in some areas. Consequently, communications and outreach will be enhanced in this project. The overall objective of the project will be widely communicated and information about the criteria and targeting process will be disseminated at the village level. This will ensure that households in the selected communities are aware of the program and its selection criteria, have the chance to participate in the community validation process, and know how they can complain if they feel that the program is not being implemented adequately. Regarding the payment system, monthly payments were delayed due to some operational challenges on the payment agencies' side. As a result, the proposed project will use as much as possible a mobile payment system and employ a bi-monthly or quarterly payment schedule which is expected to minimize payment delays. In addition, digitalization of the service delivery tools and mechanisms in all stages of the operation (targeting, complaints treatment, enrollment, payment, monitoring, budget management) contributes to improving the project's efficiency. Digitalization allows to shorten the responses to shocks and increase the impact of activities on beneficiary households. It also improves efficiency of monitoring of activities and management of the project: increasing productivity, reducing operational cost, and facilitating data analysis and reporting.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

**61. The MoHSSPGP will oversee the proposed project through a Steering Committee.** The Steering Committee, which will be chaired by the General Secretary of the MoHSSPGP<sup>39</sup> will be responsible for inter alia, overseeing overall Project performance, approving Annual Work Plans and Budgets, providing strategic oversight and guidance. The technical supervision will be under authority of the "Commissariat", the department in charge of developing, coordinating, and overseeing the country's social protection sector.

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<sup>39</sup> The Steering Committee membership of representative from: ministry in charge of health, ministry in charge of gender, and social protection, ministry in charge of finance, ministry in charge of agriculture, the President's office, the governorate of each island, the general directorate of civil security, the regional directorate of solidarity and social protection of each island, and four representatives from the private sector and non-profit organizations.





**62. The implementation arrangements will remain the same as in the SSNP.** To help implement the proposed project efficiently and successfully, the implementation arrangements will be the same as the SSNP and rely on an experienced entity with successful implementation of World Bank projects. Thus, the project will be implemented by the “*Unité de Gestion de Projets Filets Sociaux de Sécurité* (Social Safety Net Project Management Unit)” (UGP-FSS) established under the MoHSSPGP. The UGP-FSS was established through a ministerial order issued on April 28, 2020. The mandate of the UGP-FSS has been extended through the ministerial order No: 687 issued on November 18, 2022, to cover the Shock Responsive and Resilient Social Safety Net Project. This entity is the former “*Fonds d'appui pour le développement Communautaire*” (Community Development Support Fund)’ (FADC), set up in 1993 and formed of experienced technical staff with knowledge of the World Bank’s financed projects procedures. The UGP-FSS has benefitted from strong leadership, solid operational and financial capacity and has been an effective mechanism for community development, carrying livelihood and IGAs programs, cash for work projects, and responding to emergencies through the social cash transfers.

**63. The UGP – FSS, is responsible for fiduciary aspects as well as for management and implementation of the project.** The UGP- FSS is responsible for the day-to-day operation of the project, ensuring that program implementation is in accordance with operational manuals, and the production of implementation progress reports including financial reports. The implementation of the activities will be coordinated by this UGP-FSS, at national and island level. The project will also have delocalized implementation units on the three islands. The UGP-FSS will continue to work closely with a wide group of stakeholders from the Government, communities, the private sector (for example, microfinance and telecommunication companies), and NGOs for implementation.

**64. The implementation of the project will be guided by the PIM which has been developed.** The PIM outlines the processes of and responsibilities for: (i) the SCTs; (ii) the livelihood and IGAs; (iii) the CfWR; (iv) the accompanying measures, community mobilization, productive inclusion and exit strategy; and (v) the grievances mechanism and social accountability. The FM and procurement manuals developed by the UGP-FSS will also be used.

**65. The project will closely collaborate with relevant ministries and/or sectors.** The project will particularly establish links with health, nutrition, and education sectors for the implementation of the package of AcM related to human development and especially with the COMPASS project (P166013) and the upcoming regional Empowering Girls and Women in Eastern and Southern Africa project (P179293). The agriculture sector, especially local agriculture offices, will continue to be consulted for the implementation of Component 2 while the project will collaborate with the disaster risk management sector on community mobilization and communication of key messages related to disaster preparedness, which is crucial for Comoros, given the high level of vulnerability to natural disasters (floods, drought, volcanic eruption, cyclone, etc.). Finally, on digitalization, the project will collaborate with financial and telecommunication sectors, including the authority in charge of implementation of the information technology (IT) sector policy in Comoros.

**66. Implementation at the local level will rely on three well-established structures:(i) the Social Protection Committee, (ii) the Recourse Cell (“*cellule recours*”), and (iii) mother/father leaders.** Those three structures work directly with the project to support beneficiaries; the SPC officially represents the community and supports the UGP-FSS in communication to and sensitization of households, targeting households, as well as in the overall implementation of activities. The Recourse Cell supports the community and the project in receiving and processing complaints. Also, in



addition to assisting the beneficiary households in the AcM, there are mothers/father leaders who, , act as relays between the project and the beneficiaries in passing on information regarding the programs, such as payment schedules, training schedules, etc.

## B. Results Monitoring and Evaluation Arrangements

**67. Monitoring of the project will use the existing MIS, which was improved with support from the World Bank.** A comprehensive MIS module addressing the needs for each program/sub-component has been designed. With this MIS, the implementing agency would be able to effectively track inputs, program activities, outputs, and results.<sup>40</sup>The MIS will support the following M&E activities:

- a. **Household beneficiaries' information.** This MIS is designed to collect data at the village level which can then be used to monitor the program and prepare reports at the national level. Methods to collect data will include using the Social Registry to register potential beneficiaries and a PMT to rank households and determine eligibility. Thus, the social registry is expected to include the 40,000 households' beneficiaries. The MIS will be used to authorize payments and then integrate information supplied by payments agents to reconcile outputs. This MIS is managed by the UGP-FSS.
- b. **Spot Checks.** Independent consultants will be hired by the UGP-FSS to carry out randomized visits at the community level to verify the accuracy and validity of data in the MIS, as well as the reports and payments authorizations.
- c. **Process evaluation.** The project will support an evaluation of the processes and operations including an assessment of the targeting mechanisms' accuracy twice during the life of the project. These evaluations will be used to adjust and fine-tune the IGA and CfWR programs, supervision schemes, and monitoring as necessary.
- d. **Beneficiary surveys.** Beneficiary surveys will be conducted to obtain information on the quality of services, beneficiary satisfaction, and changes in beneficiaries' knowledge, behaviors or conditions.
- e. **GRM.** A GRM is already developed under the SSNP to provide beneficiaries with a way to raise any concerns or complaints about the implementation of SP programs. For more efficiency, it will be linked to the MIS. The GRM will be clearly defined in the communications strategy, and any complaints and claims will be recorded in the MIS.
- f. **Digitalization:** The project will support gradual digitalization of the targeting and payment as well as management and monitoring system. The digital transition will start with the targeting, including data collection, control and verification of data quality, and enrollment. The second stage is the digitalization of the monitoring of the activities, complaints registration and treatments, and verification of payments. The project will collaborate with the financial and telecommunication sectors as well as with official entity in charge of the development of ICT policy in Comoros.

**68. Impact Evaluation.** The project will monitor social protection activities under the existing implementing agency. Evaluation of key programs will be financed under the project. Specific attention will be paid to evaluation of both the

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<sup>40</sup> The results framework of the project specifies the PDO, PDO-level indicators, intermediate results indicators, baselines and targets, frequency, data sources, methodology, and responsibilities for data collection.



social resilient economic activity and the CfWR, with a focus on women empowerment outcomes. A baseline survey will be undertaken at the beginning of the project just after the beneficiaries' registration. It will cover a sample of beneficiary's households and control group. Evaluation will include social and economic impact. A survey will be conducted at the end of the activities in order to measure the impact of the project.

**69. Collecting the data that will measure progress towards meeting the PDO-level indicators and support the basic program objectives will be the direct responsibility of the implementing agency.** Data for monitoring achievements of the target indicators will be collected for all components and sub-components. The project's performance in achieving its development objective will be measured in two ways: (i) through the ongoing monitoring of primarily administrative data related to the programs; and (ii) by conducting evaluations of the programs to assess their impact on the welfare of beneficiaries.

**70. For the purpose of monitoring project indicators, the implementing agency will use MIS to produce regular reports that track project indicators.** The implementing agency will prepare semi-annual reports. These reports will include figures on the number of beneficiaries, payments, complaints and response times, beneficiaries that have participated in the accompanying measures and technical training, and the rehabilitated/ reconstructed infrastructures. Various audits will also be carried out for accountability purposes, including internal and external financial audits and technical audits of subprojects.

**71. World Bank implementation support missions will take place at least every six months to monitor and report on progress made under the project through the implementation status and results reports.** An in-depth review will be undertaken at the project implementation midpoint. The mid-term review will provide an opportunity to assess overall progress in project implementation, update the results' monitoring framework as necessary, review allocation across components, re-assess the risks and propose corrective measures to ensure achievement of PDOs.

### C. Sustainability

**72. Government ownership and political leadership commitment.** The GoC recognizes the importance of social protection in its vision for improving development. The ministry in charge of social protection has emphasized social protection programs' impact. The social protection programs supported under this project are part of the national social protection system. The project will contribute to financing the expansion of these programs and will continue the efforts begun under the SSNP to build the institutional capacity of GoC to coordinate, monitor, and evaluate the country's social protection programs. All of this demonstrates the high level of government ownership and commitment to these interventions and components. This ownership could be strengthened by contribution of the GoC through domestic funding.

**73. Strong technical implementation.** Strongly implemented projects are likely to garner more support for their continuation and sustainability. Government implementation of social safety net programs has been strong, exceeding some of the targets originally set. Lessons have been learnt through the course of implementation and directly fed into improvements over the past six years.

**74. Sustainable Impact.** Through component 2, the project invests in activities to support livelihood, human



development and to strengthen resilience beyond the project. At the level of individual beneficiaries, investments in their human capital and productive inclusion will help sustain benefits over time, including improved livelihoods and better income opportunities, improved human development, food security and agricultural production. At the household level, the exit strategy which will emphasize households' ability to retain assets and develop livelihoods even in the face of shocks. This support is expected not only to improve the resilience of beneficiary households by building assets and savings and diversifying incomes, but also to help a certain number of beneficiary households to "exit" from the need for social assistance.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

**75. Appropriateness of the design.** The project design is aligned to country needs to help vulnerable households weather immediate shocks and build resilience. Cash transfers will help meet the urgent needs of households facing multiple shocks. Poverty in Comoros is high with more than 40 percent considered poor. Higher prices eat away at the poorest's disposable income and increase the likelihood of food insecurity. Households will receive KMF 75,000 in terms SCTs, which is larger than the monthly poverty line of KMF 41,495 (US\$99) per capita.<sup>41</sup> The provision of timely support will help them resist the negative impact on their well-being and enable households to bounce back to their pre-shock state as quickly as possible. Beneficiaries targeted under Component 2 will receive an additional package of KWF 200,000 and extensive training and coaching.

**76. The project builds on regional and international evidence.** In the case of worsening food security outlook, the support under this project can play an important role in protecting households given the well documented link between targeted transfers and nutritional outcomes. For instance, a review of empirical studies shows that cash transfers overwhelmingly have at least one statistically significant effect on food security indicators such as food expenditures, food consumption, nutrient availability, kilocalories and food consumption scores and dietary diversity.<sup>42</sup> Furthermore, productive inclusion interventions with accompanying measures have been shown to have a positive impact on key outcomes or indices such as income and revenue, employment, and income diversification as well as savings and women's empowerment.<sup>43</sup> For instance, in Uganda, the Women's Income Generating Support (WINGS) program provided a US\$150 grant along with business skills training and follow-up visits to ultra-poor women in the north of the country. Participants nearly doubled their earnings, and household consumption increased by about a third.<sup>44</sup>

**77. The project also supports investing in households' human capital and resilience.** The country's Human Capital Index, the probability that a child born today in Comoros will achieve his/her potential by age 18, was at 0.40 in 2020 (a slight decline from previous years). This is lower than the average for lower-middle-income countries, and places

<sup>41</sup> Comoros Poverty Assessment Report, World Bank, 2021.

<sup>42</sup> 2016. The Other Side of the Coin: The Comparative Evidence of Cash and in-Kind Transfers in Humanitarian Situations? The World Bank.

<sup>43</sup> Banerjee, A.; Duflo, E.; Goldberg, N.; Karlan, D.; Osei, R.; Parienté, W.; Shapiro, J.; Thuysbaert, B.; Udry, C. (2015) A multifaceted program causes lasting progress for the very poor: Evidence from six countries Science 15 May 2015: Vol. 348, Issue 6236,1260799. DOI.

<sup>44</sup> Blattman et al (2014). The returns to microenterprise support among the ultrapoor: A field experiment in postwar Uganda



Comoros at the lower end of the global distribution (145th out of 175 countries).<sup>45</sup> The latest data on prevalence of wasting show that 11.2 percent of children under 5 years of age are affected.<sup>46</sup> About 31 percent of children under the age of five are stunted, or at low weight in proportion to their height, and 25 percent are underweight.<sup>47</sup> Protecting the poor in the short run is critical to make sure that the situation of already poor and vulnerable households does not worsen, and the scars do not become irreversible. Indeed, in case of shocks, vulnerable households may turn to negative coping strategies that divert resources from human capital investments and include selling off critical assets: this in turn makes them more vulnerable to future shocks. Cash transfers have been shown to raise important human capital outcomes including school enrollment and the use of health services for children. Furthermore, evidence from Togo, Nigeria, Indonesia, and Mexico highlight that cash transfers and information can have significant effects on stunting and children's growth.<sup>48</sup>

**78. Strengthening social protection systems and improving the country's preparedness.** The components of this project contribute directly to the overall goal of strengthening the country's ability to support the poorest and respond to shocks in the future. The country has a nascent social protection system characterized by poor coordination across institutions, and low levels of coverage overall. The project will build on the World Bank's engagement for the past decade to support the implementation of horizontal and vertical expansion of the cash transfers, as well as the implementation of a diverse package that includes Public Works and productive inclusion activities. The use of a combination of methods to reach the most vulnerable, including geographical, community based and PMT based targeting will further contribute to the institutional capacity of the country. Capacity building will also include the development of safety net delivery systems which include operational procedures for registration, enrollment, and outreach. Lastly, the interventions under this project support and align with the government's effort to establish and operationalize a National Social Protection Strategy and enhance sustainability and efficiency of its delivery systems.

**79. Community engagement for development and accountability.** Information sharing through community engagement can increase households' awareness of valuable information they need to cope with these shocks and the future ones. For instance, training and productive livelihoods activities can help households diversify their income sources and help build better habits. Public work activities can help provide opportunities for the community, while supporting basic infrastructure to help cope with climate shocks. Furthermore, training and community engagement can help change behaviors and enhance awareness around best practices on nutrition, early child development and gender-based violence. The project also supports processes to strengthen community inputs through participation in targeting and enrollment; as well as a grievance redress mechanism with enhanced community engagement to resolve problems as appropriate.

**80. The project will help empower women and narrow the gender gaps in economic opportunities and social inclusion.** The project will build on previous experiences supporting households with a focus on targeting women to enhance household resilience and enhance economic outcomes: almost 60 percent of the beneficiaries of the social protection activities under implementation have been female. Past engagements for instance provided access to nutrition services to pregnant or lactating women, adolescent girls and/or children under age five. Recognizing the long-

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<sup>45</sup> Comoros Human Capital Country Brief, 2022

<sup>46</sup> *Global Nutrition Report: Country profile, 2022*

<sup>47</sup> *Sustainable Development Report, 2021*

<sup>48</sup> *Briaux et al, 2020; Cahyadi et al, 2020; Carneiro et al, 2021; Gutierrez et al, 2019*



term impact of early interventions to unable better outcomes, this project will promote ECD and AcM focusing on human capital development interventions to increase access to health and nutrition services and will continue to support women empowerment through cash transfers and employment opportunities; all of which will contribute to breaking the intergenerational cycle of poverty and addressing inequality. This is particularly relevant in the country's context given the high level of stunting, as well as women's heightened exposure to shocks due to their lack of access to stable jobs. <sup>49</sup>

## B. Fiduciary

### (i) Financial Management

**81. The Financial Management (FM) arrangements in place within the UGP-FSS under the MoHSSPGP are compliant with the FM Manual for the World Bank-financed Investment Operations dated September 7, 2021 and are deemed adequate for the implementation of the proposed Shock Responsive and Resilient Social Protection Project.** The SSNP currently implemented by the UGP-FSS is in compliance with FM requirements since its effectiveness and the FM performance is satisfactory. The main risks identified are related to the funds flow for a decentralized project, as well as the risk implied by the cash transfers operations to be financed under the project. The FM residual risk is rated Moderate.

**82. To further improve the project FM arrangements, the UGP-FSS will consider the following mitigation measures:** (i) develop the PIM based on the procedures applied to the SSNP and existing systems; (ii) finalize the recruitment of an internal auditor; and (iii) contract with qualified payment agencies with robust reporting arrangements to support cash transfers activities. These mitigation measures will strengthen the internal control environment, maintain the timeliness and reliability of information produced by the UGP-FSS as well as an adequate segregation of duties. The mitigation measures will be implemented no later than six months after the project's effectiveness date.

**83. In addition, the following project FM arrangements would apply.** The UGP-FSS will maintain the existing FM staff at both national and regional levels and will use adequate accounting software to record project financial transactions. The UGP-FSS will open the Designated Accounts (DA) denominated in local currency at an acceptable bank to receive the proceeds of the financing from the World Bank. The IDA funds will be disbursed on a report basis. The project will be allowed to use the following disbursement methods: reimbursement, advances, direct payments, and special commitments. The UGP-FSS will prepare quarterly unaudited interim financial reports (IFRs) and provide such reports to the World Bank within 45 days of the end of each calendar quarter. The project financial statements will be audited annually by a private auditor recruited with agreed terms of reference. The project audit report will be submitted to the World Bank no later than six months after the end of each fiscal year. The project will be supervised at least twice a year, in addition to routine desk-based reviews.

### (ii) Procurement

**84. Applicable Procurement Regulations.** Procurement for the Shock Responsive and Resilient Social Safety Net Project will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing

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49 World Bank. 2022. Women, Business and the Law 2022. Washington, DC: World Bank. © World Bank.  
<https://openknowledge.worldbank.org/handle/10986/36945> License: CC BY 3.0 IGO



Borrowers Fourth Edition, November 2020 and the provisions stipulated in the Procurement Plan and Grant Agreements. The project will be subject to the World Bank’s Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. Bank standard procurement documents would be used for all procurement financed with World Bank proceeds. Additionally, the World Bank’s planning and tracking system, Systematic Tracking of Exchanges in Procurement (STEP), will be used to plan, prepare, record, update and track all procurement transactions for the project.

**85. Procurement risk for the project is rated Moderate.** UGP-FSS which is implementing the ongoing SSNP (P150754), will be responsible for overall project procurement activities. As part of the project preparation phase, the World Bank carried out a procurement capacity assessment of the UGP-FSS. The objective of the assessment was to ascertain that the UGP-FSS, has the capacity to conduct procurement activities for this proposed new Project and meet the minimum procurement requirements as per World Bank Policy and Directive. The PIU has adequate experiences with World Bank’s financed operations and has a good knowledge about the World Bank’s procurement procedures. Weaknesses in the procurement capacity of the UGP-FSS, and the lack of experience from any new procurement staff on the World Bank processes can be offset by technical support and training from World Bank as necessary.

**86. The simplified procurement procedures for ‘Projects in Situations of Urgent Need or Capacity Constraints’ described under paragraph 12 of Section III of the IPF Policy will be applicable to fast-track project procurement.** Those will include (a) direct selection, as appropriate; (b) increased thresholds for requests for quotations; and (c) selection of consulting firms using Selection Based on Consultants’ Qualification. Given the urgent need for assistance, the PIU will prepare a streamlined Project Procurement Strategy for Development (PPSD). The PPSD and the Procurement Plan will be finalized during the initial stages of project implementation.

**87. Procurement plan and prior review thresholds.** The Procurement Plan shall cover at least the first 18 months of project implementation. The project will mainly finance procurement of goods and consultants’ services. The procurements under the Project are not expected to involve highly complex procurement activities. It shall also set forth those contracts subject to the World Bank’s prior review based on the thresholds defined in the approved procurement plan. Any procurement plan updates shall be submitted to the World Bank for no objection.

**C. Legal Operational Policies**

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

**D. Environmental and Social**

**88. The Environmental and Social Risk Classification (ESRC) is moderate.** Seven Environmental and Social Standards (ESS) have been assessed as relevant such as: ESS1: Assessment and Management of Environmental and Social Risks and Impacts; ESS2:Labor and Working Conditions; ESS3: Resource Efficiency and Pollution Prevention and Management; ESS4: Community Health and Safety; ESS5: Land Acquisition, Restrictions on Land



Use and Involuntary Resettlement; ESS6: Biodiversity Conservation and Sustainable Management of Living Natural resources; and ESS10: Stakeholder Engagement and Information Disclosure.

**89. Environmental risks and impact.** As per the Environmental and Social Directive, the environmental risk for this project is classified as Moderate. The overall adverse risks and potential adverse impacts to be generated on the environment are site-specific, reversible and will be mitigated by specific mitigation measures. The main environmental risks and impacts are associated with activities under component 2.1 providing support to poor and vulnerable households operating in farming (cattle, poultry, sheep, etc.), agriculture (market gardens, subsistence agriculture, cash crop production), nursery production, fishery, local commerce, and vocational training professions (plumbing, masonry, sewing, etc.); component 2.2 relating to cash-for-work resilience activities that may involve agricultural works, anti-erosion works, reforestation activities, small construction projects to improve productive capacity or water infiltration and storage, and service road and small crossing works; and rehabilitation of community-based infrastructure. The implementation of activities is anticipated to present occupational health and safety (OHS) as well as labor management risks for project workers as beneficiaries and indirect and cumulative environment, health and safety risks and impacts associated with any construction and operations activities in these sectors, such as waste management, pest management, conversion of natural habitats, soil erosion and dust generation.

**90. Social risks and impact.** The social risk for this project is classified as Moderate. The project will generate many social positive impacts as it will address the immediate needs of vulnerable households and enhance the resilience and improvement of human capital outcomes. Project activities consist mainly of SCTs and AcM for component 1, cash for work for resilience, rehabilitation and construction of small community infrastructure, conditional livelihood grant and technical trainings with component 2 and TA activities and institutional capacity building for component 3. The project's activities are not expected to produce any large-scale, significant and/or irreversible adverse impacts. Given that the civil works are expected to be minor (labor intensive works related to agriculture, reforestation and water infiltration) and rehabilitation of community infrastructure under component 2.2 and mostly rely on cash for work at local level, the Project is not expected to lead to induce significant labor influx. However, there are potential adverse social risks and impacts attributable to project activities such as (i) social exclusion of disadvantaged groups, under components 1; (ii) community conflicts due to misunderstanding of selection process; (iii) potential sexual exploitation and abuse and sexual harassment (SEA/SH); (iv) occupational health and safety hazards from handling of equipment by workers under the cash for work activities; (v) security issues related to cash payment; (vi) risk related to stakeholder engagement; (vii) disturbance of community health and safety mainly risk of transmission of diseases such as Sexually Transmitted Diseases and propagation of COVID-19; and (ix) potential land acquisition linked to cash for work for resilience activities expected under this project. There will be also risks associated with working conditions and management of worker relationships, which includes terms and conditions of employment, non-discrimination and workers organizations and the protection of the work force, and impact of migrant workers, possibility of child labor and sexual harassment.

**91. GBV risk and mitigation.** The SEA/SH risk screening is assessed as Moderate. SEA/SH may increase as a result of potential abuse of authority especially during selection of beneficiaries, or during the cash payment for sexual purposes. Furthermore, female project workers including the beneficiaries for cash for work may also be





exposed to risks of sexual harassment by colleagues or supervisors in their place of work while performing their duties related to project implementation. In line with the recommendation of the World Bank's Good Practice Note on Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Human Development Operations, the project will develop and implement an action plan (GBV action plan) to avoid and address SEA/SH and GBV. The GBV action plan will include: (i) a requirement that all contracts financed by the project include clauses on working conditions and management of workers, child protection, and GBV prevention (code of conduct); and (ii) a GBV-specific GRM.

**92. Strengthening citizen engagement, public consultation, and information disclosure.** The project will strengthen the process for citizen engagement, social accountability mechanisms and the GRM, which was established during the SSNP, to ensure that citizen beneficiaries are able to provide their feedback and inputs regarding the project's processes, progress, and results. The system will ensure a participatory approach conducted and pursued for the selection of beneficiaries, and participatory monitoring (using community score card) tools to support the implementation of the project's activities. Therefore, the project will maintain two citizen engagement indicators, one related to the GRM performance, the percentage of registered complaint treated, and the second related to beneficiaries' feedback through the implementation of a participatory monitoring mechanism, the number of beneficiaries' feedback report to monitor the citizen engagement.

**93. Mitigation and risk management.** To limit these risks, the project has developed and disclosed on November 19, 2022 in country and at the World Bank external website (i) the ESCP, which could be adjusted during the project life keeping with the evolution of environmental and social risk and impact; (ii) a stakeholder engagement plan (SEP), including GRM; (iii) the Labor Management Procedures (LMP), (iv) a draft Environmental and Social Management Framework (ESMF) including an updated SEA/SH action plan; and (v) a draft Resettlement Framework (RF). The public consultations were carried out from November 3 to November 5, 2022. The adoption of the ESMF and RF are a condition of disbursement of Category 4 of the Financing Agreement. The UGP-FSS will be adequately staffed with one environmental specialist and one social specialist at central level, and for each targeted region an environmental specialist and social specialist assistants to be hired not later than two months after the Effective Date and maintained at all times during Project implementation. A Capacity Building Plan (which includes training, field visits and materials) to increase awareness and enhance skills of UGP-FSS staff, contractors and stakeholders shall be adopted, and disclosed not later than three months after the Effective Date and maintained in a manner acceptable to the World Bank.

## Gender

**94. Under the project, interventions support women by localizing support at community-level, including the establishment of village savings associations to promote women's financial and economic inclusion.** Interventions under the project will aim to address some of constraints facing women both on the demand and supply sides of the job market and narrow the gender gap in the following ways:

- a. **Enhance women's economic opportunities.** The project will pay close attention to the gaps in terms of employment and entrepreneurship. Women are over-represented compared to men in self-employment and informal trade activities, while the latter seem to have better access to wage



employment.<sup>50</sup> Despite being overrepresented in self-employment, women who manage to develop their own income generating activities have more difficulty in making them work. Activities headed by women have smaller assets, and the value is on average 33 percent lower than those of activities managed by men.<sup>51</sup> Moreover, to acquire these assets, women have less access to loans. Only 20 percent of women are able to access loans outside the family circle to finance the acquisition of their assets, 4 percent points less than for male counterparts.<sup>52</sup> To help close these gaps, the project will promote women's participation in livelihood grants and cash for work activities through gender sensitization of targeting. An intermediate indicator related to the percentage of female beneficiaries who have successfully launched IGAs is included to ensure that close attention is paid to women's participation in all stages of the proposed activities, including necessary trainings. The project will also use an indicator to monitor the number of female recipient of cash transfers and aim to have strong representation of women headed households amongst beneficiaries.

- b. **Enhance women's capacity and participation in decision-making.** The traditional system tends to exclude women from decision - making processes. The project will provide training and accompanying measures to strengthen women's leadership and self-affirmation to reinforce their identity and their participation in economic and non-economic activities as well as in decision-making processes. This participation is strengthened by engaging women as "mother" leaders. The latter are elected and receive special training to be the link between the community and the program by keeping beneficiaries informed about the program's rules, responsibilities, procedures including payment schedules, complaint mechanisms and by delivering AcM through regular meetings. The design and model of mother leaders are built on international experience of women empowerment with safety nets and AcM. Lessons from SSNP in Madagascar, for instance, highlight the fact that the mother leader model helps improve women's empowerment and decision-making responsibilities in the household, particularly those related to investments in human capital of children (school attendance, healthcare, purchase of nutritious foods).<sup>53</sup> Furthermore, global evidence show that giving women more control over the transfers can help improve outcomes and empowerment.<sup>54</sup> The project will use an intermediate results indicator to monitor the number of elected and trained mother leaders.

## Climate

**95. The project was screened for climate risks and was found to be highly exposed, while the risk to the project's development outcomes is anticipated to be moderate.** Comoros is highly vulnerable to climate shocks and the impacts of climate change including coastal floods, cyclones, droughts, and sea level increases. The country is expected to experience sea level and temperature increases with climate change along with a shorter and wetter rainy season and a longer and dryer dry season, culminating in a 14 percent reduction in rainfall in

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<sup>50</sup> World Bank. (forthcoming). Analysis of Comoros' Labor Market Trends from 2004 to 2021.

<sup>51</sup> Ibid

<sup>52</sup> Ibid

<sup>53</sup> Evaluation Report, Midline: Madagascar's "Human Development Cash Transfer" Program (2019)

<sup>54</sup> JPAL. 2021. Designing financial services and social protection programs to enhance women's economic empowerment.



October 2025.<sup>55</sup> At least 70 percent of Comoros' population is dependent on rain-fed agriculture.<sup>56,57</sup> Decreases in precipitation and prolonged droughts have already led to water shortages. The possibility of increased droughts in the future under climate change is a concern for Comoros. Climate shocks in Comoros destroy crops with a notable impact on food security and affect fruit production and pasture areas.<sup>58</sup>

**96. The vulnerability of Comoros to natural hazards and the effects of climate change is expected to increase.** It is estimated that about 54 percent of the Comorian population is exposed to natural disasters.<sup>59</sup> The expected increase in population density (through migration from rural to urban areas) will put additional pressure on limited land and natural resources. Social and financial protection services in Comoros are limited, which makes the population even more vulnerable. The intense storms in 2004 that caused significant damage and mortality, the 2012 floods in Comoros and the 2019 Cyclone Kenneth highlighted the vulnerability of Comoros as a small island state and revealed the importance of strengthening disaster risk management in the country.

**97. Comoros has demonstrated a commitment to address climate change.** The country ratified the Paris Agreement in November 2016 and submitted its first Nationally Determined Contribution (NDC). Comoros' National Adaptation Program of Action serves as a framework for the country's climate adaptation efforts. A primary tenant of the CPF (2020-2024) is to respond to the damage caused by Cyclone Kenneth and build the population's resilience to climate and economic shocks through gender-inclusive disaster recovery and disaster risk management. The climate-related activities outlined in the project are fully aligned with national priorities to address climate change as well as the CPF.

**98. The project intends to address climate vulnerabilities and enhance resilience at the community level.** The national safety net program will be expanded to provide targeted cash transfers in vulnerable areas that are the most exposed to both food security and climate shocks. Both previous experiences and the current mapping of expected beneficiaries for this project shows that poverty and exposure to climate shocks are closely linked in Comoros: more than half of beneficiary villages for the SCTs are in areas that are exposed to cyclones. The project is also focusing on a 'productive inclusion' approach, which encompasses a phased intervention that combines a large cash grant with livelihood support services (subcomponent 2.1) (chosen from a set of options relevant to the local context) and adult learning sessions (health, education, empowerment, and so on), with the objective to support self/wage employment and diversification of livelihoods and resilience. The CfWR (sub-component 2.2) will provide poor households with much needed income, while supporting community level climate-relevant activities: this will help safeguard both the natural and the physical environment. These safety net instruments are being used as part of an effort to be more responsive to shocks and foster greater resilience of communities overall. All community infrastructure will be designed to be climate resilient, in that they are planned, designed, built, and operated in a way that anticipates, prepares for, and adapts to changing climate conditions. Jointly,

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<sup>55</sup> *Seconde Communication Nationale sur les Changements Climatiques, Union des Comores, 2012 (Second National Communication on Climate Change, Union of Comoros, 2012)*

<sup>56</sup> <https://wedocs.unep.org/bitstream/handle/20.500.11822/28424/ComorosEba.pdf?sequence=1&isAllowed=y>

<sup>57</sup> <https://www.adaptation-undp.org/projects/Comoros-water-GCF> : Ensuring climate resilient water supplies in the Comoros Islands

<sup>58</sup> <https://climateknowledgeportal.worldbank.org/country/comoros/vulnerability>

<sup>59</sup> Country Environmental Analysis (CEA, 2022)



these activities will achieve short-term adaptation to food security shocks and contribute to climate resilience for vulnerable population in Comoros in the medium to long-term.

## V. GRIEVANCE REDRESS SERVICES

**99. *Grievance Redress.*** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of World Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.

## VI. KEY RISKS

**100. The overall risk rating for operation is Moderate.** All risks, except two – political and governance, macroeconomic – are rated low or moderate, resulting in a Moderate overall risk rating for the project. The description below is provided for risk categories assessed as Substantial or High.

**101. Political and Governance risk is rated High.** While this risk is largely outside the project's control, the level is considered high. The project will be implemented during pre-and post-2024 elections period. Historically, Comoros has experienced recurrent political crises and conflict between its islands since its independence in 1975. Although political instability decreased after the adoption of the Fomboni Agreement in 2001, socio-political tensions remain persistently high in some areas, especially after the constitutional referendum in 2018, which altered the Presidential rotation system among the islands to a unitary system. The risks related to politics and governance will be mitigated by supporting the Government in the implementation of the project activities which will be carried out in across the country. The project will also have an important role in terms of strengthening coordination across government ministries and across central and local authorities.

**102. Macroeconomic risk is substantial.** Although Comoros has been experiencing steady economic growth with prudent macroeconomic management for the last decade, economic developments since 2019 have been challenging because of various external shocks, such as Cyclone Kenneth and COVID-19. The war in Ukraine may also deteriorate the country's current account balance. Although Comoros does not depend on direct imports from Russia or Ukraine, the country imports many food commodities, of which global price increases cannot be offset by the Comoros limited export base. The project itself is mitigating these risks by supporting vulnerable



households through temporary income support. The residual risk is substantial.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Comoros

Shock Responsive and Resilient Social Safety Net Project

Project Development Objectives(s)

To provide emergency cash transfers and improve the resilience of vulnerable households

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>To provide emergency cash transfers and improve the resilience of vulnerable households.</b>						
Beneficiaries of social safety net programs (Number)		0.00	50,000.00	100,000.00	150,000.00	200,000.00
Female beneficiary of social safety net (Number)		0.00	25,000.00	50,000.00	75,000.00	100,000.00
<b>Providing emergency cash transfers</b>						
Share of the vulnerable households receiving Social Cash Transfers in response to Shock (Percentage)		0.00	10.00	20.00	30.00	40.00
Share of vulnerable female recipient of social cash transfer (Percentage)		0.00	10.00	20.00	30.00	40.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>Improve households resilience</b>						
Share of households among beneficiaries who started their activity at the end of the economic opportunities program (Percentage)		0.00	10.00	20.00	30.00	50.00
Share of women recipient among beneficiaries who started their activities at the end of the program (Percentage)		0.00	20.00	30.00	50.00	65.00

**Intermediate Results Indicators by Components**

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>Ensuring Immediate Response to Shock</b>						
Households benefiting from social cash transfer in response to shock (Number)		0.00	10,000.00	25,000.00	30,000.00	33,000.00
Share of women recipient of social cash transfer in response to shock among beneficiaries (Percentage)		0.00	50.00	55.00	60.00	65.00
<b>Establishing economic opportunities</b>						
Households benefiting from the Livelihoods income generating activities program and who have launched their activities (Number)		0.00	3,000.00	6,000.00	7,000.00	10,000.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Women recipients of the Livelihoods Income Generating Activities program who have launched their activities (Percentage)		0.00	50.00	55.00	60.00	65.00
Households beneficiaries of the cash for work for resilience program (Number)		0.00	2,000.00	3,000.00	4,000.00	5,000.00
Women recipients among total recipient of cash for work for resilience program (Percentage)		0.00	50.00	55.00	60.00	65.00
Person/days of employment created (Number)		0.00	50,000.00	150,000.00	200,000.00	400,000.00
Households beneficiaries participating in technical training (Number)		0.00	2,000.00	4,000.00	6,000.00	10,000.00
Female having benefited from technical training among beneficiaries of livelihood and income generating activities, cash for work for resilience, exit program (Percentage)		0.00	10.00	25.00	50.00	65.00
Percentage of households beneficiaries of cash for work program using organic fertilizers (Percentage)		0.00	30.00	40.00	50.00	60.00
Elected and trained mother leader (Number)		0.00	50.00	75.00	100.00	200.00
Youth (18-34) among recipients of the resilience and economic opportunities interventions (Number)		0.00	3,000.00	6,000.00	7,000.00	7,000.00





Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
Area re/afforested or rehabilitated through cash for work for resilience (Hectare(Ha)) (Hectare(Ha))		0.00	20.00	50.00	100.00	150.00
Households recipients benefiting from accompanying measure related to human capital (Number) (Number)		0.00	5,000.00	7,000.00	9,000.00	12,000.00
Households having benefited from training on vegetable gardening (Number)		0.00	1,000.00	4,000.00	5,000.00	7,000.00
<b>Strengthening safety net coordination, project management, monitoring, and evaluation</b>						
Institutional framework: number of households registered in the beneficiary registry (Number)		20,000.00	25,000.00	30,000.00	35,000.00	40,000.00
Percentage of complaints received and resolved within 18 days (Percentage)		0.00	50.00	75.00	90.00	90.00
Number of Periodic Report on the Grievance Redress Mechanism (Number)		0.00	1.00	2.00	3.00	4.00
Number Beneficiaries' feedback related to the project (Number)		0.00	1.00	2.00	3.00	4.00
Audits implemented (number) (Number)		0.00	1.00	2.00	3.00	3.00
Operational costs of the project (Percentage)		0.00	20.00	20.00	18.00	15.00
Recipients receiving their payment through mobile money (number) (Number)		0.00	2,000.00	5,000.00	7,000.00	10,000.00



Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net programs	Number of beneficiaries of the social safety net programs (social cash transfer, cash for work, livelihood and income generating activities, exit program). This indicator has a sub-indicator (female beneficiaries of social safety net programs ) that covers gender tag.	Semestrial	MIS - UGP - FSS	Data collection, progress report, MIS,	UGP - FSS
Female beneficiary of social safety net	Female beneficiary of safety net programs (social cash transfer, income generating activities, cash for work for resilience, exit program)	Semestrial	MIS	Progress report, monitoring	UGP FSS
Share of the vulnerable households receiving Social Cash Transfers in response to Shock	Ratio between the number of households receiving social cash transfers (SCT) over the total number of vulnerable households in the Comoros according to the definition of vulnerable households used in the	Semestrial	MIS UGP FSS	Progress report, survey monitoring	UGP FSS



	<p>project design.</p> <p>This indicator has sub-indicator covering gender gap : Share of female recipients throughout social cash transfer.</p>				
Share of vulnerable female recipient of social cash transfer	Share of vulnerable women recipient of social cash transfer in response to shock according to the definition of vulnerable households used in the project design	Semestrial	MIS UGP FSS	progress report monitoring	UGP FSS
Share of households among beneficiaries who started their activity at the end of the economic opportunities program	Share of households among beneficiaries (income generating activities and cash for work for resilience) who started their activity at the end of the economic opportunities program. This indicator has a sub-indicator covering gender gap.	Semestrial	MIS UGP FSS	Progress report, Monitoring,	UGP FSS
Share of women recipient among beneficiaries who started their activities at the end of the program	Percentage of women recipients who started their activities at the end of the program	Semestrial	MIS UGP FSS	Progress report	UGP FSS



Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Households benefiting from social cash transfer in response to shock	Number of households beneficiaries of social cash transfer	Semestrial	MIS UGP FSS	Progress report, monitoring	UGP FSS
Share of women recipient of social cash transfer in response to shock among beneficiaries	Percentage of women recipient of social cash transfer in response to shock among beneficiaries	Semestrial	MIS UGP FSS	progress report monitoring	UGP FSS
Households benefiting from the Livelihoods income generating activities program and who have launched their activities	Number of household beneficiaries that have prepared their implementation plan and have effectively started their activities among those that have received cash transfers for income-generating activities and livelihoods	Semestrial	MIS UGP FSS	Data collection, progress report, MIS	UGP FSS
Women recipients of the Livelihoods Income Generating Activities program who have launched their activities	Percentage of women recipients who have their implementation plan and have launched effectively their activities among beneficiaries of Livelihoods Income Generating Activities. This is a gender gap indicator.	Semestrial	MIS UGP FSS	Data collection, monitoring evaluation, progress report, MIS	UGP FSS



Households beneficiaries of the cash for work for resilience program	Number of households beneficiaries of the cash for work for resilience program	Semestrial	MIS UGP FSS	Data collection, progress report, monitoring and evaluation, MIS	UGP FSS
Women recipients among total recipient of cash for work for resilience program	Percentage of women among recipients of cash for work for resilience program. This is a gender gap indicator.	Semestrial	MIS UGP FSS	data collection, progress report, MIS	UGP FSS
Person/days of employment created	This indicator measures total number of working days of the cash for work beneficiaries under sub-components 2.2 and 2.3. It provides a measurement on the effectiveness and efficiency of project implementation.	Semestrial	MIS UGP FSS	Progress report, data collection, MIS	UGP FSS
Households beneficiaries participating in technical training	Number of beneficiaries (cash for work, livelihood and income generating activities, exit program) who have participated in technical trainings (attendance list)	Semestrial	MIS UGP FSS	Progress report, data collection, MIS	UGP FSS
Female having benefited from technical training among beneficiaries of livelihood and income generating activities, cash for work for resilience, exit program	percentage of female among beneficiaries of livelihood and income generating activities, cash for work for resilience, exit program benefiting from	Semestrial	MIS UGP FSS	Data collection, monitoring	UGP FSS



	technical training (attendance list). This is a gender gap indicator.				
Percentage of households beneficiaries of cash for work program using organic fertilizers	Percentage of households beneficiaries of cash for work program using organic fertilizers	Semestrial	MIS UGP FSS	data collection, survey, progress report, MIS	UGP FSS
Elected and trained mother leader	Number of elected female mother leader among beneficiaries - trained on accompanying measures and validated with certificate and membership card. This is a gender gap indicator. Mother leaders are elected among beneficiaries by their peers to serve as direct links with project staff and to contribute to accompanying measures delivery and project operations at the community level.	Semestrial	MIS UGP FSS	Data collection, monitoring,	UGP FSS
Youth (18-34) among recipients of the resilience and economic opportunities interventions	Number of youth (18-34) recipients of the resilience and economic opportunity program (livelihood support and income generating activities, cash for work for resilience)	Semestrial	MIS UGP FSS	Progress report, survey, monitoring and evaluation	UGP FSS
Area re/afforested or rehabilitated through cash for work for resilience	Area re/afforested or rehabilitated through cash	Semestrial	MIS UGP FSS	Progress report	UGP FSS



(Hectare(Ha))	for work for resilience (Hectare(Ha)). This is climate change indicator.				
Households recipients benefiting from accompanying measure related to human capital (Number)	Number of households (social cash transfer, beneficiaries of income generating activities, cash for work for resilience, exit program) benefiting from accompanying measures related to human capital (education, nutrition, health, early childhood development, wash)	Semestrial	MIS UGP FSS	progress report monitoring	UGP FSS
Households having benefited from training on vegetable gardening	Number of households beneficiary of livelihood income generating activities, cash for work for resilience, exit program having participated in training on vegetable gardening. This is a natural space in the village where households plant fruit and vegetables to promote varied and nutritious diet, address food insecurity, etc. This is climate change indicator.	Semestrial	MIS UGP FSS	progress report, monitoring	UGP FSS
Institutional framework: number of households registered in the beneficiary registry	This indicator reflects the enhancement of the social safety net system: number	Annual	Report	Report	Commissariat of Gender, Solidarity and Social



	of households beneficiary of social safety net programs in Comoros and registered in the beneficiary registry				Protection
Percentage of complaints received and resolved within 18 days	Percentage of Registered complaints that have been addressed and resolved within 18-days. This is a citizen engagement indicator.	Semestrial	Management Information System	Data collection	UGP -FSS
Number of Periodic Report on the Grievance Redress Mechanism	This indicator measure the ability of the project to manage and treat grievance related to the project. Number of grievance mechanism reports elaborated by the UGP - FSS. This is a Citizen Engagement Indicator	Semestrial	UGP - FSS Monitoring and Evaluation	Consolidated Report	UGP - FSS
Number Beneficiaries' feedback related to the project	This indicator measure the satisfaction of beneficiaries related to project activities and involvement. Number of Suivi Evaluation Communautaire (SECAP) reports written and published under the project - This is a Citizen Engagement Indicator	Semestrial	UGP - FSS Monitoring and Evaluation - Report of NGO	Survey, consolidated report, Participatory monitoring tools	UGP - FSS
Audits implemented (number)	Number of audits (external financial audits and technical audits) carried out	Annually	Operational Audit report	Progress report	UGP - FSS





	and with reports				
Operational costs of the project	This indicator tracks the efficiency of implementing the safety net programs: ratio of operating expenses including staff cost to total project budget	Semestrial	Progress Report and Management Information System	Progress report	UGP - FSS
Recipients receiving their payment through mobile money (number)	Number of recipients (social cash transfer, livelihood support, cash for work for resilience, exit program) receiving their payment directly through mobile phone by local mobile network operator	Semestrial	MIS UGP FSS	Progress report	UGP FSS

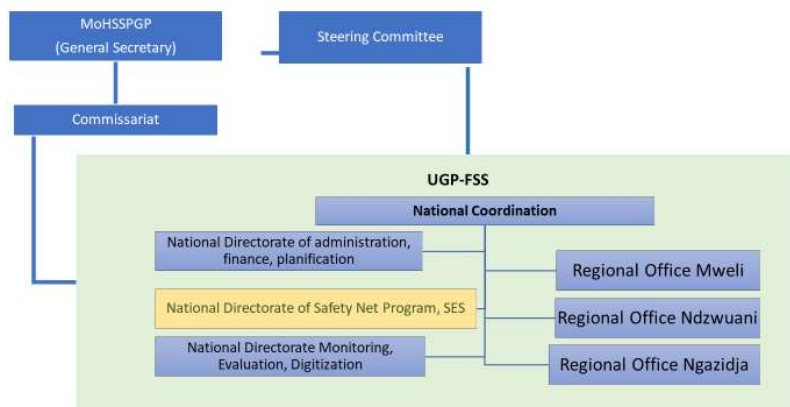


## ANNEX 1: Implementation Arrangements and Support Plan

### Implementation arrangement

1. **The institutional arrangement will be the same as under SSNP.** The proposed project will be under the supervision of the MoHSSPGP and the project steering committee and will be implemented by UGP-FSS. The primary functions of the Steering Committee will be to: i) give overall strategic guidance, and course-correction, when necessary, to ensure the Project remains on-track to achieve the PDO; ii) review and approve the Project’s Annual Work Plan and Budget; and iii) anticipate and monitor risks to the Project’s successful implementation, as well as advise on and support risk mitigation. The Steering Committee will meet at least twice a year.

Figure 1 : Institutional Arrangement



2. **To ensure efficiency and efficacy, the UGP-FSS will be represented at national, regional and at the beneficiary community levels.** The UGP-FSS has a good track record, with a Satisfactory rating for Project Management in the most recent Implementation Status and Results Reports (ISR) for the SSNP. The UGP-FSS has firmly established regional offices in the three islands. At the local level, in the beneficiary villages<sup>60</sup>, the UGP-FSS will be represented by local structures

<sup>60</sup> List of 122 selected villages of the component 1: (a) Selected villages in Mwali : Wanani, Fomboni, Djoiezi, Miremani, Miringoni, Mboigoma, Domoni, Ziroudani, Mlabanda, Itsamia. (b) Selected villages in Ndzuwani : Moya, Mremani, Tsembehou, Mutsamudu, Domoni, Sima, Mirontsi, Ouani, Mirondroni, Limbi, Kangani, Adda Daweni, Mromhouli, Magnassini, Dindri, Mridjou, Kowet, Chirove, Daji, Vassi, Imere Ya Gawani, Mromaji, Banda Ya Vouani, Banda Kouni, Maweni, Ongojou, Hassimpao, Dzindri I, Nindri, Chitrouni, Bweladungu, Paje, Pomoni, Hachipenda, Barakani, Tanambao, Dar Salama, Kavani, Gnatranga, Mdjimandra, Haremba II, Haremba I, Mahale, Salamani, Mwamwa I, Bambao Mtsanga. (c) Selected villages in Ngazidja: Mbeni, Ntsaoueni, Koimbani Ya Wachili, Mitsoudje, Dembeni, Iconi(+Malouzini), Itsandra Mdjini, Ntsoudjini, Moroni, Mitsamiouli, Foubouni, Dimadjou Ya Hamahamet, Bahani, Mbangani, Dzahadjou La Itsandra, Vouvouni Ya Mbounde, Dzahadjou Hambou, Vanamboini, Samba Kouni, Zivandani, Bibavou, Hahaya, Kove, Dzahania Tsidje, Djongoe, Ntsadjeni, Batsa Ya Mtsamihouli, Ouella Ya Hamahamet, M'vouni, Djoumoichongo, Djomani, Itsandzeni, Dzahani II, Moidja,



that are geographically and socially close to the beneficiaries. But the UGP-FSS has encountered some challenges such as lack of capacity at regional level which has delayed the implementation of activities. To address these issues and accommodate the expansion of SSN activities, the UGP-FSS will build the capacity of local NGOs, anticipate procurement to avoid delays and strengthen field supervision.

3. **The UGP-FSS structure will be strengthened at the national and decentralized levels.** The reinforced technical team will be provided with training and capacity building to allow for efficient and effective execution. The list of the staff working at the UGP-FSS and their terms of references are specified in the PIM: Project coordinator, an administration and financial management director, a monitoring and evaluation director, a safety net program director, a social safeguards specialist, a productive and economic inclusion specialist; a cash transfer and human capital specialist; community-based activities and environmental specialist, a financial management specialist; an accountant; a procurement specialist; an M&E specialist; a regional director; and environmental specialist and social specialist assistants at regional level.

**Table 1. UGP-FSS structure**

	Maintain	New
<b>National level</b>		
Project coordinator	1	
National Director of administration, finance and planification	1	
Procurement Specialist	1	
Financial Management Specialist	1	
Internal auditor		1
Accountant	1	
Director Monitoring and Evaluation (M&E) Specialist	1	
Specialist of digitalization, MIS	1	
Director SSN program and ESF		1
Environmental Standards Specialist and community activities	1	
Social Safeguards Specialist, citizen governance, GBV	-	1
Specialist of resilience, productive and economic inclusion	1	
Specialist of exit program, human capital and women empowerment	1	
<b>Regional level : Mweli, Ndzwani, Ngazidja</b>		
Regional Director	1	
Environmental Specialist	1	
Social Safeguards, citizen governance, GBV – assistant		1
Accountant	1	

Hantsambou, Ifoundihe Ya Hamahamet, Mdjoiezi, Nkomioni, Boenindi, Ivembeni, Ouella Ya Itsandra, Moidja Ya Mboude, Vanadjou, Salimani, Ouella Ya Mitsamihouli, Boeni Ya Bambao, Ouhozi, Maoueni Ya Itsandra, Sima, Oussivo, Oungoni, Nyadombweni, Chezani, Nkourani Ya Mtsamihouli, Mkazi, Mdjankagnoi, Heroumbili, Itsinkoudi, Ndzaouze, Chouani, Dima, Douniani, Memboi – Boini, Mboudadjou.



**Detailed Financial Management Arrangements for the Project**

4. The FM assessment of the UGP-FSS within the MoHSSPGP was carried out in October 2022 in accordance with Bank Directive and Policy for IPFs issued on September 30, 2018, the World Bank Guidance on FM in World Bank IPF Operations issued on February 28, 2017. As the UGP-FSS is currently implementing the Social Safety Net Project, the assessment objective was to confirm whether the FM arrangements in place are acceptable. The assessment considered the degree to which: (a) reasonable records are maintained and financial reports produced and disseminated for decision-making, management and reporting; (b) funds are available to finance the Project; and (c) there are reasonable controls over Project funds; and (d) adequate audit arrangements are in place. The SSNP is highly compliant with FM reporting requirements since its effectiveness and the FM performance is satisfactory.

5. The following table describes the risks identified for this project. The overall risk rating is Moderate considering mainly the risk linked to the funds flow as the project is highly decentralized and will include cash transfer operations.

**Table 2. FM Risk assessment and mitigation**

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
<b>Inherent risk</b>	H			M
<b>Country level:</b> The MHS system mirrors the Central level PFM system and its weaknesses resulting in the risk of lack of transparency and accountability in the use of public funds.	H	The Comoros Public Financial Management (PFM) systems remain weak. The Government of Comoros is committed to implement further reforms of the country’s PFMs (with support from the development partners).	N	H
<b>Entity level:</b> Financial management requirements not met, weak financial management capacity	S	The UGP-FSS will maintain the qualified staff recruited at the central and regional levels for the implementation of this project.	N	S
<b>Project level:</b> The resources of the project may have been diverted due to weak control environment	S	The UGP-FSS will comply with the internal control processes that is set out in the PIM. The internal audit unit will also continuously review the adequacy of internal controls and make improvement recommendations.	N	S
<b>Control Risk</b>				
<b>Budgeting:</b> Weak budgetary execution and control leading	S	The PIM spells out the budgeting and budgetary control arrangements to	N	M



to budgetary overruns or inappropriate use of project funds.		ensure appropriate budgetary oversight considering the change in the institutional arrangements. The budget follow-up will be documented in the quarterly IFR.		
<b>Accounting:</b> Reliable and accurate information not provided to inform management decision	S	The UGP-FSS will maintain qualified FM staff to ensure appropriate performance of the accounting and financial management functions. The project expenditures will be recorded with the existing accounting software. The financial reporting processes will be facilitated by the use of accounting software.	N	M
<b>Internal Control:</b> Business process, role and responsibilities within the project is not clear leaving to ineffective of control.  Loss of assets due to low control over regions	S	The PIM develops all the key internal control processes pertaining to the various project activities.  The PIM will be reviewed to ensure continuing adequacy over the course of the project life.  Internal control risks at regional level will be mitigated as part of the internal audit engagements.	N	M
<b>Funds Flow:</b> Risk of misuse and inefficient use of funds; Inappropriate Funds arrangements may lead to non-financing of the project activities.  Errors or frauds in cash transfers. Delay in the financial reporting by the payment agency accruing undocumented debtors balances.	S	The process leading to payment is described in the PIM and monitored to mitigate the risk of the use of funds for unintended purposes.  Internal control risks at regional level will be mitigated as part of the internal audit engagements.  The UGP-FSS will recruit qualified payment agencies as per Terms of Reference agreed with the Bank to perform cash transfer operations. The UGP-FSS will maintain appropriate control over such transfers through robust reporting arrangements with the payment agencies.	N	M
<b>Financial Reporting:</b> The project may not be able to	S	The UGP-FSS will maintain qualified FM staff at national and regional levels.	N	M



produce the financial reports required in a timely manner as required for project monitoring and management		The UGP-FSS will timely record the project transactions, using the existing accounting software.  The accounting software will enable the efficient and timely generation of financial information.		
<b>Auditing:</b> Delays in submission of audit reports. Poor quality of audit report	S	The auditor will be recruited early. The computerized accounting software will lead to timely generation of IFRs and financial statements. The Union of Comoros does not have a professional accountancy body recognized by IFAC <sup>61</sup> . Hence, the external auditor recruitment will be opened at international level and only qualified external auditors will be short-listed.	N	M
<b>Governance and Accountability:</b> Possibility of corrupt practices including bribes, abuse of Administrative and political positions, mis-procurement and misuse of funds etc., are a critical issue.	S	Robust FM arrangements, World Bank FM and procurement are considered for the implementation of this project. Effective internal control arrangements.	N	S
<b>Overall FM risk</b>	S			M

**Specific FM arrangements**

6. **The existing budgeting and accounting processes** applied to the SSNP will be maintained for this new project. The UGP-FSS will prepare the annual budget of the project and will submit it to the project’s steering committee for approval. The budget monitoring will be carried out through the accounting software of the UGP-FSS. The periodic variance analysis will enable the timely identification of deviations from the budget. These reports will be part of the interim unaudited IFRs that will be submitted to the World Bank on a quarterly basis.

7. **Internal control.**

- a) The UGP-FSS has developed the PIM based on the existing manual used for the SSNP. The PIM was adopted by the UGP-FSS.
- b) The PIM considers specificities of the new project to be implemented as well as World Bank’s requirements in terms of reporting and auditing, disbursement and flow of funds, cash transfer management, authorization process for payments

<sup>61</sup> IFAC – International Federation of Accountants



as well as the subsequent controls to be undertaken, budgeting process, stock and assets management, accounting process, contracts' management. Procurement procedures applied by this Project will be in line with the World Bank procurement regulations.

8. **Internal audit.** The recruitment of the internal auditor (IA) is ongoing under the SSNP at the time of the FM assessment. The contract of this IA will be extended to this new project and the recruitment should be finalized no later than six months after the new project is effective. The IA will continuously ensure the effectiveness and efficiency of the governance, risk management and control over the project's activities. A risk-based audit program will be developed. During the project implementation, the IA will undertake at least one review per semester. The IA will prepare after each audit a report for the coordination and will share with the World Bank.

9. **Financial reporting.** The UGP-FSS will prepare consolidated quarterly un-audited IFRs for the project. The IFR format to be used has been agreed with the World Bank. These IFRs will be submitted to the World Bank within 45 days after the end of the quarter to which they relate. The annual financial statements will be prepared using international accounting standards. At the end of each fiscal year, the project will prepare annual financial statements which will be subjected to an external audit.

10. **Staffing.** The UGP-FSS will maintain the existing FM staff both at national and regional levels to perform FM tasks stemming from this new project. The UGP-FSS will undertake an annual performance assessment of the staff prior to the renewal of their contract.

11. **Flow of Funds and disbursement arrangements.** The UGP-FSS will open the Designated Account (DA) denominated in local currency KMF (Franc Comorien) to receive funds from the World Bank. This account will be opened at an acceptable bank to enable payment of eligible expenditures.

12. **Disbursement arrangements.** Report-based disbursements will be used. An initial advance up to the ceiling of the DA and representing six months forecasted project expenditures payable through the DA will be made into the DA. Subsequent disbursements will be made quarterly against submission of the IFRs or other documents as specified in the Disbursement and Financial Report Information Letter (DFIL).

13. **External Audit.** The financial statements of the project will be audited annually. The audit report will be submitted to the World Bank no later than six months after the end of each financial year. The project will comply with the World Bank Access to Information Policy 2010.

### **Governance and accountability**

14. To prevent from possibility of corrupt practices including bribes, abuse of administrative and political positions, mis-procurement and misuse of funds, robust FM arrangements (effective internal control and IA arrangements) will be in place. In addition, the World Bank FM and procurement supervisions plan will be tailored to help mitigate this risk.

15. The PIM will apply the Bank directives and guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (revised as of July 1, 2016).



16. **Supervision plan:** Based on the current overall FM risk, the Project will be supervised at least twice a year. The World Bank will use an enhanced supervision approach and shall supervise the project on an ongoing basis through virtual means and site visits, when possible. The World Bank shall review the SOEs, expenditure, reports, supporting documents, internal and external audit reports, internal controls and the use of assets procured under the project. The World Bank will consider feedback from stakeholders collected through the grievance mechanism in the periodic risk assessment. The World Bank will identify and mitigate any issues during the supervision, including shortage of funds. World bank’s missions will be undertaken to review fiduciary red flags. The World Bank will provide required training to the UGP-FSS/RIUs staff on the World Bank FM and disbursement procedures to make them familiar with these procedures and to ensure that the funds are used for the project purposes.

17. The FM Action Plan described below has been developed to mitigate the overall FM risk.

**Table 3. Financial Management Action Plan**

Remedial action recommended	Responsible Entity	Completion date
Develop the PIM based on the existing manual used by the SSN project and considering the specificities of this new project.	UGP-FSS	Done
Maintain qualified FM staff involved in the implementation of the SSN Project.	UGP-FSS	During project implementation
Finalize the recruitment of a qualified internal auditor.	UGP-FSS	No later than 6 months after the effectiveness
Recruit qualified payment agencies for cash transfers activities and set out robust reporting arrangements.	UGP-FSS	No later than 3 months after the effectiveness Condition for the disbursement of funds from Category 3 of the Financing Agreement