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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR116,6 MILLION

(US\$160 MILLION EQUIVALENT OF WHICH US\$110 MILLION EQUIVALENT FROM THE REFUGEE
SUBWINDOW AND US\$50 MILLION EQUIVALENT FROM THE CRISIS RESPONSE WINDOW)

AND A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF US\$285 MILLION

(OF WHICH US\$110 MILLION FROM THE REFUGEE SUBWINDOW AND US\$50 MILLION FROM THE
CRISIS RESPONSE WINDOW)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A SECOND ADDITIONAL FINANCING TO THE

EASTERN RECOVERY PROJECT

MAY 1, 2020

Social Protection & Jobs Global Practice
Africa Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective: February 29, 2020

Currency Unit = US\$

SDR 0.73 = US\$1

US\$1.37 = SDR 1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AM	Accompanying Measures
CC&CV	Climate Change and Climate Variability
CCP	Provincial Consultative Committee (<i>Comité Consultatif Provincial</i>)
CDD	Community-Driven Development
CERC	Contingent Emergency Response Component
CFW	Cash-for-Work
CLD	Local Development Committee (<i>Comité Local de Développement</i>)
CMU	Country Management Unit
CNR	National Commission for Refugees (<i>Commission Nationale pour les Réfugiés</i>)
CRI	Corporate Results Indicator
CRW	Crisis Response Window
CWG	Cash Working Group
DRC	Democratic Republic of Congo
ESMF	Environmental and Social Management Framework
FM	Financial Management
FSRDC	Social Fund of DRC (<i>Fonds Social de la République Démocratique du Congo</i>)
GBV	Gender-Based Violence
GBV/SEA/H	Gender-Based Violence/Sexual Exploitation and Abuse/Harassment
GDP	Gross Domestic Product
GEMS	Geo-Enabling Initiative for Monitoring and Supervision
GIS	Geographic Information System
GP	Global Practice
GRM	Grievance Redress Mechanism
HCI	Human Capital Index
HDP	Humanitarian-Development-Peace
ICT	Information and Communication Technology
HDI	Human Development Index
IDA	International Development Association
IDA18	The 18 th Replenishment of IDA
IDP	Internally Displaced Person
IE	Impact Evaluation
IPF	Investment Project Financing
IPPF	Indigenous Peoples Planning Framework
ISR	Implementation Status & Results Report
IRS	Integrated Response Strategy
ISSSS	International Security and Stabilization Support Strategy
JMAC	(United Nations) Joint Mission Analysis Center
KPI	Key Performance Indicator
LIPW	Labor-Intensive Public Works
MARTA	Monitoring Automated for Real-Time Analysis
M&E	Monitoring and Evaluation
MINAS	Ministry of Social Affairs (<i>Ministère des Affaires Sociales</i>)

MONUSCO	United Nations Organization Stabilization Mission in the DRC (<i>Mission de l'Organisation des Nations Unies pour la Stabilisation en RDC</i>)
NDC	Nationally Determined Contributions
ND-GAIN	Notre Dame Global Adaptation Initiative
NGO	Non-Governmental Organization
NPF	New Procurement Framework
NSDP	National Strategic Development Plan
OHS	Occupational Health and Safety
OP	Operational Policy
PBA	Performance-Based Allocation
PDO	Project Development Objective
PHEIC	Public Health Emergency of International Concern
PIE	Project Implementing Entity
PPP	Project Procurement Plan (<i>Plan de Passation des Marchés</i>)
PPSD	Project Procurement Strategy for Development
PTI	Project Targeting Index
RCT	Randomized Control Trial
RPF	Resettlement Policy Framework
RSW	Regional Sub-Window for Refugees and Host Communities
SRA	Security Risk Assessment
SRP	Strategic Response Plan to the EVD Epidemic
STAREC	National Stabilization and Reconstruction Program (<i>Programme national de Stabilisation et de Reconstruction</i>)
STEP	Eastern Recovery Project (<i>Projet pour la Stabilisation de l'Est de la RDC pour la Paix</i>)
TTL	Task Team Leader
UCT	Unconditional Cash Transfer
UN	United Nations
UNDSS	United Nations Department for Safety and Security
UNDP	United Nations Development Programme
UNHAS	United Nations Humanitarian Air Service
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
WB	World Bank
WBG	World Bank Group
WFP	World Food Programme
WHO	World Health Organization

Congo, Democratic Republic of

Second Additional Financing to the Eastern Recovery Project

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BASIC INFORMATION – PARENT (DRC Eastern Recovery Project - P145196)

Country Congo, Democratic Republic of	Product Line IBRD/IDA	Team Leader(s) Paul G. A. Bance		
Project ID P145196	Financing Instrument Investment Project Financing	Resp CC HAFS2 (9346)	Req CC AFCC2 (6546)	Practice Area (Lead) Social Protection & Jobs

Implementing Agency: DRC Social Fund (FSRDC)

Is this a regionally tagged project?

No

Bank/IFC Collaboration

No

Approval Date 27-Feb-2014	Closing Date 30-Jun-2020	Expected Guarantee Expiration Date	Original Environmental Assessment Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
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Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input 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 checked="" 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)	



Development Objective(s)

The project development objective is to improve access to livelihoods and socio-economic infrastructure in vulnerable communities in the eastern provinces of DRC.

Ratings (from Parent ISR)

	Implementation				
	18-Apr-2018	17-Sep-2018	18-Jan-2019	30-Jul-2019	07-Feb-2020
Progress towards achievement of PDO	S	MS	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MS	MS
Overall Safeguards Rating	MS	MS	MS	MS	MS
Overall Risk	H	H	H	H	H

BASIC INFORMATION – ADDITIONAL FINANCING (STEP Second Additional Financing - P171821)

Project ID P171821	Project Name STEP Second Additional Financing	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints Yes
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 15-May-2020	
Projected Date of Full Disbursement 26-Feb-2024	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			



Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-Linked Indicators (DLIs)	<input 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 checked="" 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 checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD				<div style="width: 0%;"></div>	%
IDA	129.10	118.08	3.68	<div style="width: 97%;"></div>	97 %
Grants	4.67	4.67		<div style="width: 100%;"></div>	100 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (STEP Second Additional Financing - P171821)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	129.10	445.00	574.10
Total Financing	129.10	445.00	574.10
of which IBRD/IDA	129.10	445.00	574.10
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing



World Bank Group Financing

International Development Association (IDA)	445.00
IDA Credit	285.00
IDA Grant	160.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Congo, Democratic Republic of	285.00	160.00	0.00	445.00
National PBA	125.00	0.00	0.00	125.00
Refugee	110.00	110.00	0.00	220.00
Crisis Response Window (CRW)	50.00	50.00	0.00	100.00
Total	285.00	160.00	0.00	445.00

COMPLIANCE

Policy

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

Yes No

Does the project require any other Policy waiver(s)?

Yes No

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Fragile, Conflict & Violence

Climate Change and Disaster Screening

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

**PROJECT TEAM****Bank Staff**

Name	Role	Specialization	Unit
Paul G. A. Bance	Team Leader (ADM Responsible)	TTL (Operations)	HAFS2
John A. Elder	Team Leader	Co-TTL (Policy Dialogue)	AFRDE
Jean-Claude Azonfack	Procurement Specialist (ADM Responsible)	Procurement	EA2RU
Bertille Gerardine Ngameni Wepanjue	Financial Management Specialist (ADM Responsible)	Financial Management	EA2G2
Joelle Nkombela Mukungu	Environmental Specialist (ADM Responsible)	Environmental Risk Management	SAFE3
Richard Everett	Social Specialist (ADM Responsible)	Social Risk Management	SAFS3
Aissata Coulibaly	Team Member	Economic Analysis	HAFS1
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Caroline Bahnson	Team Member	Forced displacement	GTFOS
Elena Segura Labadia	Counsel	Legal	LEGAM
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Ines Melissa Emma Attoua ETTY	Team Member	Finance	WFACS
Ingrid Cesarine Meka	Team Member	Disbursement	WFACS
Laura Ximena Bermeo Rojas	Team Member	M&E and Database management	HAFS2
Lucie Lufiauluisu Bobola	Team Member	Administration	AFCC2
Lydie Anne Billey	Team Member	Administration	HAFS2
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Paul Maximilian Bisca	Team Member	Risk Analysis	GTFOS
Pierre Joseph Kamano	Team Member	HD Coordination	HAFD2
Sophie Christelle Grumelard	Procurement Team	Social Protection	HAFS2



Yasmine Binti Sangwa	Team Member	Administration	AFCC2
Zule Kibangu Kakule	Team Member	Security	GCSGO
Extended Team			
Name	Title	Organization	Location



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

- 1. This Project Paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) of US\$445 million equivalent to the Eastern Recovery Project in the Democratic Republic of Congo (DRC).** In support of the 2013 peacebuilding process, this project – known locally and hereinafter as *Projet pour la Stabilisation de l’Est de la RDC pour la Paix* (STEP) – was approved in February 2014 “to improve access to livelihoods and socio-economic infrastructures in vulnerable communities in the DRC eastern provinces.” The initial US\$79.1 million grant was topped up with US\$50 million in December 2015 for STEP to also tackle the growing issue of forced displacement in the region. STEP’s current Closing Date is June 30, 2020.
- 2. This AF (STEP 2) responds to the Government’s renewed request for emergency support on December 10, 2019.** The country context is one of overlapping crises including forced displacement, the Ebola outbreak, and persistent fragility, conflict, and violence (FCV) in several provinces. STEP 2 will hence draw on the rapid response mechanisms created under IDA18, namely: (i) a US\$100 million allocation from the Crisis Response Window (CRW); and (ii) a US\$220 million allocation from the Regional Sub-Window for Refugees and Host Communities (RSW). These amounts will be added to a national IDA performance-based allocation (PBA) of US\$125 million.
- 3. The Project Development Objective (PDO) will remain unchanged except for its geographic scope, in order to expand the reach of the project to other regions of the country affected by crises.** It will now read as: “to improve access to livelihoods and socio-economic infrastructures in selected vulnerable communities in the DRC.” This new operation will target 1,000 communities across DRC that are (i) responding to the Ebola crisis, (ii) hosting a large number of refugees, and/or (iii) rebuilding destroyed infrastructures and reintegrating ex-combatants.
- 4. The architecture of the project’s components will be upgraded to streamline implementation and management.** *Component 1 –Community Support* will maintain its focus on community engagement and basic infrastructures. *Component 2 – Livelihoods and Employment Generation* will finance a social safety net program including: (i) labor-intensive public works (LIPW); (ii) unconditional cash transfers (UCT); and (iii) accompanying measures (AM). *Component 3 – Capacity Building* will promote country systems and policies with targeted institutional reforms. *Component 4 – Project Management* has been created to strengthen project administration and monitoring. Last, *Component 5 – Contingent Emergency Response Component (CERC)* will be added to provide emergency support in response to new crises.
- 5. The project’s institutional and fiduciary arrangements will be kept the same, with the DRC Social Fund (Fonds Social de la République, FSRDC) as Project Implementing Entity (PIE).** However, accountability to the Government and the public will be increased with a performance-based mechanism. Stronger partnerships will also be forged, especially with the Ministry of Social Affairs (*Ministère des Affaires Sociales, MINAS*) and the National Commission for Refugees (*Commission Nationale pour les Réfugiés, CNR*).

A. Country Context

- 6. The current level of vulnerability and poverty is unprecedented in DRC’s history, jeopardizing peacebuilding and development efforts.** The fast-growing DRC population is repeatedly exposed to covariate shocks with devastating



economic and social consequences. DRC ranks third to last in the world in terms of Gross Domestic Product (GDP) at purchasing power parity per capita at US\$747 (International Monetary Fund 2020¹). Two-thirds of the population lives below the poverty line. DRC has the second highest number of poor people in Africa and is set to become the biggest reservoir of poor in the world with current trends (World Bank (WB) 2020²). About 15.6 million people need humanitarian assistance (Office for the Coordination of Humanitarian Affairs (UNOCHA) 2019³) and about 900,000 are refugees in neighboring countries (United Nations High Commission for Refugees (UNHCR) 2019⁴). The country ranks 146/157 on the Human Capital Index (WB 2018) and 176/189 on the Human Development Index (United Nations Development Program (UNDP) 2018). It is also third for both population size and fertility rate in Sub-Saharan Africa (WB 2020⁵).

7. **Political instability, poor governance, and weak state institutions are the main factors that explain the persistent poverty in DRC** (WB 2018⁶). Despite the action of the United Nations Organization Stabilization Mission in the DRC (MONUSCO), the largest peacekeeping mission in the world, parts of the territory continue to be disputed by violent armed groups. Chronic conflict and high levels of violence have had a devastating impact: as an example, two million children in eastern DRC do not have access to education due to the conflict that has destroyed or damaged schools. Sexual and Gender-Based Violence (GBV) is prevalent (United Nations Population Fund 2020⁷) and represents a significant barrier to women's full engagement in social and economic life. Addressing these dynamics are prime objectives for the International Security and Stabilization Support Strategy (ISSSS), which defines stabilization as "an integrated, holistic, but targeted process of enabling state and society to build mutual accountability and capacity to address and mitigate drivers of conflict, creating the conditions for improved governance and longer term development." The ISSSS is implemented by MONUSCO and the Government to operationalize DRC's National Stabilization and Reconstruction Program (STAREC), and aims at delivering tangible peace dividends and reinforcing political engagement in support of the stabilization process.

8. **DRC hosts almost 530,000 refugees, one of the largest numbers in Africa** (UNHCR 2019⁸). Almost all refugees live in rural areas and 75 percent live outside camps; 60 percent are children and another 20 percent are women. Refugees currently account for 0.6 percent of the population, but they are concentrated in remote and insecure border areas, where they account for a much larger share of the local population. More specifically, DRC's refugees include (a) 215,518 people from Rwanda primarily located in the East; (b) 171,581 from the Central African Republic in the northwest; (c) 88,203 from South Sudan living in the northeast; and (d) 47,259 from Burundi in the East. About three million people are also internally displaced (Internal Displacement Monitoring Center 2019⁹); a number that hides the many people who are displaced for shorter periods of time and the many who manage to return. All of the refugees are deemed to be in need of humanitarian assistance, along with 15 million Congolese (OCHA 2020¹⁰).

¹ IMF (2020). *World Economic Outlook*.

² The World Bank (2020). *The World Bank in DRC, Overview*. [online].

³ OCHA (2019) *Democratic Republic of Congo, Humanitarian Needs Overview*.

⁴ UNHCR (2019) *Democratic Republic of Congo, Fact Sheet*.

⁵ The World Bank (2020). *World Bank Open Data*. [online].

⁶ The World Bank (2018). *Congo, Democratic Republic of - Systematic country diagnostic*. Washington, D.C.: World Bank Group.

⁷ United Nations Population Fund. (2020). *Adolescents and Youth Dashboard - Congo, the Democratic Republic of the*. [online].

⁸ UNHCR (2019). *Democratic Republic of Congo, Fact Sheet*.

⁹ IDMC (2019). *Global Report on Internal Displacement 2019*.

¹⁰ OCHA (2020). *Democratic Republic of Congo, Strategic Response Plan*.



9. **Since 2018, DRC has been confronting the worst Ebola outbreak in its history and the second most deadly in the world** (WHO 2020¹¹). In addition to the extremely challenging situation described above, as of April 15, 2020 more than 3,440 Ebola cases had been reported with a fatality rate of 66 percent. National and international efforts to contain the epidemic have been hampered by insecurity: over 300 incidents against health workers were recorded in 2019 (OCHA 2019¹²). In particular, community resistance to the public health response is fueled by (i) disregard for existing local public authorities and community structures; (ii) absence of redistributive impacts despite unprecedented financing; (iii) distrust of external actors following decades of violence and neglect; and (iv) collective fear of the disease and of response practices sometimes considered invasive.

10. **The impacts of climate change are noticeable throughout the country through adverse effects that pose risks to sustainable development.** DRC is witnessing extreme rain and flood events leading to soil erosion and degradation, a prolongation of the dry season, and an increase in drought periods during the rainy seasons. Subsistence farmers, the urban poor, and women are especially vulnerable (WB 2018¹³). The number of food-insecure people doubled from 7.7 million in 2017 to 15.6 million in 2019, making access to food a daily struggle for a significant part of the population. An estimated five million children are acutely malnourished (UNICEF 2019¹⁴).

11. **Despite these formidable challenges, the country experienced its first peaceful transfer of power in 2018 and may be at a turning point.** Support for the Government's efforts to address overlapping crises may catalyze more sustainable pro-poor policies, e.g. free primary education, and initiate a cycle of positive, self-reinforcing initiatives to increase the resilience of the country and its population.

B. Sector Context

12. **Some progress on policy and institutional development has been made over the recent years.** In 2017, the Government adopted a comprehensive Social Protection National Policy. An ensuing strategy and action plan were elaborated based on findings from analytical work, including (i) a social safety nets assessment; (ii) an institutional diagnostic of MINAS; (iii) a review of targeting mechanisms; (iv) a feasibility study for delivery systems; and (v) a public expenditure review. Promoting inclusive growth, investing in human capital, and boosting good governance are all pillars of DRC's new National Strategic Development Plan (NSDP, 2019-2024). In October 2019, President Tshisekedi also launched a new program to fight poverty and inequality focused on improving access to socio-economic infrastructures and services in rural areas, supporting local economic development, and building capacity of the provincial and local institutions.

13. **These encouraging policy developments have been possible due to the sustained financial and technical support from the international community,** including bilateral donors, UN agencies, and international NGOs involved in the recovery and resilience agenda. A Social Protection Donor Group, co-led by the World Bank (WB) and United Children's Fund (UNICEF), is part of the international aid architecture in DRC. A network of Cash Working Groups (CWGs), co-led by

¹¹ WHO (2020). Ebola in the Democratic Republic of Congo, Health Emergency Update. <https://www.who.int/emergencies/diseases/ebola/drc-2019>.

¹² OCHA (2019). *RD Congo - Ituri et Nord-Kivu : Etat de la riposte de la Maladie à Virus Ebola (Juin 2019)*.

¹³ World Bank (2018). *Congo, Democratic Republic of - Systematic country diagnostic*. Washington, D.C.: World Bank Group.

¹⁴ UNICEF (2019). *UNICEF DRC in 2018 report*.



OCHA and Mercy Corps at the national level, is also active and a key partner for social safety net programming. In-country consultations with all key international actors have informed the preparation of this new operation.

14. **However, DRC has no national social protection system to identify and register vulnerable people.** There is no national registry and safety net programs remain fragmented, poorly funded, and with limited impact. They cover just two percent of the country's population, below the five percent average in Central Africa (WB 2018¹⁵). The unit cost for delivering social safety net services is high due to limited physical and technological infrastructure, constrained access to the vulnerable population because of insecurity, and lack of country delivery mechanisms. Total spending on social safety nets is low even by regional standards: only about 0.7 percent of GDP is invested in social safety nets, virtually all of it funded by international organizations through emergency programs (WB 2019¹⁶).

15. **In order to determine eligibility for the IDA18 RSW, the WB in consultation with UNCHR has concluded that the refugee protection framework is adequate.** DRC has ratified most international conventions on refugees, including (i) the 1951 Geneva Convention and its additional protocol of 1967 and (ii) the 1969 African Union Convention. In its 2018 Letter of Development Policy, the Government commits to promoting the socioeconomic inclusion of refugees at the provincial and local levels, allowing refugees to access all services and giving them the right to move and work. There have been no changes to or progress on the implementation of the legal framework and the Government's strategy since the submission of the eligibility note. CNR is the key Government institution responsible for the legal and administrative protection of refugees and the coordination of related government programs. STEP 2 – the first operation in DRC with RSW financing – will be the strategy's key implementation modality in the short run, concurrently advancing the objective of improving refugees' socio-economic inclusion and strengthening the national and provincial capacities.

16. **The Government's Integrated Response Strategy (IRS) to the Ebola crisis includes a dedicated pillar to assist communities affected by the outbreak.** Along with emergency support to health systems, this multi-sector document calls for (i) community works, (ii) access to social services, and (iii) increased coordination with humanitarian interventions, thereby improving the recovery and resilience of the population, while increasing acceptance and support to the medical teams. FSRDC is leading the first sub-pillar since August 2019, while UNICEF and OCHA are respectively in charge of the other two. This effort has been confirmed in the updated Ebola IRS (January 2020) and in the initial planning discussions on the post-Ebola strategy.

C. Parent Project Status and Results

17. **Despite the very challenging context, STEP is implementing well, with the 'Development Objective' and 'Implementation Status' rated as Moderately Satisfactory for the last two years.** The disbursement rate is at 95 percent. Following initial delays in implementation, all components are on track to reach their target by the current Closing Date in June 2020. Key achievements include (i) more than 850 community infrastructures rehabilitated (schools, health centers, bridges, markets, etc.); (ii) more than 1.3 million days of waged labor for vulnerable people created; (iii) resilience of about 45,000 households improved with improved agropastoral technologies; and (iv) local governance and conflict resolution promoted through the capacity building of almost 5,000 members of Local Development Committees (CLDs).

¹⁵ Kathleen B.; Aline C.; Monsalve E. (2018). *Realizing the Full Potential of Social Safety Nets in Africa*. Washington, D.C.: World

¹⁶ World Bank (2019). *Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE)*.



18. **The project has been present in the seven eastern provinces of the country, covering 500 communities, with an estimated population of about 1.4 million indirect beneficiaries.** FSRDC sub-offices have been operational in the provinces of Tshopo, Ituri, North Kivu, South Kivu, and Tanganyika. Particular attention has been paid to the inclusion of women and forcibly displaced people in the project's activities. Building on its privileged trust relationship with communities, STEP has also deployed in remote and FCV areas, where the operational environment is particularly difficult, e.g. in Ebola-affected areas of North Kivu.

19. **STEP is also the platform for a flagship impact evaluation on social interventions in FCV contexts.** A first Randomized Control Trial (RCT) is testing the added value of variations in the LIPW program, including extra training and/or incentivized savings. A second RCT is looking at differences in the delivery of social infrastructure through the Community-Driven Development (CDD) model. A third one is assessing the efficacy of individual targeting methods for safety nets. The preliminary results of these impact evaluations are factored into the upgraded design of the project. In addition, building on the Geo-Enabling Initiative for Monitoring and Supervision (GEMS), the project developed a simple operational tool to collect geo-coded, time-stamped, digital data directly from the field and automatically feed it into a centralized Monitoring & Evaluation (M&E) system.

20. **Component 1: Community Support** (*US\$51 million equivalent*) finances community socioeconomic infrastructure subprojects. Building on the CDD approach, it also facilitates community participation in local decision-making processes and conflict resolution.

21. *Progress under Component 1 is Moderately Satisfactory.* Out of a total of 500 subprojects scheduled to be completed, 367 have been completed, of which 174 are in communities affected by forced displacement, and 52 are on-going. Annual technical audits by an external engineering firm have confirmed the quality and quantity of STEP's infrastructures. In addition, 194 CLDs have been created, or reinforced when pre-existing the project, to support community outreach, infrastructure planning and maintenance, and conflict prevention. Communities have adopted 369 conflict resolution action plans but without immediate evidence of improved social cohesion.

22. **Component 2: Livelihoods and Employment Generation** (*US\$51 million equivalent*). This component provides short-term employment and sustainable livelihood options. These are (i) LIPW carried out in urban centers and rural corridors; and (ii) support to agro-pastoral activities to increase resilience in rural areas by boosting production and productivity.

23. *Progress under Component 2 is Moderately Satisfactory.* Almost 16,000 individuals have already benefited from the LIPW program. About 800 km of feeder roads have been rehabilitated, including about 500 road structures (gutters, bridges, etc.). However, the unskilled labor/cost of subproject ratio has not been as high as expected, suggesting there is room for improvement in the redistribution impact of LIPW. In terms of sustainable livelihoods, almost 45,000 rural households have been assisted with in-kind transfers (seeds, tools, etc.) and technical assistance.

24. **Component 3: Capacity Building** (*US\$27.10 million equivalent*). This component was designed to support the capacity building of local stakeholders, as well as FSRDC staff and implementing partners. It also includes the project's management costs.



25. *Progress under Component 3 is Moderately Satisfactory.* The project has financed more than 50,000 days of training for local authorities, civil society organizations, community leaders and small enterprises involved in the implementation of the project to increase their management, local development planning and fiduciary capacities. Lack of attention to systematic coordination of the capacity building efforts has limited their impact on structuring and reinforcing the sector.

26. **STEP has also supported the response to the Ebola crisis.** Building on its previous experience in the region, FSRDC designed an emergency Cash-For-Work (CFW) program to sustain the resilience of communities, support the local economy, maintain priority infrastructure, and strengthen social cohesion. This pilot quickly reached more than 12,000 beneficiaries, 50 percent of which women, in Ebola hotspots and is now being scaled-up to 100,000 beneficiaries with CERC financing from another project.

27. **There are no unresolved legal and fiduciary issues.** All legal covenants have been complied with. An Enhanced Fiduciary Review of STEP has been completed in April 2019 by the Governance Global Practice (GP): financial management and procurement have been carried out in accordance with the WB's guidelines. Financial management and procurement ratings are both Moderately Satisfactory. There are no outstanding audit reports and all audit reports were found acceptable to the WB.

28. **STEP is classified as a Category-B project as per Operational Policy (OP) 4.01 (Environmental Assessment).** The potential adverse environmental impacts associated with its activities are generally small-scale and site-specific. Several social and environmental safeguards policies were triggered, and the relevant safeguards instruments have been developed, disseminated, and applied in accordance with the policies. No major unexpected safeguards issues or breaches have been reported during the implementation of the project. However, Environment and Social Incident Reports are filed regularly given the challenging operating environment.

D. Lessons learned for the Design of the Additional Financing

29. **Scattered interventions limited the potential for stronger impact and cost efficiency.** While STEP achieved good results, its interventions were widely spread out and far from FSRDC's provincial offices. It made supervision challenging and costly, while missing an opportunity to draw on complementarities between the project's components. In addition, the large number of individual activities, implemented in isolation, combined with the multitude of interlocutors involved, often stretched FSRDC's capacity. Timely monitoring of the different indicators has been challenging too, thereby decreasing the reliability of reported results.

30. **The sole focus on delivery weakened sustainability.** STEP was effective in improving access to services, also in hard-to-reach areas. However, the lack of attention paid to system-building revealed a sustainability gap. While the project delivered large numbers of community infrastructures and temporary jobs, it has had no influence on social policies or sector reforms, thus limiting the project's ability to improve social outcomes for the most vulnerable beyond the short-term.

31. **The impacts on improved local governance are mixed.** Beyond anecdotal evidence, it has been difficult to systematically identify the impact of STEP's investments on local capacity building and evaluate the cost-effectiveness of



supporting CLDs and other community structures. This assessment is consistent with the extensive literature on CDD interventions in FCV, as well as recent impact evaluations of CDD programs in DRC, e.g. DFID-funded Tuungane program. It calls for an increased attention to the actual role of CLDs—rather than their status and composition—to ensure they are effective in providing services to communities.

32. **Targeting Eastern DRC is no longer enough.** The project’s geographic focus on the East was a logical choice, given the country context at the time of preparation (M23 rebellion). It was in fact aligned with the ISSSS – designed to address stabilization in the East. However, in the last few years, DRC has seen new crises emerge, notably in the Kasai, as well as cyclical and protracted presence of refugees from neighboring countries. This evolving context highlighted the need for the project to deploy to new regions of DRC, so that FSRDC can expand its coverage of social transfers to areas in need.

33. **The evolving context pointed to the need for STEP to upgrade its approach toward safety nets.** STEP delivered basic social transfers (LIPW and some cash grants) and provided some training to beneficiaries, but the approach has not evolved toward structured safety nets as in most other social protection programs in Sub-Saharan Africa. As most donors and implementing agencies in DRC are increasingly delivering aid in the form of UCT, there is a window of opportunity for STEP to evolve into a comprehensive safety net by (i) adding UCT to its “toolbox” and (ii) designing an appropriate package of AM. The intention will be to gradually harmonize the different programs around the most effective practices and delivery systems identified among partners.

34. **Implementation revealed a gap in the project’s flexibility to respond to crises.** While FSRDC has been able to respond swiftly to the Ebola crisis, the experience highlighted gaps in operational flexibility and adaptability. It also showed the need for the Government to have an institution like FSRDC being able to deploy quickly. Meanwhile, the response to the Ebola crisis demonstrated the importance for the project to work along the Humanitarian-Development-Peace (HDP) nexus, as much as the challenge of alignment (or lack thereof) with humanitarian and country systems, e.g. absence of social registry. There is thus an opportunity for the project to work toward developing a safety net that can respond to various shocks and crises, e.g. conflict, flood, epidemics.

E. Rationale and Justification for Additional Financing

35. **As DRC is facing multiple crises that may derail new efforts towards peace and development, STEP 2 will scale up a delivery model that has a proven track record of building-up resilience.** The mix of the Ebola epidemic, forced displacement, and protracted FCV – and more recently the COVID-19 pandemic – is putting the new Government to the test. It calls for strengthening the Government’s capacity and agility to respond to crises in provinces where the population remains extremely poor and vulnerable. STEP 2 will likely be the prime vehicle for WB support in the DRC to mitigate COVID-19 social impact on poor households. Building on FSRDC’s implementation mechanisms, field experience, and network of partners, STEP 2 will intensify and expand successful activities in priority areas. FSRDC has strong operational and fiduciary teams in place and can rely on its network of sub-offices for a rapid surge in activities.

36. **STEP 2 also provides an opportunity to restructure the project for increased development effectiveness by adding support to a medium-term reform agenda on social protection systems and policies.** Complementing its successful delivery model in crisis situations, the project will leverage its reputation, experience, and resources to support the participatory development of a national social safety net system. FSRDC will work closely with other stakeholders, especially MINAS and CNR, in a build-out of the foundations of an inclusive country system (targeting policy, social



registry, payment platform, and redress mechanism) that the Government and its partners can use to implement national social policies and increase the coverage, efficiency, and generosity of social cash transfers.

37. **Last, this new phase of the project will allow for incorporating into the design the latest corporate strategies, advances in social protection research, and the country's partnership priorities.** The updated project will be notably aligned with: (i) the just-released WB's FCV Strategy (2020-2025), seeking to enhance the WBG's effectiveness to support countries in addressing the drivers and impacts of FCV; (ii) the Global Compact on Refugees (2018), stressing the need to support host communities and facilitate refugees' self-reliance, as well as the IDA 18 RSW objective of facilitating sustainable solutions to protracted refugee situations; (iii) the WB's Social Protection Strategy (2012-2022), promoting resilience, equity and opportunity, along with renewed international commitments during the World Humanitarian Summit (2016) to increase cash-based assistance and strengthen social protection country systems; (iv) the Human Capital Project (2019-2025), for which DRC is an early adopter; (v) the WB's Africa Region Strategy (2019-2023), calling for investing in human capital, jobs, digital technologies, and dealing with FCV drivers; and (vi) the analysis of binding constraints in the DRC Systematic Country Diagnostic (2018) and strategic guidance for portfolio consolidation, geographic concentration, and coordination of projects in the preparation of the upcoming Country Partnership Framework.

II. DESCRIPTION OF ADDITIONAL FINANCING

38. **Drawing on lessons learned from the implementation of the parent project, STEP 2 takes into consideration the difficult operational environment of the country and its rapidly changing circumstances.** In so doing, principles of engagement – rather than a prescriptive blueprint – will be adopted, as follows, and reflected throughout the different operations manuals:

- (a) Concentration and synergies in key provinces: Given the size of the national territory and its regional specificities, STEP 2 will expand beyond the eastern provinces – but still focus on a limited set of regions – and increase the concentration of activities within these selected regions, in line with the strategy agreed between the Country Management Unit (CMU) and the Government. In addition, this operation will systematically coordinate and find synergies with other WB-funded projects, e.g. transport and education, as well as key partners, e.g. MONUSCO and UNICEF.
- (b) Operational flexibility: The project design allows for rapid adaptation, because of: (i) largely unknown local capacities and opportunities; (ii) a volatile environment and significant regional disparities; and (iii) limited data for most parts of the territory. Project implementation will thus be modular, iterative, and incremental, learning from successes and failures as the project moves to new areas and faces new challenges.
- (c) Simple implementation process: The design of activities has been simplified, since the risk of failures and delays in delivery increases with operational sophistication in DRC's volatile environment. The use of a simple delivery framework, e.g. positive list for infrastructure and unique LIPW contract, will ensure readiness, quality standards, cost-effectiveness, and economies of scale. It will also facilitate reporting and public accountability.
- (d) Do no harm: Given the contested areas in which the STEP 2 may operate, FSRDC must ensure that implementation does not inadvertently exacerbate tensions or put beneficiaries at risk. To this end, the



project will continue to engage inclusively with local powerbrokers, existing institutions, including informal ones, and communities. A ‘conflict-scan’ remains mandatory before any intervention in a new community.

39. **Table 1 provides a summary of the scale-up and restructuring features introduced by this AF.** The key proposed upgrades include (i) a revised geographic targeting strategy to concentrate activities in areas where the project can have a stronger development impact; (ii) coordinating support to both the supply and demand of social services by developing a comprehensive social safety net program; and (iii) introducing support to policies and systems to build a country system for social protection, including a social registry.

Table 1: Summary of Proposed Changes

	Parent Project	Additional Financing	Proposed Change
Strategic objectives	Stabilization	Recovery and Resilience	+
Project development objective	Access to livelihoods and socio-economic infrastructures	Access to livelihoods and socio-economic infrastructures	=
Beneficiaries	Vulnerable communities	Vulnerable communities, with an added focus on refugee-hosting and Ebola-affected communities	+
Geographic scope	Eastern DRC → scattered interventions	Eastern DRC and two other regions → sub-provincial targeting	+
Activities	CDD; LIPW and asset transfers	CDD; LIPW and cash transfers; and system-building	+
Flexibility	N/A	CERC	+
Sponsorship	Ministry of Finance	Ministry of Finance	=
Executing agency	FSRDC	FSRDC	=
Partnerships	N/A	Humanitarian-Development-Peace nexus (MINAS, CNR, UNHCR, Ebola Coordination, MONUSCO, etc.)	+

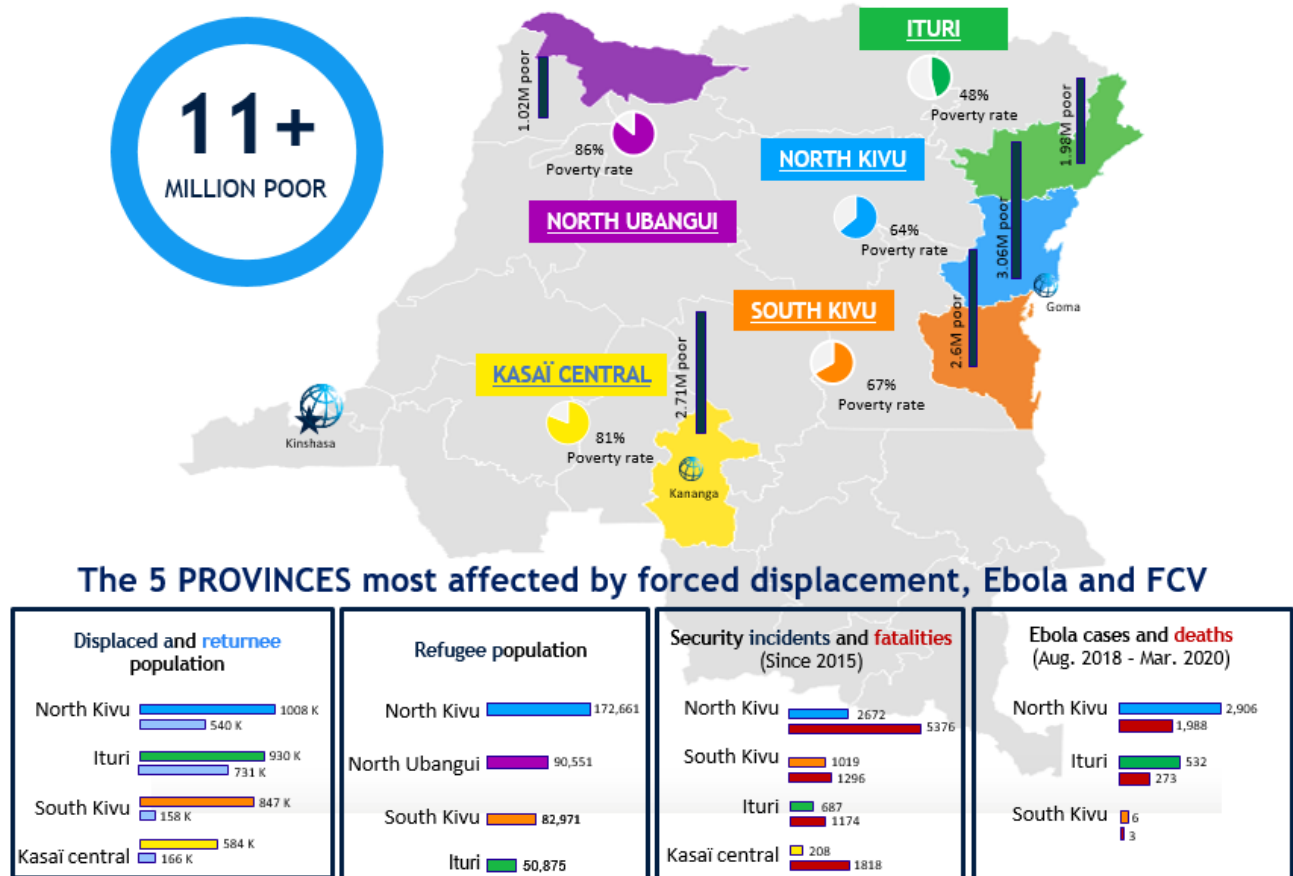
A. Project Development Objective and Beneficiaries

40. **The PDO will change to reflect the change in geographic scope, in order to expand the reach of the project to other regions of the country affected by crises.** It will now read as: *“to improve access to livelihoods and socio-economic infrastructures in selected vulnerable communities in the DRC.”*



41. The additional funds will enable the project to reach an additional 1,000 communities that are (i) responding to the Ebola crisis, (ii) hosting a large number of refugees, and/or (iii) rebuilding destroyed infrastructures and reintegrating ex-combatants. These communities will be selected in the provinces the most affected by a combination of poverty, FCV and forced displacement: Ituri, Kasai Central, North Kivu, North Ubangui, and South Kivu.

Figure 1: Map of Provinces and Key Statistics



42. A zoning strategy will be applied within these provinces to spatially allocate resources to priority areas. A project targeting index (PTI) is being developed to identify these areas within each province and select the benefiting 1,000 vulnerable communities. Data to build geospatial analysis on indicators of poverty, refugees and other forcibly displaced, conflict, access to services, other projects' location, etc. have been collected to feed into this index and determine a vulnerability score. This approach will be completed by an attempt to develop a typology of DRC communities based on satellite, high-resolution imagery and machine learning (predicting geographic level poverty and vulnerability based on a limited set of reliable metrics).

43. While the project will help the overall population of these 1,000 communities, the project will specifically support 500,000 direct beneficiaries and an estimated 2.5 million indirect beneficiaries. The direct users of the improved social infrastructures (students, patients, etc.) are projected at 200,000 individuals, while the safety net



program will cover 300,000 individuals. Calculations of indirect beneficiaries are based on the household size of direct beneficiaries, accounting for possible duplicates, e.g. schooling of multiple children from the same household. Refugees will be eligible beneficiaries for all project activities: more than 50 percent of the refugee population in DRC will be positively impacted by the project. The additional focus on social systems and policies will eventually benefit an unquantifiable but large share of the poor and vulnerable population in DRC.

B. Key Indicators and Results

44. **The project's results framework has been updated to (i) provide a clearer picture of the project's achievements and impact; (ii) account for restructured and scale-up activities; and (iii) ensure accurate operational reporting.** For clarity and accountability, Table 6 in Section VIII offers a simplified version of the project's results framework, including actual and cumulative targets for the parent project (STEP) and the additional financing (STEP 2).

45. **The achievement of the PDO will be measured against the following Key Performance Indicators (KPIs) for the additional financing:**

- a. Number of vulnerable communities benefiting from the project (+1,000)
- b. Number of improved community infrastructures (+2,000)
- c. Total amount of social transfers distributed by safety net programs (+US\$100 million)
- d. Number of persons enrolled in the social registry (+1,800,000)

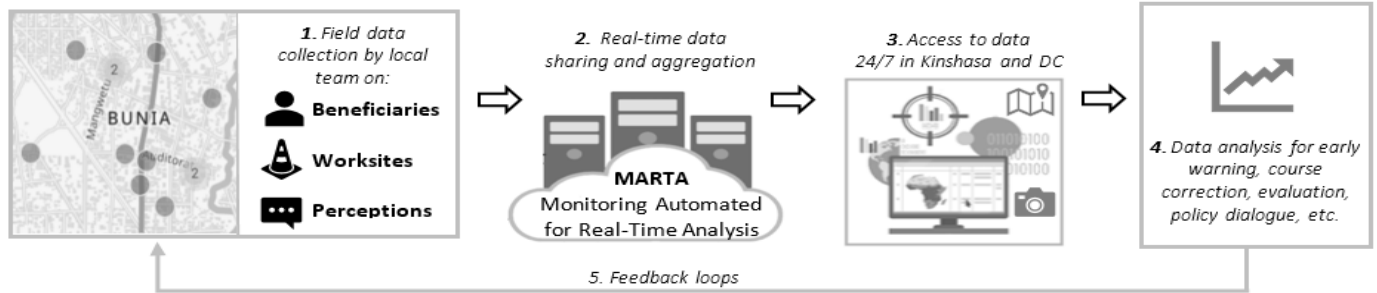
46. **All indicators are disaggregated by gender, status (e.g. refugees), and location (e.g. Ebola areas) as needed.** Special attention is paid in the updated results framework to facilitate accountability for the use of the RSW and CRW financing. Corporate Results Indicators (CRI) are also used for aggregation at the IDA portfolio level.

47. **The methodology for data collection and analysis has also been updated to leverage the latest technologies.** Building on the GEMS approach, a customized system has been developed and tested to monitor the project's implementation in low-capacity, high-risk, remote environments. Called MARTA for Monitoring Automated for Real-Time Analysis, this set of high-frequency surveys on beneficiaries, work sites, and community perceptions, was successfully piloted by FSRDC with more than 43,700 field surveys (910,000 data points, including photos and GPS coordinates) collected during the initial phase of the social response to the Ebola crisis (Sept. – Dec. 2019) as described in Box 1. Fast-to-deploy, cost-effective, client-friendly and privacy-safe, MARTA will be expanded to all the components of the project.



Box 1: Improving M&E and remote supervision - MARTA

The Social Response to Ebola is a large-scale public works emergency program implemented by FSRDC to provide temporary jobs and income support to the communities affected by the 10th Ebola outbreak in Eastern DRC. The design of this program acknowledged the need for speed and scale to quickly deploy this emergency operation, and the limited capacity for supervision. As a solution the team developed MARTA, a customized system for digital data collection leveraging the use of simple and open source ICT tools.



MARTA has been key in the successful implementation of the program in a low capacity, remote, and high-risk environment.

- Main features:**
- ✓ Fast to deploy
 - ✓ Cost effective
 - ✓ Client friendly
 - ✓ Privacy safe
 - ✓ Fit-for-purpose
 - ✓ Real time data flow

Pilot's results (Sept. – Dec. 2019)

- **43,695** field surveys
- **972** photos
- **910,000+** data points
- GPS coordinates

C. Components and Activities

48. **Revised Component 1: Community Support (US\$152.0 million equivalent).** This component will continue to finance the maintenance, rehabilitation and/or construction of priority socio-economic infrastructures in targeted communities. The infrastructures will still be selected through a bottom-up approach, but now using a positive list focusing on three sectors: education, health, and water and sanitation. These sectors are systematically listed in communities' priority investments under the parent project. Component 1 will also sustain its support to local governance through the CLDs. A charter of services between FSRDC and the CLDs will be signed prior to the start of activities in a benefitting community, defining the community services that CLDs are expected to provide in return for the project's technical and financial support, e.g. maintenance plan for infrastructure, delivery of AMs, outreach for the social registry, and Grievance Redress Mechanism (GRM).

49. **Revised Component 2: Livelihoods and Employment Generation (US\$214.0 million equivalent).** This component will finance the delivery of a comprehensive social safety net to 300,000 new, direct beneficiaries, including refugees. This safety net will include social transfers delivered through public works (LIPW) and UCT, complemented by AM for all beneficiaries. Building on the parent project's experience, the LIPW program will be deployed in *urban* areas, providing temporary jobs to unemployed and improving social infrastructures. In contrast, the UCT will benefit poor and vulnerable in *rural* areas to smooth consumption and increase resilience to shocks. AM will maximize the impact of the social transfers by providing beneficiaries with knowledge and skills focusing on both productive inclusion and human capital. The CLDs will be mobilized to expand the reach of the AM program to the entire community whenever possible.



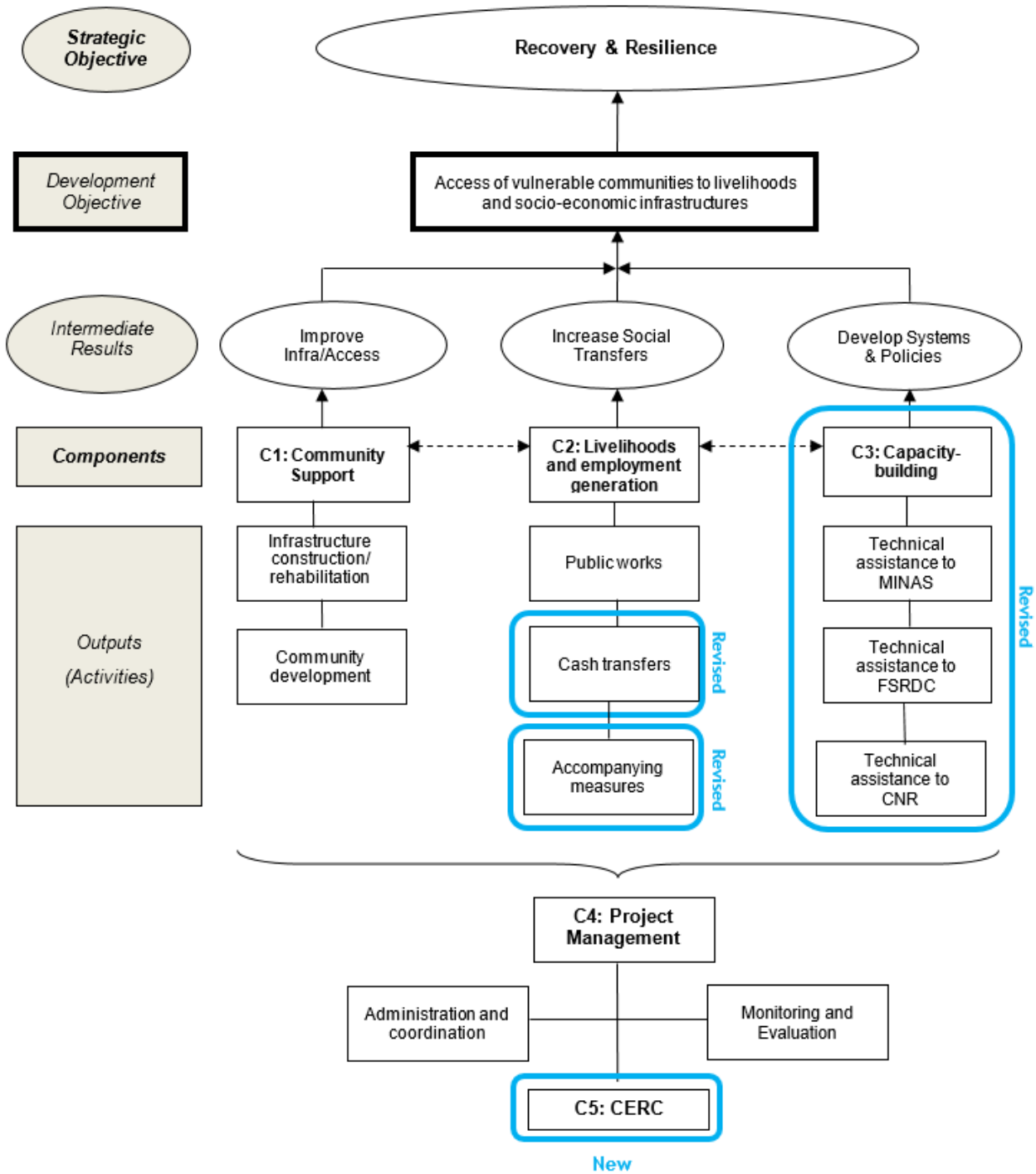
50. **Revised Component 3: Capacity Building (US\$30.0 million equivalent).** This component will finance the structuring of the social protection sector through an original partnership between MINAS (policy and systems), FSRDC (operations and delivery), and CNR (refugee inclusion and preparedness) to set up an inclusive national social safety net, with equal access to refugees. MINAS will be tasked to develop national guidelines for the key building blocks of a country system, namely: targeting, registry, payment, and case management. It will also pilot the establishment of a social registry by expanding the project's beneficiary registry to indirect beneficiaries and integrating refugees from CNR/UNHCR's databases. Support will be provided to CNR to manage databases, promote socio-economic inclusion of refugees, and prepare contingency plans. Last, the project will include a structured technical assistance program accompanying FSRDC's ongoing reform with operational and fiduciary expertise. Appropriate policies and regulations will be put in place to match the best industry standards with regards to data privacy and protection.

51. **New Component 4: Project management (US\$44.9 equivalent).** This component will finance all costs related to the management, audits, communication, and M&E of the project (these costs were included in Component 3 in the parent project, which led to challenging reporting by mixing project benefits and operational costs). In particular, this component will support the modernization of the project's M&E system to supervise implementation in real-time and remotely, track key project indicators and document results. This system piloted by FSRDC during the response to the Ebola crisis also offers great options for information-sharing and coordinated planning with partners.

52. **New Component 5: CERC (US\$0.0 million equivalent).** This zero-fund component will allow the Government to quickly reallocate and mobilize funds in the event of an emergency that would require immediate recovery and reconstruction needs that are not already covered by the project, e.g. a pandemic outbreak like COVID-19, a new displacement crisis or a climate-related shock. The CERC can be used to respond to emergencies across the national territory, i.e. including in areas not initially covered by the project. The Project Operation Manual will be updated to take into account the inclusion of the CERC. In the case of reallocation of funds across components, attention will be paid to respect the principles or rules of the CRW and RSW; in particular, RSW funds that are moved to the CERC may only be used for activities that benefit refugees and host communities.



Figure 2: Project Schematic & Theory of Change





D. Forced Displacement Agenda: RSW

53. **The proposed project supports the objectives of the IDA18 sub-window for refugees and host communities.** Following consultations that were finalized in November 2018, the WB Board of Directors endorsed the WBG management's opinion that DRC meets the eligibility criteria for the RSW. The AF design will specifically aim to support the RSW objectives of facilitating sustainable solutions to protracted refugee situations, including through the sustainable socio-economic inclusion of refugees in the host country (objective (b) of the RSW); through its support to CNR, STEP 2 will also seek to support other aspects of the Government's strategy that are in line with the other three RSW objectives.

54. **The WB has, in consultation with UNHCR, deemed DRC's protection framework to be adequate.** The legal framework that regulates the status and treatment of refugees in DRC incorporates basic principles and standards for refugee protection and allows refugees to access social, justice and other services on the same basis as nationals. There is no history of systematic refoulement, i.e. forcible return of refugees, in DRC and the country largely lives up to its commitment to permit refugees to live and work freely. A backlog in Refugee Status Determination does lead to an increased risk of exploitation and abuse. Most other major risks are shared across with the non-refugee population, as most nationals are also facing significant security risks as well as difficulties with regard to justice, health, and education. The WB, in consultation with the CNR and UNHCR, will closely monitor the continued adequacy of the protection framework throughout project implementation.

55. **STEP 2 is a key element in the WBG's support to the Government's strategy for managing its refugee population.** In 2018, the Government prepared a strategy for the implementation of its progressive policy promoting the socioeconomic inclusion of refugees at the provincial and local levels, in the context of longer-term development. This strategy promotes the following activities, among others: (i) systematically integrate refugees into national service provider systems and into programs targeting vulnerable groups; (ii) build awareness among community stakeholders and civil servants on the implications of the Government's refugee policy; and (iii) build the capacities of CNR and of the relevant ministries at the national, provincial, and local levels to more effectively manage and coordinate their refugee response. Given the challenging realities on the ground, there has been limited progress in the strategy's implementation so far. This operation will thus be key to turn this strategy into action (rather than focusing on additional policies).

56. **Given the progressive policy framework in place for refugees, the main challenge for the refugee response is that everybody – hosts and refugees alike – is underserved and poor.** The project will therefore not target refugees specifically based on their status. Instead, in recognition of the many common development challenges and to preserve social cohesion between the two groups, the project will target based on needs and take proactive steps to ensure that refugees are not disadvantaged in their access. As project implementation will consider the socio-economic differences found across regions, so will activities in each of the regions assess and incorporate the significant differences found between the refugees (origin, demographics, inclusion, development needs, living conditions etc.) of different groups.

57. **The project builds on valuable lessons from the parent project, as well as global experience in terms of reaching refugees.** Although refugees were not targeted specifically under STEP, the project nevertheless provided critical livelihood benefits to displaced populations, refugees as well as Internally Displaced Persons (IDPs). The targeting methodology and thorough social analysis in the areas of intervention, in combination with the ability of refugees to hold employment, have proven to be a strong delivery mechanism in a fluid environment characterized by high levels of displacement. The project will continue to identify obstacles for refugees in accessing project benefits as provided by Components 1 and 2, and to assess how the project responds to the specific vulnerabilities experienced by refugees. IDPs and returnees will also benefit from the project in general, but not through the RSW, unless they are hosts to refugees themselves.



58. **The project is taking a programmatic approach to supporting the Government's commitment to the socio-economic inclusion of refugees.** First, throughout implementation, it will ensure that refugees and other displaced populations have access to project benefits on an equal footing to that of the non-displaced. Second, to institutionalize this inclusive approach, the project will incorporate refugees and other displaced populations into the key building blocks of the national social protection system, e.g. social registry. Third, it will provide support to CNR to lead the national refugee response, across sectors and national stakeholders, and facilitate refugees' access to services and economic opportunities. Finally, the project will be working closely with the humanitarian community to encourage a collective effort in promoting preparedness, managing protracted crises, as well as facilitating coherent humanitarian-development transitions.

59. **As DRC has a progressive legal framework that allows refugees to access services and economic opportunities on the same terms as the national population, refugees will be eligible beneficiaries for all direct project activities.** In addition, refugees will benefit from the project's support to strengthen the capacity of the CNR to reinforce their socio-economic inclusion in DRC. Of the RSW financing, which accounts for approximately half of the project's total financing, overall twenty percent of direct beneficiaries are expected to be refugees. With an average of six/seven members in a household, around half of the country's refugee population would be positively impacted by the project. The refugee proportion of total numbers of beneficiaries will however vary across the regions benefitting from RSW financing, due to varied levels of concentration of, access to and mobility of the different groups of refugees.

60. **RSW funding will be directed to communities hosting refugees in Ituri, North Kivu, North Ubangui, and South Kivu.** Kasai Central does not host refugees and will therefore not benefit from RSW funding.

(a) Ituri is host to approximately 47,000 refugees, most of whom are from South Sudan. Many refugees are choosing to stay close to the border, often in insecure areas, in host communities that are also extremely vulnerable.

(b) Around 172,000 refugees, mainly from Rwanda, are hosted out of camps in rural and urban environments in North Kivu. Many of the Rwandan refugees have chosen not to register, and a large percentage are children who were born in DRC. Due to the continued clashes between armed groups, many of them live in inaccessible areas and remain highly mobile.

(c) North Ubangui is hosting almost 91,000 of the 171,000 refugees from the Central African Republic, mostly in very poor host communities. The region is largely isolated from the rest of the country with practically no service delivery and little development financing. However, the security situation is stable and relations between refugees and hosts are good.

(d) Of the almost 85,000 refugees residing in South Kivu, a little more than half are Burundians, while the remainder are primarily Rwandan refugees with similar profiles as those who reside in North Kivu. Burundian refugees live in camps and host communities, in an area that is characterized by high levels of violence and insecurity.

E. Crisis Response: Ebola (CRW)

61. **Within the framework of the proposed STEP 2 project, Component 1 will be funded in part by a US\$100 million allocation from the IDA18 CRW.** This amount represents 36 percent of the US\$280 million in CRW financing for DRC planned in the CRW Eligibility Note for the Emergency Response to the Tenth Outbreak of Ebola Virus Disease, circulated



to the Board of Executive Directors on January 31, 2020. CRW resources are intended as a last resort to assist countries in coping with severe natural disasters, public health emergencies, and economic crises. The World Health Organization (WHO) declared the Ebola epidemic in DRC a “Public Health Emergency of International Concern” (PHEIC) according to International Health Regulations on July 17, 2019. This was the fifth time that WHO has declared a PHEIC since the protocol was set up in 2005.

62. **The ongoing Ebola outbreak is considered one of the most complex in history due to the mix of insecurity, forced displacement, and community resistance to treatment.** The epidemic began in 2018 and has been affecting 16 million people in 28 health zones of North Kivu and Ituri (a few cases were reported in South Kivu). These provinces host many armed groups, which are challenging the state, exploiting natural resources, and extorting locals. Direct confrontations with security forces and between armed groups have resulted in over 300,000 IDPs just last year. MONUSCO is deployed in these areas. Meanwhile, community resistance to national and international efforts to contain the epidemic have also turned violent, as people’s trust in authorities has eroded after years of conflict. Apart from Ebola, overlapping measles and cholera epidemics have overpowered an already weakened health system. The overall cost of containing the Ebola outbreak is projected at about US\$1.3 billion, or three percent of the country’s GDP (Ministry of Health 2019¹⁷).

63. **Support to community resilience is a central component of national and international efforts to curtail the epidemic.** On January 13, 2020, the DRC Government approved an update of the fourth Strategic Response Plan (SRP 4.1), covering the period from January to June 2020. SRP 4.1 incorporates the overall Ebola IRS, approved by the Government on August 15, 2019. The IRS sets out a multisectoral approach covering short-term health interventions, as well as development programs aiming to boost community resilience for the long term (Pillar 3), including through (i) community works and (ii) community infrastructures. STEP 2 is aligned with this strategic framework.

64. **FSRDC has implemented quick-impact LIPW interventions in Ebola-affected areas, reaching over 12,000 beneficiaries between April and December 2019.** This is more than double the original target, with a budget of US\$3.0 million and more than 530,000 days of work completed in Ebola hotspots. Half of the beneficiaries have been women. This emergency intervention is now being scaled up to 100,000 direct beneficiaries with the activation of US\$50 million CERC from the DRC: Quality and Relevance of Secondary and Tertiary Education Project (P149233). FSRDC has already been designated the lead agency for the community works in the Ebola IRS (Pillar 3.1).

65. **The CRW allocation of US\$100 million will finance the social safety net that sustains the resilience of communities, while supporting the local economy, rehabilitating priority infrastructure, and strengthening social cohesion.** It will support FSRDC’s provision of essential basic services through improved community infrastructures across all Ebola-affected health zones. In turn, these interventions should improve access, acceptance, and support for Ebola public health teams, as well as preparing a “Beyond Ebola” transition. FSRDC will be able to rely on the support of national and international partners lined up under Pillar 3 of the IRS to address capacity constraints in delivering the social protection program.

66. **There is a risk of re-emergence of the virus during the lead up to the declaration of the end of the outbreak, and for several months following that declaration.** One new case was identified on April 10, 2020 after 40 days without new contamination. The Ministry of Health and WHO are cautiously optimistic and calling for maintaining surveillance and the Ebola response system in place to prevent relapse, avoid recurrence, and ensure a successful transition. With the support of CRW funds, STEP 2 is fully aligned with these dynamics for a successful emergency response, from start to

¹⁷ DRC Ministry of Health (2019). *Strategic Response Plan for the Ebola Virus Disease outbreak in the provinces of North Kivu and Ituri, Democratic Republic of the Congo*. July - December 2019.



end.

67. **CRW funding will be focused on activities in Ituri and North Kivu where the communities have been most affected by Ebola.**

F. Implementation and partnerships

68. **The overall implementation arrangements of the project will remain the same, with FSRDC as the PIE.** The FSRDC team is in place and it can deploy rapidly in provinces, even where it does not have a sub-office yet. Dedicated staff will be recruited for the project. As in STEP, in each benefiting province, a Provincial Consultative Committee (*Comité Consultatif Provincial, CCP*) will serve as a steering committee to validate the choice of infrastructure to be improved. The project will also continue to support CLDs in communities where it intervenes (see Component 1).

69. **STEP 2 will however introduce a performance-based element for FSRDC.** The subsidiary agreement between the Ministry of Finance and FSRDC, which governs the parent project, will be modified as follows. In addition to the reimbursement of direct operating costs, i.e. implementation costs, a negotiated management fee will be paid to FSRDC for the additional services it provides to support project implementation (time of FSRDC permanent staff, use of FSRDC's assets, etc.). Under the proposed model, this management fee will be received by FSRDC in tranches, the payments of which will be triggered by the attainment of specific targets linked to the KPIs of the project. If the project implemented by FSRDC fails to achieve its objectives, FSRDC's management fee will not be paid in full. This set-up will increase transparency, accountability, and sustainability in social protection operations.

70. **This innovative model does not increase the overall project's management cost (Component 4), which is capped at 10 percent of the total amount of the project.** FSRDC's indirect operating costs – indivisible and non-rival goods and services, which are shared across projects managed by this institution – have been estimated at one percent of the total amount of the project; or ten percent of the project's management cost. In other words, 90 percent of the reimbursement of operating costs will continue to be paid as actuals, as under the parent project.

71. **FSRDC will also sign partnership agreements with MINAS and CNR.** To support the implementation of the third component on structuring the social protection sector, these partnership agreements will involve MINAS and CNR in the execution of the project. These agreements will be negotiated with terms of reference, a clear list of deliverables, and related timetable and budget. These entities will not be involved in cash flow management.

72. **Drawing from lessons learned under the parent project, STEP 2 will coordinate more closely with humanitarian and peace actors.** STEP 2 constitutes a natural platform to operationalize the HDP nexus in DRC. Collaboration and alignment will be sought whenever possible with MONUSCO and the humanitarian community. In that respect, corporate agreements between the WB and key UN agencies will be leveraged. Aside from operational effectiveness, the goal of this effort is to avoid the creation a dual social protection system, whereby one is operated by international actors and another by the Government. It is especially true for emergencies like the Ebola outbreak and support for refugees. Furthermore, the team will engage with other relevant sectors, in particular education and health, around the design of key delivery mechanisms, from targeting mechanisms to social registry and payments systems.

G. Budget and Financing

73. **Total cost of the proposed additional activities is estimated at US\$445.0 million equivalent.** Table 2 presents a

revised costing of the project.

Table 2: Costs by Component (in US\$ million)

Project Components	Original	AF	Revised
Component 1: Community Support	51.0	152.0	203.0
Component 2: Livelihoods and Employment Generation	51.0	214.0	265.0
Component 3: Capacity Building	27.1	30.0	57.1
Component 4: Project Management	--	44.9	44.9
Component 5: CERC	--	0.0	0.0
Repayment of Project Preparation Advance	--	4.1	4.1
TOTAL	129.1	445.0	574.1

74. **All additional activities will be completed within 42 months.** Accordingly, the Closing Date of the project will be extended to February 26, 2024.

III. KEY RISKS

75. **High-risk operation.** The overall risk rating of STEP will remain High. The following risks are rated as Substantial or High prior to mitigation, and they will be addressed as described in Table 3.

Table 3: Keys Risks and Risk Management

Risk Category	Rating	Description, Management, and Mitigation
Political and Governance	High	<ul style="list-style-type: none"> Description: DRC suffers from political instability and weak governance. The 2019 CPIA score stood at 2.9, below the 3.1 average for Sub-Saharan Africa. The eastern provinces are facing high levels of instability due to ongoing military operations, massive forced displacement, and community resistance to Ebola. In the Kasai region, the security situation has improved but remains volatile. Management and mitigation: STEP 2 will (i) coordinate implementation with the WB offices in Goma and Kananga to keep track of local political developments; (ii) continue the informal agreement reached with MONUSCO's Joint Mission Analysis Center (JMAC) to share threat assessments and political updates; and (iii) involve CLDs to facilitate stakeholder consultations and community access.
Technical Design of Project or Program	Substantial	<ul style="list-style-type: none"> Description: FSRDC will be responsible for a higher number of activities in large territories. Both the technical and the geographic scope of the project components will require the PIE to expand its technical expertise in areas such as cash transfers, registry systems, and operating in new provinces. Management and mitigation: STEP 2 will (i) adopt a phased approach to implementation across regions; (ii) adopt a flexible/modular process with



		<p>continuous adaptation and learning; (iii) forge stronger partnerships with humanitarian and peace actors such as OCHA, UNICEF, UNHCR, and MONUSCO; and (iv) use ICT tools for remote supervision and quick detection of operational issues.</p>
Institutional Capacity for Implementation and Sustainability	Substantial	<ul style="list-style-type: none"> • Description: STEP 2 will combine resources from the RSW and CRW, and the national IDA PBA, for a total amount of US\$445 million equivalent. Challenges to absorptive capacity are thus substantial. In addition, FSRDC will be working closely with MINAS and CNR, which are new partners. • Management and mitigation: FSRDC remains the unique PIE and it will benefit from capacity strengthening under Component 3. A performance-based system will be set up to increase transparency and accountability. MINAS and CNR will be involved through (non-objected) partnership agreements with clear deliverables and budgets; they will have no direct access to IDA financing.
Fiduciary	Substantial	<ul style="list-style-type: none"> • Description: Although FSRDC has a solid experience in managing WB financing, it operates in a challenging fiduciary environment and this operation requires the handling of large amounts of cash and procurement at the decentralized level. • Management and mitigation: In addition to experienced FSRDC’s fiduciary personnel, the STEP 2 PIE will be staffed with senior fiduciary consultants at headquarters and the provincial level. Payment systems will be improved and digital transfers will be used whenever possible. The project will also be included in the mandatory direct payment pilot.
Environmental and Social	Substantial	<ul style="list-style-type: none"> • Description: Given the FCV context, the main risks pertain to the protection of beneficiaries, including GBV/Sexual Exploitation Abuse/Harassment (GBV/SEA/H) and risk of violence. The main environmental risks are temporary and linked to construction sites for improved community infrastructures. • Management and mitigation: FSRDC will (i) have safeguards experts in each province and a dedicated GBV expert; (ii) identify social risks, including GBV/SEA/H, as part of regular monitoring; (iii) ensure regular coordination with UN partners, especially UNCHR and OCHA, on all matters related to forced displacement; (iv) ensure that project personnel and workers sign codes of conduct that are sensitive to GBV/SEA/H and are properly trained on various environmental and social risks, including GBV/SEA/H risks; (v) finance a robust GRM system, paying special attention to GBV/SEA/H and the issues of forcefully displaced persons; (vi) update safety protocols to ensure consistency with industry standards, as recommended by the project’s Security Risk Assessment (SRA); (vii) always carry out a community conflict scan before implementation; and (viii) ensure compliance with the national building codes, in particular for Occupational Health and Safety (OHS).
Others: Refugee Protection	Substantial	<ul style="list-style-type: none"> • Description: The risks to the protection framework for refugees in DRC may come from major new inflows of refugees or deteriorating security leading to a reversal of the progressive legislation currently in place. More likely than a reversal, such events could lead to further undermining the enforcement of the policies at the local level, similarly shrinking the protection space of vulnerable refugees. • Management and mitigation: The WB, in consultation with UNHCR, will closely monitor the protection situation throughout project implementation. Through



		support to CNR, the project will strengthen the understanding of the existing legal framework at all government levels. Project effectiveness and implementation will require a continued adherence to an adequate protection framework.
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IV. APPRAISAL SUMMARY

A. Economic Analysis

76. **STEP 2 activities respond to a critical need to address the chronic levels of poverty and vulnerability in a context of high FCV.** The proposed AF will improve access to livelihoods and socioeconomic infrastructures in 1,000 vulnerable communities across the country. The project will finance (i) community infrastructures in the health, education, and water and sanitation sectors; (ii) safety nets as LIPW and UCT; and (iii) capacity building for relevant sector agencies. The economic analysis relies on the cost effectiveness and the expected benefits of the different interventions at beneficiary and community levels. Refugees and host communities display similar poverty levels and vulnerabilities; they are thus not differentiated in this analysis.

77. **Lessons learned from STEP and other CDD approaches in DRC highlight their ability to implement sustainable infrastructures.** For instance, a recent impact evaluation (IE) of the long-term impact of the “Tuungane” program – arguably the largest CDD investment in DRC – found evidence of the higher quality and physical endurance of schools and health centers built by the program, compared to those in the control group’s areas (WB 2020¹⁸). Thus, community infrastructures will continue to be built and rehabilitated following a CDD approach under STEP 2. To date, 367 infrastructures have been achieved for a total cost of US\$35 million with an average cost of US\$95,000 per infrastructure. This is consistent with other WB CDD projects, which demonstrates the ability of CDD projects to deliver better access to quality infrastructure and services in a cost-effective manner and in ways that have broad community support (WB 2018¹⁹).

78. **Meta-analyses emphasize the positive impact of safety nets on household welfare such as consumption, income, and asset accumulation, as well as human capital benefits** (ODI 2016, Bastagli et al 2019 and WB 2018²⁰). Particularly, in the case of DRC, cash transfers have been successfully used by humanitarian actors to support vulnerable people after crises. An RCT under the DRC’s Alternatives Responses for Communities in Crisis program shows positive effects of cash transfers on consumption and human capital (American Institutes for Research 2017²¹). For instance, children from beneficiary households were 21 percent more likely to access health care. Similarly, another RCT of a UCT to families with children affected by severe acute malnutrition in DRC shows that beneficiaries were more likely to catch-up in weight and height scores. In addition, Aker²² compared cash and voucher transfers in DRC and found that cash was

¹⁸Fernandez C.; Laudati A.; Eric Mvukiyehe E.; Windt P. (2020). *Improving Local Accountability in Eastern Congo: An Impact Evaluation of the Tuungane 2+ Interventions*, World Bank.

¹⁹ Wong, S.; & Guggenheim, S.E. (2018). *Community-driven development: myths and realities*. Washington, DC: World Bank.

²⁰ Bastagli F.; Hagen-Zanker J.; Harman L.; Barca V.; Sturge G.; Schmidt T.; Pellerano L. (2016) *Cash transfers: what does the evidence say? A rigorous review of programme impact and the role of design and implementation features*. London: Overseas Development Institute; Bastagli F.; Hagen-Zanker J.; Harman L.; Barca V.; Sturge G.; Schmidt T. (2019). *The Impact of Cash Transfers: A Review of the Evidence from Low- and Middle-Income Countries*. Journal of Social Policy 48 (3): 569–94; Kathleen B.; Aline C.; Monsalve E. (2018). *Realizing the Full Potential of Social Safety Nets in Africa*. Washington, D.C.: World Bank Group.

²¹ American Institutes for Research (2017). *Humanitarian Cash Transfers in the Democratic Republic of the Congo: Evidence from UNICEF’s ARCC II Programme*. Washington, DC: Author.

²² Aker J. (2017). *Comparing Cash and Voucher Transfers in a Humanitarian Context: Evidence from the Democratic Republic of*



the more cost-effective modality for both the implementing agency and program recipients in this context. Consequently, humanitarian actors in DRC have been using UCTs extensively, reaching 1.2 million persons in 2019, and intending to double this figure by targeting 2.1 million persons in 2020 (CWG 2020²³).

79. **Given the protracted FCV situation in DRC, a more development-oriented response is needed to complement humanitarian assistance.** Based on already successful UCTs by humanitarian actors (UNICEF, WFP, Mercy Corps, etc.) in DRC, STEP 2 intends to target through this instrument about 200,000 direct beneficiaries and indirectly reach 1.2 million persons in rural areas, which represents seven percent of the poor population in the five targeted provinces. The annual transfer amount of US\$300 is about 36 percent of the poverty line. This is slightly above the average of 19 percent in other countries. However, it supports the government's goal to also encourage investment in productive assets beyond covering consumption needs. The cost effectiveness of UCTs is estimated at 0.31 suggesting that it costs US\$1 for every US\$3.2 transferred to beneficiaries.

80. **A cost-benefit analysis of the UCT sub-component shows promising results.** The analysis was based on the increase in household income. The net benefits of the project were estimated to be above six million with an internal rate of return above 3.5 percent in every scenario considered. These ex-ante estimates would be assessed with ex-post evaluations and results from an ongoing IE of STEP. The program is also expected to have multiplier effects by boosting local economy. This is especially true in DRC given the important level of poverty and the higher propensity of the poor and vulnerable to consume and invest a greater proportion of their income.

81. **LIPW have been implemented by FSRDC for six years.** The project has already provided wages to 15,741 beneficiaries with the creation of 1.3 million person-days of employment. Under STEP 2, LIPW activities will focus on urban areas and intend to target 100,000 individuals. Beneficiaries will continue to receive US\$3/day, with annual transfers representing 38 percent of the poverty line and 50 percent of the food poverty line.

82. **Following the standard methodology developed by Ravallion²⁴, the estimated cost effectiveness for LIPW component is 0.96.** This means that it costs roughly US\$1 for every US\$ 1 transferred in wage benefits to the intended recipients. The analysis is based on (i) labor intensity; (ii) targeting performance; and (iii) net wage gain from the program. Labor intensity is estimated at 50 percent. Given the high operational costs in DRC, this cost-effectiveness level will permit to transfer half of the LIPW sub-component cost to the beneficiaries, while avoiding compromising the technical quality of public works. The AF is also expected to target more than 90 percent of the poor with a net wage gain of 95 percent. Thus, not surprisingly, UCT are more cost-effective than LIPW in terms of pure monetary transfers. However, given the substantial infrastructure deficit in these areas, the project will continue implementing LIPW to provide employment, allow the creation and/or maintenance of physical assets of value to communities, e.g. feeder roads, small-scale irrigation infrastructure, etc., and promote social cohesion.

83. **The WB is currently leading an IE of LIPW in FCV contexts for five countries including DRC.** The preliminary results are available for five out of seven IEs but not yet for DRC. Preliminary findings in those countries show that LIPW can increase income and savings in the short term, but the effects on employment and labor intensity as well as social cohesion are limited. Another IE of the national LIPW project in CAR showed the potential of LIPW to improve beneficiaries' productivity and asset accumulation, but with a lower impact among the poorest women (WB 2020²⁵).

Congo, The World Bank Economic Review, Volume 31, Issue 1, Pages 44–70.

²³ DRC Cash Working Group (2020). *Aperçu consolidé de l'utilisation des transferts monétaires à usage multiple, Plan de Réponse Humanitaire 2020*.

²⁴ Ravallion, M. (1999). *Appraising Workfare*. The World Bank Research Observer 14(1): 31-48.

²⁵ Alik Lagrange, Arthur; Buehren, Niklas; Goldstein, Markus P.; Hoogeveen, Johannes G. (2020). *Can Public Works Enhance*



Under STEP 2, AM focused on productive inclusion and human capital are expected to mitigate these limited effects of safety nets in the long-term. For instance, adding interventions on nutrition and hygiene have proven effective in other countries and could be used to complement efforts to enhance social service delivery, human capital and sustain benefits.

84. **Early results from the IE of STEP on public works in urban areas indicate that beneficiaries were able to smooth their consumption while improving their resilience to future shocks.** They were able to increase their savings and investment compared to non-beneficiaries. Moreover, this effect was stronger for women and forcibly displaced persons. The more efficient package of benefits for LIPW beneficiaries was the one including most benefits, i.e. cash, training, and savings. This finding has been reflected in the design of the AF through the provision of an investment grant of US\$100 for LIPW beneficiaries, which is the equivalent of the former savings benefit, in addition to the other AM.

85. **Project design also includes capacity building for MINAS, FSRDC and CNR.** These activities aim to strengthen targeting, registry, payment systems, and case management. They do not represent immediate direct benefits for the poor, but they are public goods that will result eventually in significant efficiency gains and cost savings in the medium-term. For instance, the social registry will reduce targeting errors and registration costs for future safety net interventions, mechanically increasing the proportion of a program's amount benefiting the poor and vulnerable.

86. **Project management costs are in line with similar FCV operations, representing 10 percent of the total budget.** This proportion has been decreasing over the life of the parent project, as it was more than 20 percent at the beginning of STEP. This improvement can be explained by the increase in total budget (economies of scale), but also by better management with the collocation of project activities in high-impact zones (economies of scope), simplification and standardization of activities, increased PIE's productivity with experienced staff and rigorous human resource management, and the introduction of a performance-based model.

B. Technical Analysis

87. **The technical design of STEP 2 is guided by global evidence on social protection interventions, especially in low-capacity, fragile environments, as well as lessons learned from the parent project.** The key proposed upgrades include (i) a revised geographic targeting strategy to concentrate activities in areas where the project can have a stronger development impact; (ii) coordinating support to address both the supply of and demand for social services by developing a comprehensive social safety net program; and (iii) introducing support to policies and systems to build a country system for social protection, including a social registry.

88. **The project's geographic targeting is aligned with the territorial strategy agreed between the CMU and the Government.** The five selected provinces have the highest number of poor, important infrastructure needs, and all are affected by FCV and forced displacement. Sub-provincial areas will be selected using a PTI. The PTI will identify priority zones according to a vulnerability score, which will be calculated based on poverty levels, displacement, incidence of Ebola outbreak, access to infrastructures, prevalence of violence or conflict-related destruction of infrastructures. Security, access, as well as collocation with other WB-funded or donor-funded projects, will constitute weights in the PTI. The 1,000 additional communities benefiting from the project will be selected in these priority zones. If the number of eligible communities is superior to what the available budget can afford (i.e. 1,000), 80 percent of the benefiting communities will be selected via a public lottery. The selection of the remaining 20 percent will be left to the discretion of FSRDC to account for special circumstances of the priority areas that will not be captured by the random selection of

Welfare in Fragile Economies?: The Londo Program in the Central African Republic. Gender Innovation Lab. Washington, D.C.: World Bank Group.



the lotteries. The choice of these communities will be explained by FSRDC and validated by the CCPs.

89. **The selection of the individual beneficiaries of social transfers (Component 2) will be contingent on the type of assistance offered.** Beneficiaries of LIPW will continue to be selected through public lotteries. This self-selection system has worked well under the parent project. Indeed, the Social Assessment on Refugees and Host Communities (2020) highlighted that people had a better perception and understanding of the lottery system, compared to other tested selection strategies. Beneficiaries of UCTs will be selected using a combination of community targeting and subsequent quick household economic surveys conducted by a third party.

90. **Social transfers are designed to promote recovery and resilience.** Evidence from the Social Assessment on Refugees and Host Communities (January 2020) points to the need to increase the number of beneficiaries for more impact, as well as economic autonomy to build resilience to shocks. Under STEP 2, in rural communities, 200,000 beneficiaries will receive UCTs. Each beneficiary will receive four trimestral transfers of US\$75 (for a total of US\$300 per beneficiary). In urban areas, 100,000 beneficiaries will benefit from stipends via the LIPW program. LIPW beneficiaries will each work for a total of 100 days at a rate of US\$3 per day (for a total of \$300 per beneficiary). All 300,000 beneficiaries of social transfers will benefit from AM. The AM curriculum will be developed around the promotion of (i) human capital and (ii) productive inclusion. Activities supporting the former objective will be provided uniformly to all beneficiaries. Support to productive inclusion will be different in urban (LIPW) and rural (UCT) areas. LIPW beneficiaries will receive a US\$100 investment grant, as well as training in income-generating activities, financial management, and entrepreneurship. UCT beneficiaries will be supported with activities and training aiming at increasing their productivity and production. This program will build on what has been successful in the parent project, especially in rural areas. The high amount of the social transfers (the poverty line is US\$794), coupled with AM to maximize the impact of the transfer, has the objective to increase beneficiaries' capital, both human and financial, so that they can first recover from past shocks, but also resist to future shocks in regions where the environment remains extremely volatile.

91. **The introduction of cash transfers in rural areas is a major addition to the project.** The UCT program will be implemented in two phases. During the first year of implementation, FSRDC will contract experienced and well-performing partners to implement the UCT in four provinces, while it will pilot itself the implementation of the program in the fifth province. Starting the second year of the project, FSRDC will manage the implementation of the overall program, based on the lessons learned from the first year. MINAS and other partners, in particular the national and provincial CWGs, will be consulted with the aim to optimize resources and share knowledge. The adequate development of a Beneficiary Operations Management System will be a priority for efficient monitoring and payment. The UCTs will be delivered to beneficiaries using a combination of methods (payment agency, mobile transfers, etc.). As cash-in-hand systems remain challenging due to cost, logistical and security challenges, STEP 2 will aim to gradually move to a payment system that is entirely digital. In that context, an in-program transition may be envisaged to pilot digital payments with beneficiaries who are already familiar with cash transfers.

Table 4: Social Transfers

	LIPW	UCT
Setting	Urban	Rural
Targeting	Public lottery	Community targeting



Beneficiaries	100,000	200,000
Benefit	US\$3	US\$75
Periodicity	day	trimester
Duration	100	4
Amount	\$300	\$300
Accompanying measures	Human Capital	
	Productive inclusion	
	Support income-generating activities, including US\$100 investment grant	Support increased productivity and production

92. **STEP 2 will help the Government in setting up systems and strengthening its capacity to manage and coordinate the delivery of safety nets.** Under MINAS leadership, the project will develop national guidelines for the core building blocks of basic social protection programs: (i) a targeting system to identify project beneficiaries based on needs and vulnerability; (ii) a registry that promotes greater efficiency in the delivery of social services; (iii) a payment system to deliver social benefits in a timely and predictable manner; and (iv) a GRM. These guidelines will be established through a participatory and inclusive process, which will strategically reinforce MINAS’ mandate over policies and systems, promote coordination mechanisms, and strengthen the capacities of social protection actors. Ultimately, building the national social protection system will allow to scale-up the coverage and improve the quality of safety nets in DRC.

93. **The database of the project’s social transfer beneficiaries will be used as a starting point toward developing a social registry.** MINAS, with support from the CLDs, will be responsible for expanding the registry vertically (STEP’s indirect beneficiaries and community members) and horizontally (other programs). Data-sharing agreements and protocols will be developed in order to incrementally add the beneficiaries of all safety net interventions in DRC in an integrated beneficiary registry. A partnership agreement between FSRDC and CNR will also support the integration of CNR’s and UNHCR’s databases to promote the inclusion of refugees in safety net operations. Should new crises emerge in DRC, an integrated beneficiary registry will also make the implementation of contingency plans easier. Particular attention will be paid to ensuring that the appropriate policies and regulations are put in place to match the best industry standards with regards to data privacy and protection.

C. Financial Management and Disbursement

94. **The financial management (FM) arrangements in place for the parent project will be maintained but strengthened by additional mitigation measures.** The proposed FM arrangements, including the mitigation measures, are considered adequate to meet the WB’s minimum fiduciary requirements under the *World Bank Directive: Financial Management Manual for World Bank Investment Project Financing Operations*, and *Bank Guidance: Reference material - Financial Management in World Bank Investment Project Financing Operations*.



95. **FM assessment.** FSRDC already possesses (a) a Project Implementation Manual, (b) a multi-project and multi-site accounting software and (c) an internal audit function. The Interim Financial Reports have been produced in accordance with the requirements of the Financing Agreement and have been found acceptable. There is no audit report overdue and the last one related to 2018 fiscal year was without qualifications. Some weaknesses were identified in the accounting internal review and consolidation, cash replenishment, and funds flow monitoring with the existence of multiple accounts. An in-depth Enhanced Fiduciary Review of FSRDC was conducted in 2019 and some questionable expenditures were identified; justifications have since been provided for WB review. The overall FM risk is considered substantial.

96. **The main innovation compared to the previous arrangement is the upgraded subsidiary agreement model between FSRDC and the Ministry of Finance.** Building on the findings of the Enhanced Fiduciary Review, this new agreement introduces a performance-based element in operating costs, aiming at (i) increasing the transparency in the use of funds, (ii) ensuring accountability to the Government and the public, and (iii) promoting the autonomy and sustainability of FSRDC. This arrangement will allow for the separation of direct and indirect operating costs in support of the implementation of this operation: the remuneration of the project-dedicated implementing team and FSRDC permanent staff will not be mixed anymore.

97. **The second innovation is related to the use of cash transfers for beneficiaries.** In the first year of implementation, FSRDC will procure seasoned institutions with expertise in cash-based operations, while it develops its own system to manage cash transfer interventions and recruits a payment agent. Leveraging new technologies, and in line with the Enhanced Fiduciary Review's recommendations, the objective is to progressively increase the share of digital transfers to 100 percent by the end of the project.

98. **Based on the FM arrangements currently in place and taking into account updates in the design and arrangements, the following additional actions will be completed to mitigate risks:**

(a) Update the existing Project Implementation Manual to capture the specificities of the new operation, in particular regarding cash transfers, and ensure adequate ownership by the project's stakeholders.

(b) Include a specific section on the fiduciary management of cash transfers in the FSRDC's Manual of Procedures explaining all aspects related to targeting and identification of beneficiaries, processing of withdrawal applications, processing of actual payments to beneficiaries, and forecasting relevant disbursements.

(c) Configure the existing version of FSRDC's accounting software to reflect STEP 2's specificities.

(d) Reorganize and reinforce the FM team by recruiting (i) a dedicated team composed of an FM specialist, a chief accountant, and an assistant accountant at the central level; and (ii) a dedicated team composed of an accountant and an FM assistant at the provincial level, in each province where the project will operate. The project's FM consultants will benefit from extra support, oversight, and control from the FSRDC's FM personnel.

(e) Adjust the terms of reference of FSRDC's internal auditor to reflect the AF's specificities and recruit an independent external auditor with terms of reference acceptable to the WB and following applicable WB procurement rules.

(f) Sign a subsidiary agreement with the Ministry of Finance, which clearly defines direct and indirect operating



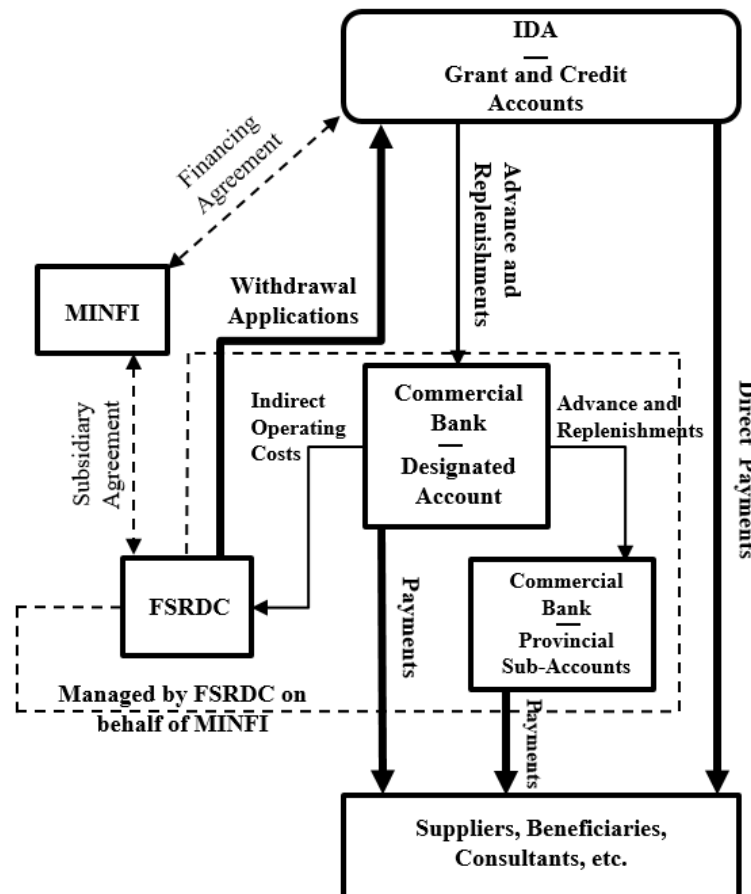
costs reimbursed by the AF.

(g) Open a Designated Account monitored at the central level and a subaccount for each of FSRDC's provincial offices. These subaccounts will exclusively receive funds from the AF financing. No other source of financing, e.g. FSRDC's own funds, can transit through the project's subaccounts. As the country is currently in "lapsed loans" status, the designated account will be open when the country's suspension will be lifted.

(h) Include in the project's Disbursement Letter a disposition related to a ceiling of three months for the subaccounts of the project (provincial offices) and the allocation of an initial advance, in order to improve the fluidity of funds and ensure smooth implementation.

99. **Mandatory Direct Payment Pilot.** Since the AF is prepared under Situations of Urgent Need of Assistance or Capacity Constraints, FSRDC will be required to use the Direct Payment disbursement method for disbursement under contracts for goods, works, non-consulting services and consulting services procured/selected through international open or limited competition or Direct Selection, unless the Special Commitment disbursement method is used.

Figure 3: Flow of funds





D. Procurement

100. **Procurement risk and mitigation measures.** Considering the country context and associated risks in governance, as well as the low procurement capacity, the procurement risk is rated high. The prevailing risk can be reduced to substantial if the corrective measures identified in Table 5 below are implemented.

Table 5: Procurement Risk Assessment and Mitigation Measures

Risk Factor	Description	Mitigation measures
<p>Risk factor 1: Procurement Regulatory Framework and Management Capability</p>	<p>1. Qualified FSRDC staff with the right skills and behaviors, as well as a satisfactory track record in carrying out procurement. However, their current workload would not allow them to handle the procurement of the AF in an efficient manner. 2. Some activities are procured at provincial levels. 3. No experience in the use of the New Procurement Framework (NPF). 4. Confusion in the duty of FSDRC and the project-dedicated team. 5. Insufficient knowledge of MINAS' and CNR's capacity in implementing project using WB procurement procedures.</p>	<p>1. Recruit qualified and experienced procurement specialists dedicated to STEP 2: one in Kinshasa and one in each provincial office. 2. Organize training sessions on the use of the NPF for the FSRDC. 3. Add to the TORs of FSRDC's procurement staff the internal quality control of procurement activities carried out by the project-dedicated procurement staff. 4. Update the existing Procurement Manual among others to clarify the duty of each party. 5. Reinforce the capacity of MINAS and CNR by recruiting qualified and experienced procurement specialists to be seconded by FSRDC to these two entities.</p>
<p>Risk factor 2: Integrity and Oversight</p>	<p>1. The WB's in-depth Enhanced Fiduciary Review carried in 2019 revealed some inadequacies in resource management and procurement.</p>	<p>1. Make sure that (i) the WB's recommendations in fighting fraud and corruption are included in all bidding documents and contracts and (ii) there are mechanisms to enforce them for FSRDC staff, the project-dedicated team, and private sector operators.</p>
<p>Risk factor 3: Procurement Process and Market Readiness</p>	<p>1. Many delays in (i) bidding process due to slow preparation of technical inputs and (ii) contracts execution. 2. Lack of qualified consultants or contractors in the areas of the project that are remote and difficult to access. 3. Target markets are generally impacted by fraud and corruption risk.</p>	<p>1. Put in place: (i) a mechanism to anticipate the preparation of technical inputs in bidding documents: TOR for consulting services, technical specifications for goods and works; and (ii) a contract management plan for major or critical contracts. 2. Involve CLDs in the monitoring of infrastructure improvements.</p>
<p>Risk factor 4: Procurement Complexity</p>	<p>1. Contracting payment agents for the social transfers operation is new.</p>	<p>1. Carry out a detailed market assessment of payment agents in each benefiting province. 2. Procure seasoned and reputable organizations within the first period of the project to carry out cash transfers.</p>

101. **The WB's NPF will be used under the AF.** A Project Procurement Strategy for Development (PPSD) has been



prepared to ensure that procurement activities are packaged and prepared in a way that expedites implementation to meet the project's objectives. This PPSD provides the basis and justification for procurement decisions, including the recommended procurement approaches for the project, which have been reflected in the Project Procurement Plan (PPP) covering the first 18 months of project implementation.

102. **Procurement activities will be carried out in accordance with the WB's procedures specified in the WB Procurement Regulations for IPF Borrowers.** *Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services* dated July 2016 and revised November 2017 and August 2018, and any other provisions stipulated in the FA. In addition, the implementation of procurement will be done in accordance with the *Guidelines on preventing and combating Fraud and Corruption* stipulated in 2.2a of Annex IV of the Procurement Regulations. Goods, works and non-consulting services will be procured in accordance with the requirements set forth or referred to in the Section VI. *Approved Selection Methods: Goods, Works, and Non-Consulting Services of the Procurement Regulations*, and the consulting services will be procured in accordance with the requirements set forth or referred to in Section VII. *Approved Selection Methods: Consulting Services of the Procurement Regulations*.

103. **Institutional arrangements for procurement.** FSRDC is the implementing entity, hosting the project-dedicated team at the central and provincial levels. At each level, dedicated procurement consultants will be recruited for the implementation of the project. The project-dedicated team will include a qualified and experienced procurement specialist at the national level and procurement specialist in each provincial office. Quality assurance of procurement will be done by FSRDC's in-house procurement specialist.

E. Social and Environment (including Safeguards)

104. **The proposed operation is a category B project as defined in OP 4.01 (Environmental Assessment).** The improvement of small-scale community infrastructure through appropriate construction, rehabilitation and maintenance, will have minimal impact on the environment. The Environmental and Social Management Framework (ESMF) that was approved for the parent Project was updated in December 2019 to reflect the extended geographic coverage and updates in components. The updated versions of the ESMF and the Indigenous Peoples Planning Framework (IPPF) were disclosed in-country and on the WB's external website on March 16, 2020, following WB's review and clearance. The Resettlement Policy Framework (RPF) was disclosed in-country and on the WB's external website on March 17, 2020, following WB's review and clearance.

105. **Social Screening.** The potential adverse social impacts in STEP 2 remain the same as in the parent project and include: (i) exclusion and inclusion errors in beneficiary selection; (ii) risks pertaining to the protection of beneficiaries, including GBV/SEA/SH and refugees; (iii) disturbance of social cohesion and to the livelihoods of indigenous people; and (iv) involuntary resettlement and temporary restriction of access during civil works. Two social safeguards policies will continue to be triggered: OP/BP 4.12 Involuntary Resettlement and OP/BP 4.10, Indigenous People. In general, the project is expected to have a positive impact for the whole population in the targeted areas thanks to the inclusive and redistributive impact of the activities. The addition of (i) a social registry, (ii) a systematic monitoring system, and (iii) near real-time perception surveys in the project design will also contribute to measuring – and course-correcting as needed – these effects. CLDs, which are key partners to the project at the local level, will also contribute to identifying, preventing, mitigating and responding to adverse social impacts. Last, the project's robust GRM will be continued for maintaining public accountability, responding to complaints and preventing conflicts.

106. **The design of the proposed operation addresses specific social risks associated with forced displacement and**



conflict. Lessons from the parent project's Social Assessment recognize the heightened vulnerability of people within communities in situations of conflict and displacement. This assessment also highlights the importance of inclusive approaches and conflict-transformative programming that adopts gender-sensitive and geographically specific actions. In addition, the Social Assessment calls for the reinforcement of cross-cutting conflict resolution and management services offered by the CLDs to ensure understanding and acceptance of rights of refugees (and other minority groups) for peaceful cohabitation. It further recommends supporting youth engagement through the promotion of livelihoods and economic opportunities that can counter tendencies toward joining armed groups or engaging in risky behaviors such as transactional sex for survival. This study will be expanded to Kasai Central and North Ubangui before activities start in these two new provinces.

107. **Mitigation of social risks and contribution to the stabilization agenda.** The presence of foreign and Congolese armed groups undermines the consolidation of peace in eastern DRC. Building on FSRDC's experience with STEP, the AF factors in security risks and allows for flexible programming and implementation of activities. In general, this operation also contributes to the stabilization efforts in investing in communities that are vulnerable to FCV. As required, technical or political troubleshooting will be assured through coordination with MONUSCO and provincial governments. FSRDC has also developed a strong network of partners, as well as a privileged access to communities and public structures, which can be leveraged for fast and efficient implementation in this FCV environment.

108. **Gender-informed project consistent with best practices.** The project has an explicit focus on gender and on improving the economic and social conditions of vulnerable women. The project will continue its ongoing efforts to measure women's level and quality of participation in community-level governance through the CLDs. Targeting and selection system will ensure that no less than 50 percent of women benefit from the social transfer mechanisms. Equal pay and benefits are mandatory irrespective of gender. This operation will also pilot a mobile childcare system to promote the participation of women in public works. All LIPW activities will take place within the local communities of selected beneficiaries, not only to improve access to available services in health and education and rebuild livelihoods lost due to conflict or displacement, but also to help women balance income-generating activities with domestic tasks, and to reduce their exposure to personal security risks from traveling outside of their communities.

109. **Managing GBV/SEA/H risks.** Many of the GBV/SEA/H risks in STEP 2 are the same as under the parent project. STEP 2, however, has been assessed with a substantial risk rating, in part as a result of the cash transfer activities that will now be introduced. As under the parent project, FSRDC will continue to use available services for survivors of violence in areas of program implementation, taking advantage of cross-agency collaboration with the ongoing WB-funded GBV Project (also implemented by FSRDC). In project areas where services are extremely limited or non-existent, the project will review options for ensuring that beneficiaries have access to safe and confidential survivor care when needed. In addition to ensuring that project personnel and workers sign, and are trained upon, codes of conduct that specifically address GBV/SEA/H, FSRDC will update its current GRM to include specific procedures and a response protocol, which includes a mapping of locally available structures that offer quality services, to treat GBV complaints ethically, safely, and confidentially and in accordance with guiding principles for survivor care. The project will ensure that adequate consultations with women in targeted communities are conducted in safe and enabling environments, such as in sex-segregated groups and with female facilitators, in order to obtain their inputs on planned activities and understand their risks and vulnerabilities to GBV in a particular context, especially in view of the planned cash transfer program. FSRDC will ensure that social safeguards staff have adequate experience in gender-sensitive programming and in GBV/SEA/H prevention and response; a GBV Specialist will likewise be hired at the central level to oversee the GBV/SEA/H Action Plan, which will be informed by the GBV/SEA/H risk assessment, and ensure that GBV/SEA/H risks in relation to planned project activities are being adequately addressed and mitigated.



110. **Environmental screening.** The distribution of assets to rural households will be discontinued. Therefore, the safeguards policy on pest management (OP/BP 4.09) will no longer be triggered. No new environmental risks are expected to arise from works on community infrastructure (small scale), which will maximize the use of local materials and labor and have minimal effect on the environment. FSRDC will recruit environmental specialists in all its provincial offices to ensure proper implementation, monitoring, documentation, and reporting on the mitigation measures identified in the ESMF.

111. **Climate change and disaster risk screening.** The overall assessment of potential risks in the Summary Climate and Disaster Risk Screening Report is assessed as “moderate” due to temperatures that are projected to increase by about 2.7-3.2°C by the 2100s, as compared to the 1990 baseline. The AF has been screened for climate change risks. Two key vulnerabilities have been identified in this process: periodic droughts in the south and seasonal flooding in the east. In the 2016 household survey, over 40 percent of households in DRC reported having recently experienced a drought; over 30 percent of households reported having recently experienced a flood (WB 2016). In 2019, torrential rains caused rivers to rise, flooding two-thirds of the country. Floods threaten people’s physical safety and health, as climate-sensitive diseases like malaria and cholera are likely to expand into new areas due to high precipitations. With limited infrastructure and services, DRC is highly exposed to the consequences of these hazards. This analysis is consistent with specialized global rankings such as the Notre Dame Global Adaptation Initiative (ND-GAIN), which measures two dimensions of adaptation: (i) the vulnerability of six life-supporting sectors – food, water, health, ecosystem services, human habitat, and infrastructure; and (ii) countries’ economic, governance, and social readiness to respond to these vulnerabilities. In 2017, DRC ranked 177 out of 181 countries in the ND-GAIN index, surpassing only the Central African Republic, Eritrea, Chad, and Somalia.

112. **Climate change and disasters disproportionately affect the most vulnerable.** The poor are particularly vulnerable to climate-related shocks, as they are net purchasers of food, live in low-quality housing in more exposed areas, and have virtually no access to safety nets. Among poor households, food consumption accounts for over 70 percent of total expenditures, and three of the most common reported coping mechanisms to climate shocks are reducing food consumption, selling assets, and pulling children out of school to save the fees and have the children work. In that context, social protection operations are especially relevant for adaptation and mitigation.

113. **Climate and disaster risks adaption and mitigation.** STEP 2 is aligned with the Government’s efforts to mitigate climate risks. The 2019-2023 NSDP includes as one of its five priority pillars the need for all sectors to integrate climate risks mitigation and adaptation measures. DRC’s 2020 Nationally Determined Contributions (NDC) document underlines high food insecurity as one of the key detrimental climate effects in the country, identifying the need to secure the livelihoods of communities, especially women and children, as one of the pillars of climate adaptation. The 2020 NDC Document continues to point out that the five main climate risks (intense rain, coastal erosion, floods, heat waves and seasonal droughts) have a significant impact on the daily lives of people, especially the poor in urban areas, and disturb the agricultural calendars. STEP 2 is fully aligned with DRC’s climate adaptation vision. More specifically:

- **Component 1: Community Support** will (i) incorporate climate-resilient design measures in the construction of community infrastructures; (ii) equip community infrastructures, such as schools and hospitals, to function as evacuation spaces and/or shelters for climate change-induced crises; (iii) ensure infrastructure is constructed in an energy-efficient manner, e.g. promoting natural ventilation; and (iv) provide access to water using climate-friendly technology, e.g. solar panels for water pumping, when possible. In addition, specific attention will be paid to incorporating climate hazard mitigation and energy efficiency measures in the community infrastructures’ maintenance plans.



- **Component 2: Livelihoods Support and Employment Generation** can help poor rural recipient households, who are often dependent upon subsistence agriculture, to diversify their livelihoods. First, by giving beneficiaries predictable cash transfers, households can diversify their crops, use better/more resilient seeds, or pick up an alternative activity such that they are less severely affected by drought or flooding. In the case of extreme climate-related shocks, the program could be diverted to focus on those geographical areas or households most severely affected. Second, the LIPW program can undertake works that contribute to climate adaptation, such as (i) the construction of flood protection barriers, levels, or dikes; and (ii) the rehabilitation of canals and other irrigation infrastructure. In addition, LIPW will be performed locally, thus promoting sustainable transport modalities for the beneficiaries, who will walk or bike to the work sites.
- **Component 3: Capacity Building** will finance system-wide social protection reforms that can support the Government's climate resilience agenda. Notably, this component will pilot the establishment of a social registry comprising direct project beneficiaries, indirect beneficiaries, and refugees from CNR/UNCHR databases. By systematically collecting information on vulnerable people (including their location), this integrated database will allow the Government to respond more quickly to climate-related crises and provide emergency cash transfers to existing beneficiaries, in response to the onset of climate-related disasters. Additionally, reforms on national social policies (such as emergency preparedness plans) will help the Government develop early warning systems for climate-related disasters and mitigate the impact of climate hazards on the population, during and beyond the life of the project, e.g. possible locust crisis. This component will also help the FSRDC, MINAS and CNR with institutional coordination to respond to climate change-induced crises.
- **Component 4: Project Management** will support, among others, the modernization of the project's M&E system to supervise implementation in real time and remotely, but also its communication function. The ability to supervise the project remotely will reduce the need for transport to supervise or gather data, thus directly contributing to decreasing the project's carbon footprint. Communication campaigns will include awareness-raising in support of climate adaptability to risks.
- **Component 5: CERC** will allow the Government to mobilize funds in case of an emergency that would require immediate recovery and reconstruction needs such as a climate-related shocks. The CERC can be used to respond to emergencies across the national territory, including in areas not initially covered by the project.

V. WORLD BANK GRIEVANCE REDRESS

114. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB'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 WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org



VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Safeguard Policies Triggered	✓	
Implementing Agency		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The project development objective is to improve access to livelihoods and socio-economic infrastructure in vulnerable communities in the eastern provinces of DRC.

Proposed New PDO

The project development objective is to improve access to livelihoods and socio-economic infrastructures in



selected vulnerable communities in the DRC.

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
1. Support to Community Resilience	51.00	Revised	1. Community Support	203.00
2. Livelihoods and Employment Generation	51.00	Revised	2. Livelihoods and Employment Generation	265.00
3. Capacity Building	27.10	Revised	3. Capacity Building	57.10
	0.00	New	4. Project Management	44.90
	0.00	New	5. CERC	0.00
TOTAL	129.10			570.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-57510	Effective	30-Jun-2020	30-Jun-2020	31-Dec-2020	30-Apr-2021
IDA-D0960	Effective	30-Jun-2020	30-Jun-2020	31-Dec-2020	30-Apr-2021
IDA-H9170	Effective	30-Jun-2018	30-Jun-2020	30-Jun-2020	30-Oct-2020
TF-16616	Closed	31-Jan-2016	31-Jan-2016	31-Jan-2016	31-May-2016

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2014	282,574.00	282,574.00
2015	12,782,665.00	13,065,239.00
2016	12,582,698.00	25,647,937.00
2017	24,646,280.00	50,294,217.00
2018	20,193,756.00	70,487,973.00
2019	33,492,900.00	103,980,873.00



2020	25,119,127.00	129,100,000.00
2021	100,000,000.00	229,100,000.00
2022	120,000,000.00	349,100,000.00
2023	125,000,000.00	474,100,000.00
2024	100,000,000.00	574,100,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● High	● Moderate
Sector Strategies and Policies	● Low	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Substantial	● Substantial
Stakeholders	● Low	● Moderate
Other		● Substantial
Overall	● High	● High

COMPLIANCE**Change in Safeguard Policies Triggered**

Yes

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment OP/BP 4.01	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats OP/BP 4.04	Yes	No



Forests OP/BP 4.36	No	No
Pest Management OP 4.09	Yes	No
Physical Cultural Resources OP/BP 4.11	Yes	Yes
Indigenous Peoples OP/BP 4.10	Yes	Yes
Involuntary Resettlement OP/BP 4.12	Yes	Yes
Safety of Dams OP/BP 4.37	No	No
Projects on International Waterways OP/BP 7.50	No	No
Projects in Disputed Areas OP/BP 7.60	No	No

LEGAL COVENANTS – STEP Second Additional Financing (P171821)

Sections and Description

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Conditions

Type	Description
Effectiveness	The Subsidiary Agreement has been executed on behalf of the Recipient and the FSRDC.
Effectiveness	The Project Implementation Manual has been updated in a manner acceptable to the Association.
Effectiveness	The Association is satisfied that the Recipient has an adequate refugee protection framework
Disbursement	No withdrawal shall be made for payments under Category (5) - Emergency Expenditure until and unless the Association is satisfied that all the following conditions have been met in respect of said activities: (i) the Recipient has determined that an Eligible Crisis or Emergency has



occurred, has furnished to the Association a request to include said activities in the CER Component in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all environmental and social instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section G.3 of this Schedule 2;

(iii) the entity or entities in charge of coordinating and implementing the CER Component have adequate staff and resources, in accordance with the provisions of Section G.2 of this Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted the CER Manual in form, substance and manner acceptable to the Association and the provisions of the CER Manual remain - or have been updated in accordance with the provisions of Section F of this Schedule so as to be appropriate for the inclusion and implementation of said activities under the CER Component.



VIII. RESULTS FRAMEWORK AND MONITORING

Table 6: Project’s Simplified Results Framework

Project Development Objective:								
The project development objective is to improve access to <u>livelihoods</u> and socio-economic <u>infrastructure</u> in selected vulnerable <u>communities</u> in the DRC.								
Project Development Objective Indicators								
No.	Indicator name		Unit of measure	Baseline	Actual (Dec. 2019)	STEP target (Jun. 2020)	STEP 2 target (Feb. 2024)	Total
<i>Objective: Focus project activities on vulnerable communities</i>								
I	Vulnerable communities benefiting from the project		Number (communities)	0	367	--	1,000	1,400
	I.1	Of which affected by Ebola	Percentage	0	16%	--	25%	25%
	I.2	Of which hosting refugees	Percentage	0	23%	--	50%	50%
	I.3	Of which affected by FCV	Percentage	0	51%	--	75%	75%
II	Indirect project beneficiaries (CRI)		Number (individuals)	0	1,383,211	1,050,000	2,500,000	3,550,000
	II.1	Of which female	Number (individuals)	0	655,773	525,000	1,250,000	1,775,000
<i>Objective: Improve access to livelihoods</i>								



III	Beneficiaries of social safety net programs (CRI)		Number (individuals)	0	59,381	63,640	300,000	363,640
IV	Total of social transfers distributed by safety net programs		Amount (USD)	0	9,305,556	12,638,908	100,000,000	112,638,908
Objective: Improve access to socio-economic infrastructure								
V	Improved community infrastructures		Number (Infra)	0	855	--	2,000	3,000
	V.1	Of which through CDD approach	Number (Infra)	0	367	500	1,000	1,500
	V.2	Of which through public works	Number (Work sites)	0	488	--	1,000	1,500

Intermediate results indicators

Component 1: Community Support

No.	Indicator name		Unit of measure	Baseline	Actual (Dec 2019)	STEP target (Jun 2020)	STEP 2 target (Feb 2024)	Total
1.1	Indirect beneficiaries of the community infrastructures		Number (individuals)	0	1,323,830	1,050,000	1,200,000	2,250,000
	1.11	People provided with access to improved water sources (CRI)	Number (individuals)	0	370,672	--	300,000	600,000
	1.12	People provided with access to improved health centers	Number (individuals)	0	608,962	--	300,000	650,000
	1.13	People provided with access to improved schools	Number (individuals)	0	344,196	--	600,000	1,000,000
1.2	CLDs active in providing services to the community		Number (Committees)	0	194	500	1,000	1,500



Component 2: Livelihoods and employment generation								
No.	Indicator name		Unit of measure	Baseline	Actual (Dec 2019)	STEP target (Jun 2020)	STEP 2 target (Feb 2024)	Total
2.1	Direct beneficiaries of public works		Number (individuals)	0	15,741	20,000	100,000	120,000
	2.11	Of which are female	Percentage	0	47%	30%	≥50%	46%
	2.12	Of which are refugee	Percentage	0	0.1%	--	≥10%	10%
2.2	Person-days of temporary employment created		Number (days)	0	1,326,662	2,160,000	10,000,000	12,160,000
2.3	Direct beneficiaries of cash transfers		Number (individuals)	0	31,540	31,540	200,000	231,540
	2.31	Of which are female	Percentage	0	51%	50%	≥50%	50%
	2.32	Of which are refugee	Percentage	0	0.1%	--	≥10%	10%
2.4	Total amount distributed on cash transfers		Amount (USD)	0	1,892,400	1,892,400	60,000,000	61,892,400
2.5	Direct beneficiaries of assets distribution		Number (individuals)	0	43,640	43,640	0	43,640
	2.51	Of which are female	Percentage	0	51%	40%	--	40%
	2.52	Of which are refugee	Percentage	0	0.1%	--	--	--
2.6	Direct beneficiaries of social safety net programs provided with accompanying measures		Percentage	0	50%	84%	100%	NA



Component 3: Capacity building								
No.	Indicator name		Unit of measure	Baseline	Actual (Dec 2019)	STEP target (Jun 2020)	STEP 2 target (Feb 2024)	Total
3.1	Persons enrolled in the social registry		Number (individuals)	0	0	0	1,800,000	1,800,000
	3.11	Of which refugees	Number (individuals)	0	0	0	100,000	100,000
3.2	FSRDC's Beneficiary Operations Management System functional		Number	0	0	0	1	1
3.3	Provincial Contingency Plans for surges in refugees and/or other displaced		Number	0	0	0	4	4
CR	Grievances related to delivery of project benefits responded to		Percentage	0	50%	100%	100%	100%



Results Framework

COUNTRY: Congo, Democratic Republic of
STEP Second Additional Financing

Project Development Objective(s)

The project development objective is to improve access to livelihoods and socio-economic infrastructures in selected vulnerable communities in the DRC.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
Focus project activities on vulnerable communities (Action: This Objective is New)			
I. Vulnerable communities benefiting from the project (Number)		0.00	1,400.00
Action: This indicator is New			
I.1 Of which affected by Ebola (Percentage)		0.00	25.00
Action: This indicator is New			
I.2 Of which hosting refugees (Percentage)		0.00	50.00
Action: This indicator is New			
I.3 Of which affected by FCV (Percentage)		0.00	75.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator is New</i>			
II. Indirect project beneficiaries (CRI) (Number)		0.00	3,550,000.00
<i>Action: This indicator is New</i>			
II.1 Of which female (Number)		0.00	1,775,000.00
<i>Action: This indicator is New</i>			
Improve access to livelihoods (Action: This Objective is New)			
III. Beneficiaries of social safety net programs (CRI) (Number)		0.00	363,640.00
<i>Action: This indicator is New</i>			
IV. Total of social transfers distributed by safety net programs (Amount(USD))		0.00	112,638,908.00
<i>Action: This indicator is New</i>			
Improve access to socio-economic infrastructure (Action: This Objective is New)			
V. Improved community infrastructures (Number)		0.00	3,000.00
<i>Action: This indicator is New</i>			
V.1 Of which through CDD approach (Number)		0.00	1,500.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator is New</i>			
V.2 Of which through cash for work (Number)		0.00	1,500.00
<i>Action: This indicator is New</i>			
Improve access to livelihoods in vulnerable communities in the Eastern provinces of DRC. (Action: This Objective has been Marked for Deletion)			
Beneficiaries of the livelihood support subcomponent whose revenue increased (Percentage)		0.00	60.00
<i>Action: This indicator has been Marked for Deletion</i>			
Male beneficiaries of livelihood support whose revenue increased (Percentage)		0.00	60.00
<i>Action: This indicator has been Marked for Deletion</i>			
Female beneficiaries of livelihood support whose revenue increased (Percentage)		0.00	60.00
<i>Action: This indicator has been Marked for Deletion</i>			
Beneficiaries of the livelihood support sub-component residing in communities affected by forced displacement whose income has improved (Percentage)		0.00	60.00
<i>Action: This indicator has been Marked for Deletion</i>			
Average increase in annual revenues among beneficiaries of the livelihood support component (Percentage)		0.00	15.00
<i>Action: This indicator has been Marked for Deletion</i>			



Indicator Name	DLI	Baseline	End Target
Average increase in annual revenues for female beneficiaries (Percentage)		0.00	15.00
<i>Action: This indicator has been Marked for Deletion</i>			
Average increase in annual revenues for male beneficiaries (Percentage)		0.00	15.00
<i>Action: This indicator has been Marked for Deletion</i>			
Average increase in annual income of beneficiaries of the Livelihood Support component in communities affected by forced displacement (Percentage)		0.00	15.00
<i>Action: This indicator has been Marked for Deletion</i>			
Direct project beneficiaries (Number)		0.00	1,050,000.00
<i>Action: This indicator has been Marked for Deletion</i>			
Female beneficiaries (Percentage)		0.00	51.00
<i>Action: This indicator has been Marked for Deletion</i>			
Improve access to socio-economic infrastructure in vulnerable communities in the Eastern DRC (Action: This Objective has been Marked for Deletion)			
Increased access to improved community social and economic infrastructure (Percentage)		0.00	30.00
<i>Action: This indicator has been Marked for Deletion</i>			
Increase in number of medical consultations (Percentage)		0.00	30.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator has been Marked for Deletion</i>			
Increase in access to potable water (Percentage)		0.00	30.00
<i>Action: This indicator has been Marked for Deletion</i>			
Increase in primary school enrollment (Percentage)		0.00	30.00
<i>Action: This indicator has been Marked for Deletion</i>			
Increased access to improved community social and economic infrastructure in communities affected by forced displacement (Percentage)		0.00	30.00
<i>Action: This indicator has been Marked for Deletion</i>			

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Component 1: Community Support (Action: This Component is New)				
1.1 Indirect beneficiaries of the community infrastructures (Number)		0.00		2,250,000.00
<i>Action: This indicator is New</i>				
1.11 People provided with access to improved water sources (CRI) (Number)		0.00		600,000.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator is New</i>				
1.12 People provided with access to improved health centers (Number)		0.00		650,000.00
<i>Action: This indicator is New</i>				
1.13 People provided with access to improved schools (Number)		0.00		1,000,000.00
<i>Action: This indicator is New</i>				
1.2 CLD active in providing services to the community (Number)		0.00		1,500.00
<i>Action: This indicator is New</i>				
Component 2: Livelihoods and employment generation (Action: This Component is New)				
2.1 Direct beneficiaries of cash for work (Number)		0.00		120,000.00
<i>Action: This indicator is New</i>				
2.11 Of which are female (Percentage)		0.00		46.00
<i>Action: This indicator is New</i>				
2.12 Of which are refugee (Percentage)		0.00		10.00
<i>Action: This indicator is New</i>				
2.2 Person-days of temporary employment created (Days)		0.00		12,160,000.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator is New</i>				
2.3 Direct beneficiaries of cash transfers (Number)		0.00		231,540.00
<i>Action: This indicator is New</i>				
2.31 Of which are female (Percentage)		0.00		50.00
<i>Action: This indicator is New</i>				
2.32 Of which are refugee (Percentage)		0.00		10.00
<i>Action: This indicator is New</i>				
2.4 Total amount distributed on cash transfers (Amount(USD))		0.00		61,892,400.00
<i>Action: This indicator is New</i>				
2.5 Direct beneficiaries of assets distribution (Number)		0.00		43,640.00
<i>Action: This indicator is New</i>				
2.6 Direct beneficiaries of social safety net programs provided with accompanying measures (Percentage)		0.00		90.00
<i>Action: This indicator is New</i>				
Component 3: Capacity building (Action: This Component is New)				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
3.1 Persons enrolled in the social registry (Number)		0.00		1,800,000.00
Action: This indicator is New				
3.1.1 Of which refugees (Number)		0.00		100,000.00
Action: This indicator is New				
3.2 FSRDC's Beneficiary Operations Management System functional (Yes/No)		No		Yes
Action: This indicator is New				
3.3 Provincial Contingency Plans for surges in refugees and/or other displaced (Number)		0.00		4.00
Action: This indicator is New				
Grievances related to delivery of project benefits responded to (Percentage)		0.00		100.00
Action: This indicator is New				
Support to community resilience (Action: This Component has been Marked for Deletion)				
Number of community social and economic infrastructure constructed or rehabilitated (Number)		0.00		400.00
Action: This indicator has been Marked for Deletion				
Number of community social and economic infrastructure built or rehabilitated in communities affected by forced displacement		0.00		200.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
(Number)				
Action: This indicator has been Marked for Deletion				
Reps in comm. based decision making & mgt. str. from vul./marg. beneficiaries(%) (Percentage)		0.00		15.00
Action: This indicator has been Marked for Deletion				
People participating in community based decision making & mgt str. – male (Number)		0.00		1,200.00
Action: This indicator has been Marked for Deletion				
People participating in community based decision making & mgt str. – female (Number)		0.00		1,000.00
Action: This indicator has been Marked for Deletion				
Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries-male (Number)		0.00		450.00
Action: This indicator has been Marked for Deletion				
Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries-female (Number)		0.00		450.00
Action: This indicator has been Marked for Deletion				
Improvement in social cohesion among beneficiaries of community subprojects (Percentage)		0.00		20.00
Action: This indicator has been Marked for Deletion				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Improving social cohesion among beneficiaries of community sub-projects in communities affected by displacement (Percentage)		0.00		20.00
Action: This indicator has been Marked for Deletion				
Created or strengthened community structures for conflict prevention, mediation and resolution (Number)		0.00		210.00
Action: This indicator has been Marked for Deletion				
Community structures for prevention, mediation and conflict resolution created or strengthened in communities affected by forced displacement (Number)		0.00		95.00
Action: This indicator has been Marked for Deletion				
Action plans for conflict transformation adopted by communities (Number)		0.00		130.00
Action: This indicator has been Marked for Deletion				
Conflict Resolution Action Plans Adopted in Communities Affected by Forced Displacement (Number)		0.00		60.00
Action: This indicator has been Marked for Deletion				
Sub-projects implemented that were subject to environmental screening (Percentage)		0.00		95.00
Action: This indicator has been Marked for Deletion				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Sub-projects with post-project community engagement or O&M arrangements (%) (Percentage)		0.00		75.00
Action: This indicator has been Marked for Deletion				
Sub-projects or investments for which community post-project sustainability and / or utilization and maintenance schemes have been set in communities affected by forced displacement (percentage) (Percentage)		0.00		60.00
Action: This indicator has been Marked for Deletion				
Livelihoods and employment generation (Action: This Component has been Marked for Deletion)				
Beneficiaries that feel project investments reflected their needs (percentage) (Percentage)		0.00		70.00
Action: This indicator has been Marked for Deletion				
Beneficiaries of communities affected by forced displacement who consider that the investments of the Project meet their needs (Percentage)		0.00	35.00	70.00
Action: This indicator has been Marked for Deletion				
Beneficiaries of Safety Nets programs (number) (CRI, Number)		0.00	10,000.00	20,000.00
Action: This indicator has been Marked for Deletion				
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works, Males (number) (Number)		0.00		14,000.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Marked for Deletion				
Beneficiaries of Safety Nets programs - Female (number) (Number)		0.00	3,000.00	6,000.00
Action: This indicator has been Marked for Deletion				
Person days of temporary employment created (Number)		0.00		2,160,000.00
Action: This indicator has been Marked for Deletion				
Days of temporary employment created for women (Number)		0.00		650,000.00
Action: This indicator has been Marked for Deletion				
Days of temporary employment created for men (Number)		0.00		1,510,000.00
Action: This indicator has been Marked for Deletion				
Roads rehabilitated, Rural (Kilometers)		0.00		806.00
Action: This indicator has been Marked for Deletion				
Clients who have adopted an improved agr. technology promoted by the project (CRI, Number)		0.00	28,000.00	43,640.00
Action: This indicator has been Marked for Deletion				
Clients who adopted an improved agr. technology promoted by project – female (%)		0.00	40.00	50.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
(Number)				
Action: This indicator has been Marked for Deletion				
Beneficiaries living in a community affected by forced displacement who have adopted an improved agricultural technology promoted by the Project (Number)		0.00	70.00	95.00
Action: This indicator has been Marked for Deletion				
Beneficiaries who have adopted one of the improved agricultural technologies promoted by the Project (Percentage)		0.00		95.00
Action: This indicator has been Marked for Deletion				
Capacity building (Action: This Component has been Marked for Deletion)				
Client days of training provided (number) (Number)		0.00		70,000.00
Action: This indicator has been Marked for Deletion				
Client days of training provided - Female (number) (Number)		0.00		41,000.00
Action: This indicator has been Marked for Deletion				
LIPW beneficiaries completing a training program (Percentage)		0.00		50.00
Action: This indicator has been Marked for Deletion				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Capacity building events for local authorities, civil society and the FSRDC (Number)		0.00		100.00
Action: This indicator has been Marked for Deletion				
Technical audits implemented (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion				

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
I. Vulnerable communities benefiting from the project	Quartier ou groupement as defined by DRC's territorial administrative law affected by forced displacement, and/or disasters and/or FCV	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
I.1 Of which affected by Ebola	Communities affected by Ebola Virus Disease	Monthly	Ministry of Health/WHO	GEMS/MARTA	FSRDC
I.2 Of which hosting refugees	Communities hosting refugees	Monthly	UNHCR	GEMS/MARTA	FSRDC
I.3 Of which affected by FCV	Communities affected by Fragility Conflict and Violence such as	Monthly	MONUSCO	GEMS/MARTA	FSRDC



	destruction of social infrastructure and hosting ex-combatants				
II. Indirect project beneficiaries (CRI)	Extended people who benefit from a project intervention (i.e. family members of participants of public works program or of a cash transfer recipient, communities using improved infrastructure).	Monthly	Local administrative data	GEMS/MARTA	FSRDC
II.1 Of which female	Proportion of women among the direct project beneficiaries	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
III. Beneficiaries of social safety net programs (CRI)	Individuals registered in the safety net program supported by the project	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
IV. Total of social transfers distributed by safety net programs	Total dollar amount of social transfers (either in cash or in kind) distributed in vulnerable communities	Monthly	Payment agency reports, Monitoring reports	GEMS/MARTA	FSRDC
V. Improved community infrastructures	Infrastructures that have been constructed, rehabilitated or maintained through the project.	Monthly	Monitoring reports	MARTA, Technical audit	FSRDC, Independent author
V.1 Of which through CDD approach	This approach to local development gives control over planning decisions and investment resources	Monthly	Monitoring reports	GEMS/MARTA	FSRDC



	to CLPD				
V.2 Of which through cash for work	Infrastructures financed in Component 2 of the project (Public works subcomponent).	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
Beneficiaries of the livelihood support subcomponent whose revenue increased		By semester	Monitoring and supervision reports		FSRDC
Male beneficiaries of livelihood support whose revenue increased		By semester	Monitoring and supervision reports		FSRDC
Female beneficiaries of livelihood support whose revenue increased		By semester	Monitoring and supervision reports		FSRDC
Beneficiaries of the livelihood support sub-component residing in communities affected by forced displacement whose income has improved		By semester			FSRDC
Average increase in annual revenues among beneficiaries of the livelihood support component		By semester	Monitoring reports, RSF		FSRDC
Average increase in annual revenues for female beneficiaries		FSRDC	Monitoring reports		By semester
Average increase in annual revenues for male beneficiaries		By semester	Monitoring reports		FSRDC
Average increase in annual income of beneficiaries of the Livelihood		By semester			FSRDC



Support component in communities affected by forced displacement					
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.	By semester	Monitoring and supervision reports		FSRDC
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.				FSRDC
Increased access to improved community social and economic infrastructure	Indicator to be broken down by type of social service (e, g.: % increased	By semester	Monitoring reports		FSRDC



	in primary school enrollment, % increase in number of medical consultations; % increase in access to potable water)				
Increase in number of medical consultations	Refers to rehabilitated or newly build health facilities	By semester	Monitoring reports, RSF		FSRDC
Increase in access to potable water		By semester	Monitoring reports, RSF		FSRDC
Increase in primary school enrollment		By semester	Monitoring reports, RSF		FSRDC
Increased access to improved community social and economic infrastructure in communities affected by forced displacement		By semester			FSRDC

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
1.1 Indirect beneficiaries of the community infrastructures	Cumulative number of people who benefited from improved access to water supply service, schools or health centers financed by the project.	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
1.11 People provided with access to improved water sources (CRI)	Cumulative number of people who benefited from	Monthly	Monitoring reports	GEMS/MARTA	FSRDC



	improved water supply services financed by the project.				
1.12 People provided with access to improved health centers	Cumulative number of people who benefited from improved access to health centers financed by the project.	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
1.13 People provided with access to improved schools	Cumulative number of people who benefited from improved access to schools financed by the project.	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
1.2 CLD active in providing services to the community	A CLPD (Commite Locaux de Paix et Developpement) is a local committee providing services to the community including (i) maintenance plan for infrastructure, (ii) facilitation for the delivery of accompanying measures (iii) support to the social registry.	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.1 Direct beneficiaries of cash for work	Individuals benefiting of temporary employment opportunities through participation in labor-intensive public works	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.11 Of which are female		Monthly	Monitoring reports	GEMS/MARTA	FSRDC



2.12 Of which are refugee		Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.2 Person-days of temporary employment created	A worked day is a working day that is paid by the project to a direct beneficiary i.e. the beneficiary has indeed worked that day	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.3 Direct beneficiaries of cash transfers	Number of vulnerable people benefiting of timely and regular cash transfers as of to meet immediate consumption needs and build resilience	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.31 Of which are female		Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.32 Of which are refugee		Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.4 Total amount distributed on cash transfers	Total dollar amount distributed through cash transfers in vulnerable communities	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.5 Direct beneficiaries of assets distribution	Number of people benefiting of distribution of assets (e.g seeds, livestock, tools)	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
2.6 Direct beneficiaries of social safety net programs provided with accompanying measures	Accompanying measures are social inclusion initiatives which are	Monthly	Monitoring reports	GEMS/MARTA	FSRDC



	implemented alongside the delivery of social safety net programs in order to encourage productive inclusion and human capital development				
3.1 Persons enrolled in the social registry	Number of people registered in the social registry. Social Registries are information systems that support outreach, intake, registration, and determination of potential eligibility for one or more social programs.	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
3.11 Of which refugees	People with refugee status (confirmed by the National Commission for Refugees) among the persons registered in the social registry	Monthly	Monitoring reports	GEMS/MARTA	FSRDC
3.2 FSRDC's Beneficiary Operations Management System functional		Monthly	Monitoring reports	GEMS/MARTA	FSRDC
3.3 Provincial Contingency Plans for surges in refugees and/or other displaced		Monthly	Monitoring reports	GEMS/MARTA	FSRDC
Grievances related to delivery of project benefits responded to	Grievances are feedback from citizens (beneficiaries and other stakeholders) registered through the project's GRM and related	By semester	Monitoring reports	GEMS/MARTA	FSRDC



	to the delivery of the project's benefits.				
Number of community social and economic infrastructure constructed or rehabilitated		By semester	Monitoring reports		FSRDC
Number of community social and economic infrastructure built or rehabilitated in communities affected by forced displacement					FSRDC
Reps in comm. based decision making & mgt. str. from vul./marg. beneficiaries(%)	This indicator measures the space created and the effectiveness of mechanisms established by the project to include vulnerable and marginalized groups in decision-making processes. This indicator may be more useful for CDD-type projects.		Monitoring reports		FSRDC
People participating in community based decision making & mgt str. – male					
People participating in community based decision making & mgt str. – female					FSRDC
Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries- male					
Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries- female					



Improvement in social cohesion among beneficiaries of community subprojects	Percentage of people surveyed whose social cohesion score improved. Social cohesion to be measured using a composite index including: level of acceptance of others in the community, level of trust in other community members, propensity to work collectively to address development challenges.		Perception survey		Annual
Improving social cohesion among beneficiaries of community sub-projects in communities affected by displacement					
Created or strengthened community structures for conflict prevention, mediation and resolution		By semester	Monitoring reports		FSRDC
Community structures for prevention, mediation and conflict resolution created or strengthened in communities affected by forced displacement					
Action plans for conflict transformation adopted by communities		By semester	Monitoring reports		FSRDC
Conflict Resolution Action Plans Adopted in Communities Affected by Forced Displacement					



Sub-projects implemented that were subject to environmental screening		Annual	Beneficiary satisfaction survey report		FSRDC
Sub-projects with post-project community engagement or O&M arrangements (%)	This indicator is likely to be most relevant for CDD-type projects and measures the existence of specific arrangements created under the project to ensure ownership by project beneficiaries.	Annual	Beneficiary satisfaction survey report		FSRDC
Sub-projects or investments for which community post-project sustainability and / or utilization and maintenance schemes have been set in communities affected by forced displacement (percentage)					
Beneficiaries that feel project investments reflected their needs (percentage)	This will measure the extent to which decisions about the project reflected community preferences in a consistent manner.	Annual	Report of beneficiary satisfaction survey		FSRDC
Beneficiaries of communities affected by forced displacement who consider that the investments of the Project meet their needs					
Beneficiaries of Safety Nets programs (number)	This indicator measures the number of individual beneficiaries covered by safety nets programs supported by the Bank. Safety nets programs	Quarterly	Monitoring reports		FSRDC



	intend to provide social assistance (kind or cash) to poor and vulnerable individuals or families, including those to help cope with consequences of economic or other shock.				
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works, Males (number)	Follows the safety nets programs's classification used in SP Atlas.				
Beneficiaries of Safety Nets programs - Female (number)	This indicator measures female participation in SSN programs. It has the same definition as the "Beneficiaries of Safety Nets programs" but applies only to female. This indicator will yield a measure of coverage of SSN projects disaggregated by gender (in absolute numbers)				
Person days of temporary employment created	Temporary employment will be created through labor intensive public works	Monthly	Monitoring reports		FSRDC
Days of temporary employment created for women		Monthly	Monitoring reports		FSRDC
Days of temporary employment created for men		Monthly	Monitoring reports		FSRDC
Roads rehabilitated, Rural	Kilometers of all rural roads reopened to motorized	Quarterly	Monitoring reports		FSRDC



	<p>traffic, rehabilitated, or upgraded under the project. Rural roads are roads functionally classified in various countries below Trunk or Primary, Secondary or Link roads, or sometimes Tertiary roads. Such roads are often described as rural access, feeder, market, agricultural, irrigation, forestry or community roads. Typically, rural roads connect small urban centers/towns/settlements of less than 2,000 to 5,000 inhabitants to each other or to higher classes of road, market towns and urban centers.</p>				
Clients who have adopted an improved agr. technology promoted by the project	This indicator measures the number of clients of the project who have adopted an improved agricultural technology promoted by the project.	Every semester	Monitoring reports		FSRDC
Clients who adopted an improved agr. technology promoted by project – female (%)					
Beneficiaries living in a community affected by forced displacement who					



have adopted an improved agricultural technology promoted by the Project					
Beneficiaries who have adopted one of the improved agricultural technologies promoted by the Project					
Client days of training provided (number)	This indicator measures the number of client days of training provided i.e. the number of clients who completed training multiplied by the duration of training expressed in days.	Every semester	Monitoring reports		FSRDC
Client days of training provided - Female (number)					
LIPW beneficiaries completing a training program		Every semester	Monitoring reports		FSRDC
Capacity building events for local authorities, civil society and the FSRDC		Annual	Monitoring reports		FSRDC
Technical audits implemented		Annual	Monitoring reports		FSRDC



ANNEX I: IMPLEMENTATION SUPPORT STRATEGY

- 1. Context and challenges.** Implementation support in DRC faces three major challenges: (i) the overall weak capacity of the administration, despite the significant experience of the PIE (FSRDC); (ii) a constrained access to the beneficiary population due to the vast territory and the poor quality of the transport network; and (iii) a volatile security situation, especially in Ebola-affected areas. Implementation support will take these constraints into account and adjust accordingly.
- 2. Supervision Instruments.** The task team (TT), composed of WB staff and consultants with extensive experience in delivering social safety net projects in fragile environments with elevated security risks, has developed a strategy for access and implementation support combining: (i) frequent field missions; (ii) a remote supervision system; and (iii) enhanced HDP partnerships. This implementation support strategy is informed by a Security Risk Assessment (SRA), which was carried out by the TT during the preparation. The SRA maps relevant security stakeholders and identifies operational, safety, and reputational risks stemming from the interaction between these stakeholders and project assets and beneficiaries. The SRA will be updated at least annually.
- 3. Mission Frequency.** The Project's performance depends significantly on the TT's ability to provide hands-on implementation support. An international Senior Social Protection Specialist and a local Social Protection Specialist are based in Kinshasa. Supervision missions can therefore be undertaken frequently and cost-efficiently. The World Bank liaison offices in Goma and Kananga will serve as points of contact for partner coordination and intelligence gathering from local stakeholders. The Corporate Security Specialist based in Goma has been a team-member since the preparation stage, thus ensuring the link with UN's Department for Safety and Security (UNDSS) for field trips. This approach has allowed the TT to secure UN Humanitarian Air Services (UNHAS) flights to remote territories, establish security protocols with MONUSCO (including escorts as needed), and undertake regular field missions to supervise the parent project and prepare this operation, including in Ebola-affected areas with special authorizations.
- 4. Remote Supervision.** Between missions, FSRDC will submit monthly progress reports, which will be monitored systematically and reviewed via audio- and videoconference. With support from the WB, FSRDC is already deploying geospatial monitoring tools based on GEMS to report on its activities. These tools allow, among others, to collect feedback from beneficiaries and conduct rapid impact evaluations. A GEMS consultant has worked to design a set of customized questionnaires (e.g. beneficiaries, worksites, perceptions) to inform project adaptation in real-time. This approach will be scaled up to all activities financed under STEP 2. FSRDC will recruit a GIS technical assistant to help the PIE digitize the M&E system. This will allow both the TT and the PIE to analyze data on implementation across all project areas, e.g. geo-coded and time-stamped pictures of community infrastructure works. However, the digitized M&E system will not replace, but only complement physical supervision. Lastly, the project will finance external technical and financial audits, as well as social risks assessment, ensuring an additional layer of project monitoring.
- 5. Enhanced HDP Partnerships.** MONUSCO has a mandate to ensure the safety and security of UN staff and properties, including the WB's, as a UN specialized agency. As such, the TT receives weekly security threat assessments and updates on political developments from MONUSCO's JMAC. These insights are then cross-referenced with open-source data which the TT follows daily, e.g. media reports, news, and academic studies, in order to inform field missions and project delivery mechanisms. The TT has built strong relationships with the humanitarian community, e.g. the International Committee of the Red Cross and the Logistics Cluster, which has long been operating in this challenging environment and can provide advice and field support.