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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR 8.6 MILLION
(US\$12 MILLION EQUIVALENT)

AND A

PROPOSED EBOLA RECOVERY AND RECONSTRUCTION TRUST FUND GRANT
IN THE AMOUNT OF US\$4.35 MILLION

TO THE

REPUBLIC OF GUINEA

FOR A

PRODUCTIVE SOCIAL SAFETY NETS PROJECT

May 9, 2016

Social Protection and Labor Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2016)

Currency Unit = Guinean Franc GNF
GNF 7,573.5 = US\$1
US\$1 = SDR 0,70981389

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CCT	Conditional Cash Transfer
CFS	<i>Cellule de Filets Sociaux</i> (Safety Net Unit)
DA	Designated Account
ERRTF	Ebola Recovery and Reconstruction Trust Fund
ESMF	Environmental and Social Management Framework
EVD	Ebola Virus Disease
FM	Financial Management
GRS	Grievance Redress Service
HIMO	<i>Haute Intensité de Main d'œuvre</i> (Labor Intensive Approach)
IUFR	Interim Unaudited Financial Report
LIPW	Labor-Intensive Public Works
MTR	Midterm Review
NGO	Nongovernmental Organization
PDO	Project Development Objective
PRSP	Poverty Reduction Strategy
PSSNP	Productive Social Safety Nets Project
RPF	Resettlement Policy Framework
TF	Trust Fund
UNICEF	United Nations Children's Fund
UNPBF	United Nations Peace Building Fund
WFP	World Food Programme

Regional Vice President:	Makhtar Diop
Country Director:	Pierre Laporte
Acting Senior Global Practice Director:	Omar Arias
Practice Manager:	Stefano Paternostro
Task Team Leader:	Giuseppe Zampaglione and Fanta Touré

**REPUBLIC OF GUINEA
PRODUCTIVE SOCIAL SAFETY NETS PROJECT**

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ADDITIONAL FINANCING DATA SHEET

Guinea

Additional Financing Productive Social Safety Nets Project (P156484)

AFRICA

Social Protection and Labor

Basic Information - Parent							
Parent Project ID:	P123900			Original EA Category:	B - Partial Assessment		
Current Closing Date:	02-Oct-2017						
Basic Information - Additional Financing (AF)							
Project ID:	P156484			Additional Financing Type (from AUS):	Scale Up		
Regional Vice President:	Makhtar Diop			Proposed EA Category:	B - Partial Assessment		
Country Director:	Pierre Frank Laporte			Expected Effectiveness Date:	30-Jun-2016		
Senior Global Practice Director:	Omar S. Arias Diaz			Expected Closing Date:	30-Sep-2019		
Practice Manager/Manager:	Stefano Paternostro			Report No:	PAD1768		
Team Leader(s):	Giuseppe Zampaglione, Fanta Toure						
Borrower							
Organization Name	Contact	Title		Telephone	Email		
Ministry of Finance	Malado Kaba	Ministry of Economy and Finances		+224 621065937	malado.kaba@gmail.com		
Project Financing Data - Parent (Productive Social Safety Net Project-P123900) (in US\$, millions)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P123900	IDA-H7820	Effective	19-Jun-2012	19-Jul-2012	14-Feb-2013	02-Oct-2017	02-Oct-2017

P123900	TF-18255	Closed	18-Nov-2014	18-Nov-2014	18-Nov-2014	31-Oct-2015	31-Oct-2015		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P123900	IDA-H7820	Effective	US\$	25.00	25.00	0.00	18.42	4.80	73.69
P123900	TF-18255	Closed	US\$	1.86	1.85	0.01	1.85	0.00	100.00
Project Financing Data - Additional Financing Productive Social Safety Nets Project (P156484) (in US\$, millions)									
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant <input checked="" type="checkbox"/> IDA Grant <input type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost: 16.35				Total Bank Financing:			12.00		
Financing Gap: 0.00									
Financing Source - Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								0.00	
IDA Grant								12.00	
Ebola Recovery and Reconstruction Trust Fund								4.35	
Total								16.35	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?								No	
Explanation									
Does the project require any policy waiver(s)?								No	
Explanation									
Team Composition									
Bank Staff									
Name		Role			Title			Unit	
Giuseppe Zampaglione		Team Leader (ADM Responsible)			Lead Social Protection Specialist			GSP07	

Fanta Toure	Team Leader	Social Protection Specialist	GSP07		
Alpha Mamoudou Bah	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	GGO07		
Celestin Adjalou Niamien	Financial Management Specialist	Senior Financial Management Specialist	GGO13		
Abdoul Wahabi Seini	Safeguards Specialist	Senior Social Development Specialist	GSU01		
Emmanuel Ngollo	Environmental Specialist	Consultant	GENDR		
Faly Diallo	Team Member	Finance Officer	WFALN		
Ivar Cederholm	Window Manager	Senior Operations Officer	AFRDE		
Johanna van Tilburg	Safeguards Advisor	Senior Social Development Specialist	OPSPF		
Lydie Anne Billey	Team Member	Program Assistant	GSP07		
Siobhan McInerney- Lankford	Counsel	Senior Counsel	LEGAM		
Extended Team					
Name	Title	Location			
Nono Ayivi Guedehoussou	Consultant	GSP07			
Damien De Walque	Senior Economist	DECHD			
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Guinea	Conakry	Conakry Region	X		
Guinea	Boke	Boke Region	X		
Guinea	Faranah	Faranah Region	X		
Guinea	Kankan	Kankan Region	X		
Guinea	Kindia	Kindia Region	X		
Guinea	Labe	Labe Region	X		
Guinea	Mamou	Mamou Region	X		
Guinea	Nzerekore	Nzerekore Region	X		

Institutional Data				
Parent (Productive Social Safety Net Project-P123900)				
Practice Area (Lead)				
Social Protection and Labor				
Contributing Practice Areas				
Cross Cutting Topics				
[] Climate Change				
[] Fragile, Conflict & Violence				
[] Gender				
[X] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	70		
Public Administration, Law, and Justice	Public administration- Other social services	16		
Education	Primary education	9		
Health and other social services	Health	5		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social safety nets/Social assistance and social care services	68		
Human development	Nutrition and food security	13		
Human development	Education for all	11		
Social development /gender/inclusion	Gender	8		
Total		100		

Additional Financing Productive Social Safety Nets Project (P156484)				
Practice Area (Lead)				
Social Protection & Labor				
Contributing Practice Areas				
Fragile, Conflict & Violence, Health, Nutrition & Population, Jobs				
Cross Cutting Topics				
[] Climate Change				
[X] Fragile, Conflict & Violence				
[X] Gender				
[X] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	100	40	60
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social safety nets/Social assistance and social care services	90		
Human development	Other human development	10		
Total			100	

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional financing (AF) in an amount of US\$16.35 million to the Republic of Guinea's Productive Social Safety Nets Project (PSSNP) (IDA Grant 7820). This will bring the total budget envelope to US\$43.21 million.

2. The proposed AF aims to scale up a well-performing safety nets operation, which has included Labor-Intensive Public Works (LIPW) and cash transfer activities targeting the poorest and most vulnerable people in Guinea. The project also supports the establishment of a well-functioning safety nets system. The proposed AF will enhance the development impact of the ongoing operation. The changes that are proposed will increase the number of beneficiaries and ensure that the populations affected by the Ebola virus outbreak are targeted. More emphasis will be placed on strengthening mechanisms for beneficiary targeting, registration, payment, and information management. While keeping the same institutional and implementation arrangements as the parent project, the proposed AF will improve the design of the project and promote greater efficiency in implementation based on lessons learned during the midterm review (MTR) of the parent project, which was held in November 2015. The next steps include:

- improving mechanisms to target, identify, register, and transfer benefits to the poorest;
- maximizing the impact of the project on poverty reduction and human capital development through accompanying measures benefiting the recipients of the transfers;
- diversifying the type of microprojects to facilitate longer lasting investments while maintaining a focus on labor-intensive activities;
- promoting stronger government ownership and participation in implementation, monitoring, and evaluation;
- piloting a cash transfer program with soft conditionalities to create a more flexible poverty and vulnerability reduction tool, that can be scaled up in times of crisis;
- expanding the outreach of the project to focus on Ebola-affected regions; and
- adjusting the results framework to reflect the revised budget allocation according to component.

3. The proposed AF will be supported by a US\$12 million IDA grant and a US\$4.35 million grant from the Ebola Recovery and Reconstruction Trust Fund (ERRTF)¹ to be executed by the Republic of Guinea. The ERRTF is managed by the World Bank and was established in November 2014 to support the recovery and reconstruction response in the three African countries that were most affected by the Ebola epidemic: Guinea, Liberia, and Sierra Leone. The

¹ In parallel, the ERRTF is also providing the Bank with a US\$135,000 grant to supervise the delivery of the recipient-executed TF activities.

trust fund (TF) is expected to close on June 30, 2018, and is supported by the following donor countries: Denmark, Japan, Norway, Russia, the Netherlands, and the United Kingdom.

II. Background and Rationale for Additional Financing

4. **Guinea remains at a critical juncture on its path to development despite substantial progress being made toward political normalization.** Presidential elections were held in 2015, and were deemed acceptable by the international community amidst a climate of social tension. Local elections are scheduled in 2016. According to the latest national statistics, in 2012, the poverty rate was estimated to have increased from 53 percent in 2007 to 55.2 percent, translating into more than 6.2 million people living under the poverty line of US\$1.25 per person per day. Extreme poverty (for example, the ability to meet basic food needs) had increased from 12.2 percent to 18.0 percent of the population. The situation is expected to have worsened as a result of the Ebola virus outbreak, which led to economic contraction. The authorities confirmed, in early 2016 that largely due to the direct and indirect effects of Ebola on the economy and on investment, the growth rate in 2015 was 0.2 percent instead of the forecasted 5 percent. In 2015, the mining sector still faced a contraction caused by investor aversion due to Ebola, declining metal prices, and an uncertain policy regime in the country. However, in 2016, a rebound to more than 4 percent is projected due to higher metal prices, return of mining investment, and resilience of agriculture.

5. **Poverty is widespread, remains primarily rural with great regional variations, and is growing at an alarming rate in urban areas.** Based on 2012 data, six out of the eight regions have poverty rates exceeding 60 percent. These include Nzérékoré (67 percent), Labé and Faranah (65 percent), Kindia (63 percent), and Mamou (61 percent). In Nzérékoré, Faranah, and Kindia, which have been disproportionately affected by Ebola, the situation can be expected to have deteriorated further. In urban and peri-urban areas, rapidly increasing population size especially youth seeking work, poor sanitation and living conditions, population density, limited income generating opportunities, the predominance of the informal sector, and vulnerability to sharp increases in the price of cereals make youth employment a critical issue for economic recovery, peace, and stability.

6. **The human development outlook is grim.** Guinea ranks 182 (out of 188) on the 2015 Human Development Index (United Nations Development Programme). An analysis of deprivation included in the 2014 Bank-funded Safety Nets Assessment indicates that an estimated 60 percent of Guinean households suffer from multiple deprivations in health, housing, education, sanitation, and access to water. In rural areas, this deprivation is estimated at 90 percent and 100 percent for housing and access to water and 74–85 percent for education, health, and sanitation. According to the 2012 national poverty assessment, less than 16 percent of the population consulted health care workers. The infant mortality rate is 67 per 1,000 and the maternal mortality rate is 724 per 100,000, above the average rates in Sub-Saharan Africa. The gross enrolment rate has stagnated at around 83 percent since 2007 and for girls at around 77 percent.

7. **From 2014, this situation has worsened with the devastating impact that the Ebola Virus Disease (EVD) outbreak had on economic growth, lives, and livelihoods.** Based on data that is currently available (World Health Organization - Ebola Situation Report - January 3,

2016) the estimated number of cases in Guinea was 3,804, with a death toll of 2,536 people. Directly affected households are reported to have experienced trauma, discrimination, stigma, loss of food security, and livelihood. This situation has put additional stress on the already strained traditional coping mechanisms and family support systems. A significant number of children—over 5,000—have become orphans as a result of the disease. Hospital consultations have decreased by half, along with vaccination coverage that has decreased by 30 percent. An estimated 94 health centers as well as a rural hospital closed in December 2014. The state of infrastructure has deteriorated and travel time to and from health facilities has increased.

8. **The EVD highlighted structural weaknesses in a country where social protection and health systems are weak and crisis prevention and response capacity are almost nonexistent.** Before Ebola, the Government was struggling to address the following key risks and vulnerability challenges, which were exacerbated by the EVD crisis: (a) a high underemployment rate coupled with a considerable demographic bulge, with an estimated 45 percent of the population being under 15 years of age; (b) the prevalence of political, social, and interethnic tensions manifest in episodes of violence at the community level; (c) the recurrence of natural disasters, particularly floods that affect an estimated 50,000 to 60,000 people and their livelihoods on a yearly basis; and (d) significant increases in the price of basic food items and an increase in food insecurity (30 percent of the population is food insecure). Guinea has occasionally experienced cholera outbreaks since 1970, with the worst episode occurring in 1994 (31,415 notified cases and 671 deaths). Risk factors such as access to improved water sources and access to proper sanitation facilities persist. Other diseases such as malaria that have an impact on productivity are common.

9. **In this context of low capacity and widespread vulnerability social protection and safety nets in particular, are gaining increasing relevance as a multisectoral approach to address economic and social challenges.** However, national and institutional capacity to address the issues at stake is limited with regard to technical expertise, material, human, and financial resources. The budget allocation to social protection was estimated at less than 1 percent in 2014. Coverage of existing interventions is small compared to the needs. The United Nations, notably the United Nations Children’s Fund (UNICEF), the World Food Program (WFP), the Food and Agriculture Program and the European Commission financed some safety nets interventions in the country for a budget amount estimated at US\$57 million in 2014. These consisted of cash for work programs, school feeding, health, nutrition, and livelihood support interventions, covering roughly 30 percent of the population. Most of these interventions were project based and short term. An estimated 94 percent of the population relies on informal social protection systems to cope with shocks. These include family solidarity, community groups, *tontines*, and professional networks. Although these forms of assistance tend to be inclusive, they cannot provide assistance when entire communities are affected by covariate shocks. In addition, they are under enormous strain and overstretched, given the increase in frequency of shocks and widespread poverty levels. An estimated 6 percent of the population—those who are employed in the formal or private sector—benefit from formal mechanisms of social protection.

10. **Since 2011, under the commitment from the Government to address chronic and transient poverty, the Bank has provided substantial support to Guinea to increase access of vulnerable groups to income opportunities and to lay the foundations of a social safety nets strategy.** Such support includes (a) a US\$26,865,000 PSSNP (including US\$1,865,000

cofinancing from the United Nations Peace Building Fund (UNPBF); (b) extensive advisory services financed by the Rapid Social Response (RSR) TF; and (c) a well-structured dialogue and operational collaboration with the Government and key partners such as UNICEF, the WFP, and UNDP. The Government is currently articulating its vision for social protection in a national social protection policy which is being drafted with technical support from the Bank, UNICEF, and the International Labor Organization. The Bank is contributing financially to the policy document and the elaboration of a safety nets strategy with funding from the Rapid Social Response TF. Both documents are expected to be finalized under the leadership of the Ministry of Social Affairs and adopted by the Government by the end of 2016.

11. **The proposed AF remains consistent with the government's Poverty Reduction Strategy (PRSP 2013–2015)**, ongoing activities to extend the PRSP to 2017, and the Guinea Country Partnership Strategy (FY14–17). It is also aligned with the Government's plan for Ebola recovery. The proposed AF aims to scale up the ongoing PSSNP and enhance its development impact in response to the increasing levels of vulnerability and poverty. In doing so, the PSSNP will continue to contribute to axis 4 of the PRSP, which aims to reinforce access to basic social services and the resilience of households. The proposed AF is also aligned with the third area of the Guinea Country Partnership Strategy, which focuses on strengthening human capital. It is consistent with the Bank Social Protection Strategy for Africa, which promotes vulnerability reduction and resilience, and contributes directly to the Bank's twin goals of ending poverty and promoting shared prosperity.

PSSNP Performance Status

12. The parent project was approved on June 19, 2012, for US\$25 million in IDA grant. Its project development objective (PDO) is to provide income support to vulnerable groups and to lay the foundations of a social safety nets strategy by testing some of the building blocks necessary for a larger system. At approval, the project comprised three components: (a) an LIPW program and life skills development in urban areas targeted at youth to construct, rehabilitate, and maintain critical urban infrastructure and create short-term employment; (b) a pilot cash transfer to improve human capital in poor and food insecure rural areas; and (c) institutional and capacity building and project management aimed at supporting the operational units of the program in the development of key elements of a social protection strategy.

13. After a slow start, the project was restructured in November 2014 to simplify implementation arrangements and include a component geared toward providing logistical support to the Government for the Ebola response. In addition, a US\$1.865 million grant from the UNPBF was processed to increase the impact of the LIPW activities on social cohesion, bringing the total budget coverage to US\$26.865 million. The project closing date was maintained at October 2, 2017. The rating for Development Objective has consistently been Moderately Satisfactory and currently both Implementation Progress and Development Objective are rated Satisfactory.

14. The MTR of the project was held from November 14 to 24, 2015, in Conakry, with participation from key stakeholders, including the Ministry of Finance, the Ministry of Social Affairs, the Safety Nets Unit (*Cellule de Filets Sociaux*, CFS) (implementing agency), and implementing partners, including local nongovernmental organizations (NGOs), UNICEF, and the WFP. Key conclusions of the analytical work that was conducted ahead of the meeting to

assess project performance and impact confirmed the satisfactory performance of the project against the majority of its indicators. As of February 29, 2016, the project disbursement rate is 75 percent and in line with projections. Considerable achievements have been reached in all project components as described below:

- **Component 1: Labor-Intensive Public Works Program with a Focus on Women and Youth, and Life Skills Development.** Overall, this component has financed the necessary activities to target, register, and pay almost 20,000 beneficiaries (including 48 percent women). A total number of 150 microprojects (out of 200 microprojects planned for the project duration) have been completed in urban and peri-urban areas, primarily in sanitation, directly and indirectly benefitting more than 1 million people. The performance of this component is rated Moderately Satisfactory due to some delays associated with implementing the life skills training subcomponent. Funding from the UNPBF TF was disbursed at 99 percent, and the TF closed on October 31, 2015.
- **Component 2: Pilot Conditional Cash Transfer to Protect Human Capital.** This component aims to transfer cash grants to poor households with young children under the condition that the children attend school and visit health centers. A total of 5,217 beneficiary households (16,862 children) in Telimélé, Mali, Kerouane, and Siguiiri have received at least three rounds of cash transfers equivalent to US\$222,480. According to the records, 82 percent of beneficiaries abide by the conditionalities. In addition, the WFP has successfully targeted 7,847 children for school feeding in selected communities in the same areas as the cash transfers as part of a broader impact evaluation. Performance of this component is rated Satisfactory.
- **Component 3: Project Coordination and Institutional Capacity Building.** This component helped facilitate the establishment of a fully functional office for the project implementation unit—the CFS—(including procurement of goods, services and consultants). It financed training events and study tours of CFS experts and supported institutional capacity building of the Ministry of Social Affairs to contribute to the elaboration of a social protection policy and safety nets strategy. The operating costs have been contained at 13.51 percent of overall project management support. Performance of this component is rated Moderately Satisfactory based on an institutional assessment that was conducted during the MTR. Recommendations from this assessment are being implemented. They include strengthening team cohesion and updating the terms of reference of all consultants to limit overlaps between the roles and reflect actual scope of work.
- **Component 4: Prevention of the Ebola Epidemic.** This component was added as part of a November 2014 restructuring and reallocated US\$6.0 million from Component 1 (Labor-Intensive Public Works) to (a) provide critical logistical support to the EVD treatment teams, including vehicles for social mobilization, case contact tracing, and coordination efforts; (b) finance a communication campaign and community-level mobilization programs; and (c) provide trainings to teachers and officials for the implementation of the EVD emergency response. These activities

were implemented by UNICEF and have been completed. The performance is rated Satisfactory.

Financial Management, Procurement, and Social and Environmental Safeguards

15. The Financial Management (FM) and Procurement ratings of the parent project have been recorded as Moderately Satisfactory in the most recent Implementation Status and Results Report. A post-procurement review carried in May 2015 was overall positive but highlighted some measures to improve procurement management, which are currently being implemented. Performance on environmental and social safeguards is rated Moderately Satisfactory. Key issues flagged during the supervision missions and MTR include the sustainability of the sanitation activities in a context where a formal and functional waste disposal system does not exist. Currently, the project has contracted some private companies to collect the waste within an acceptable time frame and to dispose of it in a way that is deemed satisfactory to the Bank. Another set of recommendations formulated during the MTR to improve project safeguards monitoring performance includes the following: (a) ensuring that the environmental plans that are elaborated for the LIPW microprojects are successfully implemented; (b) promoting the systematic use of protective equipment by all workers; (c) involving the project safeguard specialist in the early stages of planning microprojects; (d) improving the existing grievance mechanisms system; and (e) promoting better involvement of the Government in monitoring compliance with safeguards through a Memorandum of Understanding with the Ministry of Environment.

16. There is substantial compliance with the key loan covenants and no outstanding audits.

III. Proposed Changes

Summary of Proposed Changes

The proposed AF aims to scale up a well-performing productive safety nets operation, which includes LIPW and cash transfer activities targeting the poorest and most vulnerable people. The parent project will be restructured to (a) reflect a change in the name of the second component and (b) extend the closing date from October 17, 2017 to September 30, 2019 to align it with the proposed AF.

Under the proposed AF, 25,000 additional households will benefit from the intervention.

Component 1 on Labor-Intensive Public Works (LIPW) will focus on peri-urban areas. Although 75 percent of investments will continue to focus on sanitation activities, microprojects geared toward promoting longer-term investments will be introduced. The activity duration will be extended from 30 to 60 days and daily salaries will be reduced to reflect labor costs in peri-urban areas. The package of accompanying measures developed under the parent operation will be strengthened, and linkages will be established with microfinance interventions to have a

greater impact on poverty reduction outcomes.

Under Component 2, an unconditional cash transfer will be introduced to equip the Government with a more flexible instrument that can be scaled up during times of crisis. Interventions will focus on rural areas where poverty levels are the highest. Soft conditionalities will ensure the promotion and adoption of best practices in early childhood development, food security, and nutrition. Productive livelihoods accompanying measures will also be introduced.

Component 3 will continue to support project management, along with costs associated with strengthening the building blocks of the safety nets system (including mechanisms for information management, biometric registration and identification of beneficiaries, payments of beneficiaries through a third party, and monitoring and evaluation). The targeting methodology for the LIPW and the cash transfers will be modified to promote greater efficiency and to reach the poorest. The Government will be further involved in project coordination and management through a Memorandum of Understanding with the Ministry of Environment and the Ministry of Social Affairs, Women Promotion and Children. Support will continue to be provided to the Government (through the Ministry of Social Affairs) for the elaboration of a social protection policy and a safety nets strategy.

All activities under Component 4 have been funded as part of the parent operation. However, this component will remain active with a US\$0 allocation. The component will be considered for refinancing based on a government request if another crisis related to Ebola is triggered. Implementation arrangements have been modified to allow the Government to recruit a service provider among qualified entities including, but not limited to the United Nations agencies, to execute the required activities if a crisis is triggered. This change responds to a government request of allowing more flexibility in implementation arrangements, and using national systems/counterparts when feasible. Eligible activities will continue to include the provision of logistical support to the government, information campaigns, and training for key stakeholders.

Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA Category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]

Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [X] No []
Change in Implementation Schedule	Yes [] No [X]
Other Change(s)	Yes [] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The PDO is to provide income support to vulnerable groups and to lay the foundations of a social safety net strategy by testing some of the building blocks necessary for a larger system.

Change in Results Framework

Explanation:

The results framework will be slightly modified to reflect changes that have been made in budget allocation since the November 2014 restructuring. While the majority of the changes will focus on the target values of the outcome indicators, some intermediary indicators will also be revised to capture progress toward achieving the project's results accurately. New indicators will be added to capture progress toward establishing a safety nets system. Annex 1 provides details on the specific changes that are proposed.

Compliance

Covenants - Additional Financing (Productive Social Safety Nets Project - P156484)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Schedule 2, Section I.C.2	The recipient shall, not later than one month after the effective date, update the project implementation manual in form and substance acceptable to the Association	31-Jul-2016	<input type="checkbox"/>	-	New
ERRTF	Schedule 2, Section I.C.2	The recipient shall, within one month of	31-Jul-2016	<input type="checkbox"/>	-	New

		the effective date, update the project implementation manual in form and substance acceptable to the Association				
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Conditions

Source Of Fund	Name	Type
IDA	Standard condition of effectiveness	Effectiveness

Description of Condition

FA Article IV. 4.01: The Cofinancing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.

Source Of Fund	Name	Type
ERRTF	Standard condition of effectiveness	Effectiveness

Description of Condition

GA Article IV. 4.01: The Cofinancing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.

Source Of Fund	Name	Type
ERRTF	Disbursement condition	Disbursement

Description of Condition

GA: Schedule 2. Section IV.B.1.b. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made: (a) for payments made prior to the date of this Agreement; (b) under Category (1) until the project implementation manual has been updated to include eligibility criteria for beneficiaries of the unconditional cash transfer program, as well as policies and procedures governing their selection and the economic, financial, technical, social and environmental standards, and procedures governing the implementation of said program.

Source Of Fund	Name	Type
IDA	Disbursement condition	Disbursement

Description of Condition

FA Schedule 2, Section IV. B.1. “Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for (a) payments made prior to the date of this Agreement; (b) under Category (3), unless and until the Association is satisfied that the following conditions have been met: (i) the recipient has determined that an eligible crisis or emergency has occurred, has

furnished to the Association a request to include activities under Part D of the project 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 adequate staff and resources, in accordance with the provisions of Section I.B.1 of this Schedule 2 to the Financing Agreement, for the purposes of said activities; and (iii) the recipient has made the necessary revisions to the project implementation manual in form, substance, and manner acceptable to the Association.”

Risk					
Risk Category					Rating (H, S, M, L)
1. Political and Governance					Substantial
2. Macroeconomic					Substantial
3. Sector Strategies and Policies					Moderate
4. Technical Design of Project or Program					Low
5. Institutional Capacity for Implementation and Sustainability					Moderate
6. Fiduciary					Substantial
7. Environment and Social					Moderate
8. Stakeholders					Low
9. Other					
Overall					Substantial
Finance					
Loan Closing Date - Additional Financing (Productive Social Safety Nets Project - P156484)					
Source of Funds			Proposed Additional Financing Loan Closing Date		
Ebola Recovery and Reconstruction TF			30-Jun-2018		
IDA Grant			30-Sep-2019		
Loan Closing Date(s) - Parent (Productive Social Safety Net Project - P123900)					
Explanation:					
The closing date of the parent project will be aligned with the closing date of the proposed AF to ensure continuity of operations and for ease of processing.					
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-H7820	Effective	02-Oct-2017	02-Oct-2017	30-Sep-2019	
TF-18255	Closed	31-Oct-2015	31-Oct-2015		31-Oct-2015, 22-Dec-2015

Change in Disbursement Arrangements

Explanation:

Disbursement arrangements will be updated to accommodate the AF. Appropriate disbursement arrangements will minimize risks of mismanagement while ensuring smooth implementation. They include

- Requiring the client to open a designated account (DA) for each new source of funds
- Increasing the disbursement ceiling to reflect the CFS' demonstrated capacity to execute a large number of microprojects
- Ensuring that all funds allocated to Component 1 (LIPW) under the parent project are disbursed or committed before funds under Component 1 (LIPW) of the AF are spent
- Using resources from ERRTF exclusively to finance the entirety of the costs of Component 2. IDA resources will be used exclusively to finance the entirety of the costs of Components 1 and 3. Component 4, if refinanced, will be supported by reallocations of project proceeds or by additional resources.

Change in Disbursement Estimates (including all sources of Financing)

Explanation:

The increased budget allocation will have some implications for disbursement estimates, which will be updated once the AF package has been approved according to Bank procedures.

Expected Disbursements (in US\$, millions) (including all Sources of Financing)

Fiscal Year	2016	2017	2018	2019	2020
Annual	0.00	3.50	5.85	4.00	3.00
Cumulative	0.00	3.50	9.35	13.35	16.35

Allocations - Additional Financing (Additional Financing Productive Social Safety Nets Project - P156484)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
ERR	US\$	Category 1: Unconditional cash transfers under Part B.4 (i) of the project	3,565,000.00	100.00
		Category 2: Goods, works, consulting services, non-	785,000.00	100.00

		consulting services, training, and operating costs under Part B.4		
Total			4,350,000.00	
IDA	XDR	Category 1: Goods, works, non-consulting services, consultants' services, training (including accompanying measures)	5,000,000.00	100.00
		Category 2: Stipends under Part A.3 of the project	3,600,000	
		Category 3: Goods, works, non-consulting services, consultants' services, training, stipends, and operating costs under Part D of the project	0	
Total			8,600,000	

Components

Change to Components and Cost

Explanation:

Component 1: Labor-Intensive Public Works with a Focus on Women and Youth, and Life Skills Development: (Original US\$12.05 million; AF US\$9 million fully financed by IDA; total: US\$21.05). The title of this component remains unchanged. Its objective will remain to support activities aimed at providing income support for vulnerable groups including women and youth. The proposed AF will focus on peri-urban areas in the chef lieux (or main city) of all regional subprefectures, where poverty rates are higher than in the urban areas. The budget allocation for the component will be distributed to all regions, prefectures, and subprefectures based on the number of extreme poor living in these areas (according to the 2012 ELEP data). At the subprefecture level, a targeting committee will identify vulnerable households based on

criteria provided by the project and detailed in the project implementation manual. The beneficiary list will be validated by the project through a proxy means testing exercise. Households will be registered using biometric data and will receive a beneficiary ID that will be used to facilitate payments. The beneficiary lists will be communicated to NGOs who will be responsible for facilitating the labor-intensive work microprojects that will be proposed by the communes and validated by the CFS)and the Bank, as detailed in the implementation manual.

An additional 18,000 beneficiaries will be recruited to implement highly labor-intensive microprojects with support from NGOs. While an estimated 75 percent of activities will continue to consist of sanitation activities (cleaning ditches, gutters, and road canals) with expected improvements in public health conditions, the project will support other activities that can contribute to stronger development and resilience outcomes such as rural road rehabilitation. An estimated number of 171 microprojects will be completed. The duration of the microprojects will be extended from 30 to 60 days. The amount of transfers will be decreased from GNF 35,000 to GNF 30,000, to reflect the labor market rate in peri-urban areas. Payments will be conducted by a third party, either a microfinance institution or a mobile phone company, based on findings from a pilot that is being conducted under the parent project.

In addition, the proposed AF will update the package of accompanying measures to improve the quality of the training module on Ebola. It will also finance the elaboration of a package of productive measures to increase the impact of the project on poverty reduction. The CFS will establish some strategic partnerships to facilitate the delivery of this package. Linkages will be established with microfinance institutions and other Bank-funded initiatives to deliver financial education, organize the beneficiaries into small economic interest groups, provide technical trainings on income generating activities, increase access to credit, and provide matching grants for savings. At least 50 percent of beneficiaries of this intervention will be women.

Component 2: Pilot Conditional Cash Transfer to Protect Human Capital (Original US\$4.5 million; AF US\$4.35 million exclusively funded by the ERRTF; total US\$8.85 million). The title of and objective of this component remains the same—to pilot safety nets programs to determine the most appropriate design for scale-up. The parent project will continue to support the pilot Conditional Cash Transfer (CCT) and school feeding activities that are committed. The impact evaluation is expected to be finalized by end of 2017 and will provide information regarding the administrative costs of maintaining the conditionalities and the impact of these conditionalities on education and health outcomes of targeted beneficiaries.

In the meantime and in recognition of the challenges associated with the sustainability of CCT interventions in low-income contexts, the proposed AF will introduce a cash transfer with soft conditionalities in rural areas where poverty rates are the highest and human development capital limited. These transfers will aim to provide income support to poor and vulnerable households and help them weather the effects of shocks. A data analysis exercise conducted by the CFS with support from the National Institute for Statistics indicates that there is a considerable overlap between the regions with the highest number of poor and those that are the most affected by the Ebola epidemic. The budget available will be allocated to villages in the poorest subprefectures based on nutrition, education, and health data. Areas where the CCT operates (Kerouané, Mali, Siguiri, and Telimélé) will be excluded, and the proposed AF will focus its resources on expanding the outreach of the cash transfers to a wider population out of a large number of

beneficiaries throughout the country. Activities will start in areas that are the most affected by Ebola (in the region of Nzérékoré).

This component will provide regular cash transfers, four times a year, to 7,000 beneficiary households selected through a combination of community-based and proxy means testing using the same methodology as described for Component 1. A total amount of US\$400 will be transferred over a 24-month period, corresponding roughly to 14 percent of the yearly consumption of households from the poorest quintile (Q1) and 10 percent of the yearly consumption of the next poorest quintile of households (Q2). Payments will be conducted by a third party, either a microfinance institution or a mobile phone company, based on findings from a pilot that is being conducted under the parent project.

The component will also finance soft conditionalities aimed to maximize the effects of the cash transfers on food security and poverty alleviation. It will support the costs of designing and implementing behavioral and productive accompanying measures. The behavioral accompanying measures will help promote better early childhood development outcomes in nutrition, health, and education in targeted communities based on the best regional practices. The productive accompanying measures will be similar to the assistance provided under Component 1 and delivered through the same strategic partnership arrangements to ensure project efficiency.

Component 3: Project Coordination and Institutional Capacity Building (Original US\$4.315 million; AF US\$3.0 million exclusively financed by IDA; total: US\$7.315 million). The title of this component will be modified from ‘project management’ to ‘project coordination and institutional capacity building’ to reflect the full scope of activities being financed. The proposed AF will continue to finance expenditures related to the procurement of goods, works, services, and consultants and the costs of expanding the project to new areas. Memorandums of Understanding will be signed with relevant ministries (Social Affairs, Environment, and Urban Development) to promote more involvement of the Government in project supervision.

In addition to the above, the proposed AF will support efforts to strengthen the essential building blocks of a safety nets system that have been established through the parent operation, and specific indicators to measure progress in this area are added in the revised Results Framework and Monitoring Indicators. The essential building blocks will include (a) establishing an integrated management information system; (b) strengthening beneficiary targeting and identification mechanisms as well as grievance redress mechanisms; (c) establishing a third-party payment system that will eventually be aligned with the management information system; and (d) supporting the elaboration of a beneficiary database and policy dialogue for the eventual elaboration of a social registry. A strategic partnership has been established with the information and communication technology unit of the Bank to support the Government in piloting a national identification system through this intervention. Under the umbrella of the Identification for Development initiative (ID4D) at the Bank and with financing from the ERRTF, beneficiaries of the cash transfers will be registered through an advanced system requiring biometric identification. The system will be ready to be tested before the cash transfer rolls out. Such a system will be the first step toward establishing a national social registry. The proposed AF will also support policy dialogue and technical assistance (including international consultants) for key stakeholders to determine the appropriate institutional platform and identify mechanisms to

manage a national registry.

Finally, the proposed AF and parent project will also finance capacity-building activities in support of experts of the CFS and of government staff involved in the preparation of the National Social Protection Policy and of the safety nets strategy, including study tours, trainings, technical assistance, and policy dialogue. The Ministry of Social Affairs, in particular, which is chairing the interministerial committee for the elaboration of the above documents has taken the lead in the dialogue and will continue to be supported in this task.

Component 4: Prevention of the Ebola Epidemic (Original US\$6 million; AF US\$0).

Experience in other Ebola-affected countries and recent events in Guinea indicate that a recurrence of the epidemic is possible. For this reason, this Project Paper keeps Component 4 active with a US\$0 allocation. In case there is a new Ebola emergency, this component can be easily financed by either a reallocation from other project components or an AF. The arrangements agreed upon as part of the parent project will be slightly modified to respond to the Government request of allowing more flexibility in implementation arrangements, and using national systems/counterparts when feasible. Once the Government declares an Ebola-related emergency and formally requests assistance from the Bank, the CFS will have the option to recruit a qualified service provider (including but not limited to United Nations agencies) to carry out activities related to the response. Eligible activities will continue to include information campaigns, provision of logistical support to the Government, and training for key stakeholders.

Current Component Name	Proposed Component Name	Current Cost (US\$, millions)	Proposed Cost (US\$, millions)	Action
Labor Intensive Public works and Life Skills Training	Labor Intensive Public Works Program with a Focus on Women and Youth, and Life Skills Development	12.05	21.05	Revised
Pilot Transfer Programs to Protect Human Capital	Pilot Conditional Transfer to Protect Human Capital	4.50	8.85	Revised
Project Coordination and Institutional Capacity Building	Project Coordination and Institutional Capacity Building	4.32	7.31	Revised
Response to the Ebola Epidemic	Prevention of the Ebola Epidemic	6.00	6.00	No Change
	Total:	26.87	43.21	

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

Through the proposed AF, the PSSNP will continue to have both indirect and direct impacts on welfare and poverty. Components 1 and 2, which provide direct income transfers to poor households, are expected to have strong direct impacts as well as spillover effects. Component 3, through its focus on systems building, is expected to have broad reaching, if indirect, impacts.

Activities supported by Components 1 and 2 (LIPW and Pilot Cash Transfers) are expected to have direct impacts on consumption and the human capital of extremely poor households. Supporting the consumption of households helps avoid negative coping strategies and ensures that investments in human capital are not disrupted by consumption fluctuations. The growing experience with cash transfer programs which are geared toward improving consumption and human capital and resilience over the medium term has highlighted the range of impacts they can have on numerous dimensions of well-being. They include

- **Impact on consumption and poverty.** Even if the cash transfers do not allow beneficiaries to escape poverty because they are too far from the poverty line, the increase in revenue could help them significantly improve their standard of living. Their consumption per capita may increase on average by 15 to 20 percent depending on the quality of targeting, and their poverty gap could be reduced by about 6 percentage points, from 53 to 47 percent.
- **Impacts on food security.** In urban areas, food represents 53 percent of households' related expenditures, within which 25 percent is allocated to cereals. Out of a total US\$400 to be transferred to the beneficiaries over the course of the project, an estimated US\$212 will be spent on food, including US\$53 on cereals. Among other food items, this transfer will allow beneficiary households to purchase an additional 33 kg of imported rice and 12 kg of local rice at market price.
- **Impacts on households' coping strategies.** By providing a regular, minimum income, a cash transfer also protects the consumption and income generation strategies of households and helps them avoid resorting to negative coping strategies (such as removing children from school, distress sales of livestock when prices are low, and so on).
- **Impacts on investment in human capital.** International experience has demonstrated that transfers can have significant impacts on human capital development over the medium and long term. Studies show that cash transfer programs can play an important role in improving the distribution of growth outcomes across the population, and improving social indicators, provided these are made over several years. Furthermore, the proposed accompanying measures (particularly the ones focusing on early childhood development) are expected to create positive changes in attitudes with an impact that is expected to extend beyond the life of the project.
- **Impacts on productive investments.** Cash transfers can also lead to significant increases in productive investment. In Zambia, they led to increased investments in agricultural inputs, particularly for smaller households, as well as a shift to higher-value agricultural production (from cassava to maize or rice) and more selling at market (from 23 to 35 percent) and ownership of nonagricultural enterprise (from 22 to 39 percent).

Cash transfers also led to increased livestock ownership in Zambia, Kenya, and Malawi. The accompanying measures provided through Components 1 and 2 would ensure that trainings are provided on financial education and linkages are established with microfinance companies who can increase beneficiaries' access to savings and credit.

- **Impact on local economies.** Evidence is also accumulating on the positive spillovers of cash transfers on local economic activity. Cash transfers provide an immediate impact by raising the purchasing power of beneficiary households. As beneficiary households spend cash, impacts immediately spread outside beneficiary households to others inside and outside their communities. In Ghana, for example, beneficiaries of the Learning for Equality, Access, and Peace program spend about 80 percent of the cash transfers inside the local economy, which in turn launches a new round of income increases in the community. In turn, periodic markets and purchases outside the village will shift income effects to other communities. Cash transfers can, therefore, have large income multiplier effects, provided markets are functioning fluidly. If, on the other hand, production constraints limit supply response, it is conceivable that transfers may lead to higher prices and a lower multiplier effect.

Activities supported by Component 3 (particularly those related to the strengthening of system tools) are expected to result in:

- **Increased precision of the targeting of current and future social programs, by using a registry as a database of potential beneficiaries.** This will improve targeting efficiency while allowing for savings in targeting costs. At the extreme, replacing universal subsidies with targeted transfers would significantly reduce the cost of transferring one dollar to the poorest.
- **Increased access to services if the proposed system of household registration evolves into a Unique Social Registry system.** This could allow socially isolated or excluded groups to gain access to other services and increase their participation in society.
- **Increased coordination, which can help reduce undesirable duplication of benefits** (for example, people receiving benefits from more than one donor or program when they should not) and identify gaps in coverage.
- **Increased ability to respond efficiently to crises.** An effective safety nets system would improve the government's capacity and efficiency to respond to shocks, thereby reducing the use of depletive coping mechanisms by the vulnerable in times of crises.

Technical Analysis

Explanation:

Lessons learned during the MTR of the parent operation to improve the technical delivery of the project have been incorporated in the project to strengthen its design and improve implementation efficiency. These include

- **Promoting greater targeting efficiency and reaching the poorest.** Under the parent operation, funds were allocated to regions based on population size because up-to-date poverty data was not available at the time of preparation. Under the proposed AF, funds will be allocated to the regions based on poverty data and taking into consideration the impact of Ebola, in accordance with poverty and vulnerability criteria defined in the updated project implementation manual. This will ensure that the project reaches the most vulnerable. The beneficiary targeting process will shift its focus to households (as opposed to individuals) for the LIPW. It will facilitate a proxy means test on the list of beneficiaries proposed by the community-based targeting committees for better technical rigor. The capacity of these committees will be strengthened through trainings and the sensitization NGOs will provide oversight to ensure that targeting criteria are well understood and implemented.
- **Diversifying the portfolio of microprojects.** While the majority of the microprojects implemented will continue to focus on sanitation activities, an estimated 25 percent will facilitate activities that can deliver longer-term outputs (for instance, road rehabilitation). Given the PDOs, the project will strive to maintain an average ratio of workforce to material input of 75 percent.
- **Ensuring good quality delivery and promoting stronger government ownership.** Technical experts recruited by the CFS will continue to ensure the delivery of technically sound microprojects. Depending on the nature of the microprojects to be implemented, the relevant technical services of the Government will be applied to the validation, design, and supervision of the activity. In addition, all selected microprojects will be inserted in the local development plans in compliance with national laws.
- **Reducing risks of errors, fraud, and corruption in the payments.** Based on international best practices and lessons learned, the proposed AF will facilitate the recruitment of payment agencies (microfinance companies or cell phone operators) to facilitate payments to LIPW beneficiaries. The grievance redress mechanisms will also be strengthened to promote transparency and further build trust with beneficiary communities.
- **Strengthening the productive aspect of the project.** This will be achieved through (a) investing in microprojects that deliver longer-term development outputs (for instance road rehabilitation) and (b) introducing productive and behavioral accompanying measures that can help beneficiaries increase their incomes and improve human development outcomes beyond the life of the project.
- **Scalability of the instrument.** Preliminary results from the CCT suggest that the conditionalities may add considerable constraints to the beneficiaries and be costly to implement in the long term. Final results will be available at the end of 2017 and will help draw some conclusions on the scalability of this instrument. As part of Component 2, the proposed AF will test a cash transfer with soft conditionalities to provide regular and predictable income support to poor populations. This unconditional cash transfer may provide the Government with a more flexible and practical safety nets instrument

that can be scaled up in times of crisis. It will also provide another approach to cash transfers to be compared with the results of the existing CCT pilot.

- **Establishment of a system.** This activity is of paramount importance to strengthen the building blocks of a social protection system and help the Government respond to vulnerability and crisis in the long term.

Social Analysis

Explanation:

No change

Environmental Analysis

Explanation:

The parent project and proposed AF have been screened for climate risks. The project continues to be classified in environmental Category B and no change is foreseen in the social and environmental safeguards. The Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF) prepared for the parent project and disclosed in April 2012, in-country and at the InfoShop, will continue to apply.

Risk

Explanation:

All risks related to project design and institutional capacity were downgraded from Substantial to Moderate to take into consideration the experience that the CFS (implementing agency) has acquired over the last three years of implementing the parent project. The risks related to the overall sectoral and institutional context were also downgraded to take into account progress that is being made by the Government to elaborate a social protection policy and a safety nets strategy, which will provide a strong framework for the intervention proposed. However, the overall implementation risk remains Substantial to reflect the political, economic, and social fragility and low capacity context based on the following analysis: (a) the Government will be required to make significant efforts to facilitate a challenging set of macroeconomic reforms; (b) the post-Ebola context continues to deter foreign investments and attracting foreign investments remains challenging; (c) the price of primary commodities on the international market continues to be low, thus affecting negatively the export revenues of Guinea; and (d) the political climate remains uncertain as the country is preparing for local elections.

Institutional and Implementation Arrangements

17. The project will continue to be managed by the CFS according to the existing institutional and implementation arrangements defined in the Financial Agreement and the manuals of the parent project. This unit was established by ministerial decree (A/2012/1340/MEF/CAB/SGG) on March 9, 2012, and is anchored within the Ministry of

Finance under the Permanent Secretariat for the Poverty Reduction Strategy. The CFS management capacity has significantly increased through the implementation of the parent project and is now rated Moderately Satisfactory. A Steering Committee was established as part of the restructuring of the project in November 2014 to provide oversight to the CFS. According to the MTR's recommendation, the CFS will ensure that this committee meets more regularly during the upcoming phase of the project and works more diligently to accomplish its functions.

18. For project implementation, the CFS will continue to rely on the recruitment of consultants, including NGOs, firms, and individual consultants, for the technical aspects of project implementation. This will include NGOs responsible for the implementation of the LIPW microprojects and for the sensitization of beneficiaries; payment agencies to transfer cash to the beneficiaries; NGOs/firms for the design and delivery of accompanying measures; and partnerships with government institutions such as the National Institute of Statistics and technical ministries for monitoring and oversight. A technical Memorandum of Understanding will be signed with the Ministry of Environment (to contribute to supervision of compliance with safeguards) and the Ministry of Social Affairs (to contribute to the beneficiary targeting and identification processes). In exceptional circumstances, the government, through the project, will establish partnerships with international partners with a strong technical comparative advantage to deliver on specific aspects of the project. In the case of the response to Ebola, a provision was included in the Financing Agreement to allow the Government to explore partnerships opportunities with the United Nations as well as with other qualified service providers.

Component Name	Current Financing in US\$, millions	AF in US\$, millions	Total Proposed Financing in US\$, millions
Labor-Intensive Public Works Program with a Focus on Women and Youth, and Life Skills Development	12.05 (10.5 from IDA and 1.55 from UNDP Peace building TF)	9.0 (from IDA)	21.05
Pilot Conditional Cash Transfer to Protect Human Capital	4.5 (from IDA)	4.35 (from ERRTF)	8.85
Project Coordination and Institutional Capacity Building	4.31 (4.0 from IDA and 0.315 from UNDP Peace building TF)	3.0 (from IDA)	7.31
Prevention of the Ebola Epidemic	6.0	0	6.0
Grand Total	26.865 (25.0 from IDA and 1.865 from UNDP Peace building TF)	16.35 (12.0 from IDA and 4.35 from ERRTF)	43.21

Financing

FM and Disbursement Arrangements

FM Arrangements

19. The FM arrangements of the AF will be the same as for the parent project managed by the CFS that was rated Moderately Satisfactory following the last FM supervision mission. The current FM staffing includes one FM officer and one accountant, which is deemed adequate. The overall FM arrangements continue to function in an acceptable manner. The FM functions are expected to improve further since there have been recent and important changes in the FM team composition. In addition, to ensure a smooth monitoring of the proposed AF activities, the current accounting software 'TOM2PRO', set under its multiprojects version, will be customized to fit the AF accounting and reporting needs, and the existing FM procedures manual which is being used for the first phase of the project will apply to the proposed AF.

20. The interim unaudited financial reports (IUFs) are prepared every quarter and submitted to the Bank regularly, for example, 45 days after the end of each quarter. The frequency of IUF preparation as well as its format and content will remain unchanged as it is described in the procedures manual. One consolidated IUF will be submitted for both operations each calendar quarter.

21. All audit reports submitted to date have been Satisfactory. The audit report of the project, managed by the project coordination unit covering the period ending on December 31, 2014, was submitted on time; the external auditor expressed an unqualified opinion. The proposed AF accounts will be audited on an annual basis and the external audit report will be submitted to IDA not later than six months after the end of each calendar year; similar to the ongoing initial financing of the project. The TOR of the external auditing firm will reflect the scope of the AF. The project will comply with the Bank disclosure policy of audit reports and place the information provided on the indicated official website within one month of the report being accepted as final by the team.

22. **The FM risk assigned to the project remains Substantial.** Therefore, the project will be supervised twice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way.

Disbursement Arrangements

23. The project will be financed by IDA (Components 1 and 3) and the ERRTF (Component 2). Upon effectiveness, transaction-based disbursements will be used. The additional funds will finance 100 percent of eligible expenditures inclusive of taxes. Two new DAs, one for each financing source, will be opened in commercial banks under terms and conditions acceptable to IDA. The ceiling of the DAs will be established at US\$2 million and US\$1 million, which represents six months of forecasted project expenditures expected to be paid from the DAs. Since each financing will target specific activities, the project could consider opening two Guinean Franc associated transactions accounts or only one transaction account that will pool funds received from the two DAs. Funds will therefore flow from the transaction accounts to beneficiaries, suppliers, and contractors.

24. An initial advance up to the ceiling of the DAs will be made and subsequent disbursements will be made against monthly submission of withdrawal applications supported with Statements of Expenditures reporting on the use of the initial/previous advance. In addition to that 'advance' method, the option of disbursing the funds through direct payments to a third

party, for contracts above a predetermined threshold for eligible expenditures (for example, 20 percent of the DA ceiling), will also be available to the project. The project will sign and submit withdrawal applications electronically using the eSignatures module accessible from the Bank's Client Connection website.

FM Action Plan

Action	Responsible Party	Deadline/Conditionality
1. Customize the current accounting software 'TOM2PRO' to fit the AF accounting and reporting needs	CFS	Not later than one month after effectiveness
2. Update the TOR of the current external auditor to cover the AF activities	CFS	Within two months of effectiveness

Procurement

25. Procurement under the original IDA Grant H-7820 would be modified as follows:

26. Procurement would be carried out in accordance with the following updated Bank guidelines: (a) 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014 and (b) 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014.

27. **Contracts with NGOs for LIPW.** This activity would continue to the use of NGOs selected under paragraph 3.16 of the Consultant Guidelines, using the Selection Based on the Consultants' Qualification method outlined in paragraph 3.7 of the Consultant Guidelines. Selection would be essentially based on their qualification and experience in managing similar assignments, in particular with regard to the payment mechanism. Under the contract between the CFS and the NGOs, cash payments and the acquisition of tools, materials, and transport would be managed by the abovementioned NGOs using pass-through financing. The procurement procedures to be used in the implementation of the contracts with NGOs would be specified in the Labor-Intensive MicroProject Manual (*Manuel HIMO*) and reflected in the contract. The procedures for the procurement of tools, materials, and transport by the NGOs executing the LIPW microprojects, specified in the manual HIMO as part of the November 2014 restructuring, will continue to apply.

28. The procurement arrangements for the ERRTF financing would be identical to those of the original project after incorporation of the modifications outlined above.

29. **Procurement Plans.** For the ERRTF, as for IDA Grant H-7820, Procurement Plans satisfactory to IDA, with procurement methods or consultant selection methods, estimated costs, review requirements, and a time frame for contract implementation, would continue to be prepared by the CFS on an annual basis and submitted to the Bank for approval.

Safeguards

30. The proposed AF is not expected to trigger any new safeguard policies. The parent project was classified as Category B with respect to environmental and social consideration and triggered two safeguards policies: (a) Environmental Assessment (OP/BP 4.01) and (b)

Involuntary Resettlement (OP/BP 4.12) due to envisaged potential negative impacts related to the microprojects. Such negative impacts are limited and involve the management of waste at the working sites, potential soil erosion and loss of vegetation, and the rehabilitation of pits, as well as managing increased dust and noise during the works. Currently, these risks and related mitigation measures are managed through the parent project, the ESMF, and an RPF which were disclosed on April 1, 2012, in the Bank InfoShop and on the same date, in-country. The existing ESMF and RPF will continue to apply. Environmental and Social Management Plans and/or Resettlement Action Plans will be prepared as and when necessary.

V. World Bank Grievance Redress

31. Communities and individuals who believe that they are adversely affected by a Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank Inspection Panel, visit www.inspectionpanel.org.

Annex 1. Revised Results Framework and Monitoring Indicators

Additional Financing Productive Social Safety Nets Project

Project Development Objectives

Original Project Development Objective - Parent:

The Project Development Objective (PDO) is to provide income support to vulnerable groups and to lay the foundations of a social safety net strategy by testing some of the building blocks necessary for a larger system.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	Four key blocks of a safety nets system are tested	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	24-Mar-2016	25-Mar-2016	30-Sep-2019
				Comment			All four building blocks are tested and/or established
Revised	Beneficiaries of Safety Nets programs (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	28895.00	63118.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019

				Comment			
New	Children benefiting from conditional cash transfers	<input type="checkbox"/>	Number	Value	0.00	16862.00	12000.00
			Sub Type	Date	02-Feb-2013	31-Mar-2016	30-Sep-2019
			Breakdown	Comment			Number of children benefiting from the conditional cash transfers under the parent operation
Revised	Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	24455.00	41118.00
			Sub Type	Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
			Breakdown	Comment			Including 18,000 people benefiting from the LIPW financed by the second AF
Revised	Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	7000.00
			Sub Type	Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
			Breakdown	Comment			Households benefiting from the cash

							transfers financed by the second AF
Revised	Beneficiaries of Safety Nets programs - Female (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	14000.00	25000.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
Revised	Beneficiary of safety nets programs (School feeding)	<input type="checkbox"/>	Number	Value	0.00	7847.00	3000.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
Revised	Beneficiaries of accompanying measures (including sensitization campaigns)	<input type="checkbox"/>	Number	Value	0.00	5000.00	35000.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			10,000 beneficiaries of the parent LIPW; 7,000 beneficiaries of the non conditional cash transfers; 18,000 beneficiaries of the LIPW AF
Marked for	People with access to sensitization on nutrition, health,	<input type="checkbox"/>	Number	Value	0.00	0.00	5000.00
				Date	14-Feb-2013	11-Sep-2015	02-Oct-2017

Deletion	sanitation, and education campaigns			Comment			
Marked for Deletion	People with access to improved infrastructures	<input type="checkbox"/>	Number	Value	0.00	1439698.00	500000.00
				Date	14-Feb-2013	11-Sep-2015	02-Oct-2017
				Comment			
Marked for Deletion	Findings from the impact evaluation of the pilots are discussed and incorporated in the social safety net strategy	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	14-Feb-2013	11-Sep-2015	02-Oct-2017
				Comment			
New	Proportion of beneficiaries targeted who are poor	<input type="checkbox"/>	Percentage	Value	0.00	70.00	80.00
				Date	23-Feb-2016	31-Mar-2016	31-Dec-2019
				Comment	The number of people targeted who live under the poverty line	Rough estimate provided by the project	
New	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	139794.00	378708.00
				Date	23-Feb-2016	31-Mar-2016	30-Sep-2019
				Comment			Number of beneficiaries targeted by the project multiplied by 6 (size of households).

							The end target includes 150,000 beneficiaries of the second additional financing
New	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	40.00	40.00

Intermediate Results Indicators							
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Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	System-based mechanisms for beneficiary identification are tested	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Mar-2016	06-Apr-2016	30-Sep-2019
				Comment			
New	Certified payment mechanisms are tested	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Mar-2016	06-Apr-2016	30-Sep-2019
				Comment			
New	A Management Information System is tested	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Mar-2016	06-Apr-2016	30-Sep-2019
				Comment			
Revised	Person days of work provided	<input type="checkbox"/>	Number	Value	0.00	715285.00	1787580.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019

				Comment			Including 1,080,000 person days provided through the second AF
New	Amount transferred through the cash transfers under component 2	<input type="checkbox"/>	Amount(USD)	Value	0.00	1500000.00	5000000.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			Including 3,200,000 for the second AF
New	Roads rehabilitated, Rural	<input checked="" type="checkbox"/>	Kilometers	Value	0.00	87.00	136.00
				Date	14-Feb-2013	29-Mar-2016	30-Sep-2019
				Comment			
New	Findings from the impact evaluation of the pilots are discussed and incorporated in the social safety net strategy	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
New	Drainage cleaned	<input type="checkbox"/>	Meter(m)	Value	0.00	395311.00	425311.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
New	Number of beneficiaries in ebola affected regions	<input type="checkbox"/>	Number	Value	0.00	0.00	10000.00
				Date	01-Feb-2016	31-Mar-2016	30-Sep-2019
				Comment			

New	An electronic beneficiary registration system is tested	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	31-Mar-2016	06-Apr-2016	30-Sep-2019
				Comment			
Revised	Wages distributed to workers in USD	<input type="checkbox"/>	Amount(USD)	Value	0.00	3376985.00	7240070.00
				Date	14-Feb-2013	31-Mar-2015	30-Sep-2019
				Comment			including 5062,500 USD provided through the second AF
Revised	Number of LIPW micro-projects transferred to the authorities	<input type="checkbox"/>	Number	Value	0.00	100.00	322.00
				Date	14-Feb-2013	01-Feb-2016	30-Sep-2019
				Comment			Including 171 microprojects financed through the second AF
Marked for Deletion	Drainage cleaned	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	98.00	23.00
				Date	14-Feb-2013	01-Feb-2016	11-Sep-2015
				Comment			
Marked for Deletion	Public works programs completed with satisfactory technical quality	<input type="checkbox"/>	Percentage	Value	0.00	100.00	90.00
				Date	14-Feb-2013	31-Mar-2016	02-Oct-2017
				Comment			

Revised	Households who are receiving the CCT	<input type="checkbox"/>	Number	Value	0.00	1855.00	9000.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
Revised	CCT Beneficiaries respecting the conditionalities	<input type="checkbox"/>	Percentage	Value	0.00	88.00	90.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
Marked for Deletion	Number of people trained on ebola prevention	<input type="checkbox"/>	Number	Value	0.00	0.00	200.00
				Date	30-Oct-2014	30-Jan-2015	11-Sep-2015
				Comment			
Revised	Operational ratio	<input type="checkbox"/>	Percentage	Value	0.00	13.51	18.00
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			
Marked for Deletion	A central database to manage the list of beneficiaries is established	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	14-Feb-2013	11-Sep-2015	02-Oct-2017
				Comment			
Revised	Rapid beneficiary satisfaction surveys conducted on an annual basis	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
				Date	14-Feb-2013	31-Mar-2016	30-Sep-2019
				Comment			

MAP

