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Report No: PAD3969

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF EUR 45 MILLION
(US\$50 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CONGO

FOR A

LISUNGI EMERGENCY COVID-19 RESPONSE PROJECT

June 11, 2020

Social Protection and Jobs Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2020)

Currency Unit = CFA Francs (FCFA)
Euros

FCFA 589 = US\$1

EUR 0.90 = US\$1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AFD	French Development Agency (<i>Agence Francaise de Développement</i>)
ATM	Automated Teller Machine
CAS	Social Assistance Offices (<i>Circonscription d'Action Sociale</i>)
CCC	Commune Level Targeting Committees (<i>Comités Communaux de Ciblage</i>)
CCT	Conditional Cash Transfers
CDS	Departmental Steering Committee (<i>Comité Départemental Strategique</i>)
CERC	Contingency Emergency Response Component
CFA	Financial Cooperation in Central Africa (<i>Coopération financière en Afrique centrale</i>)
CLSs	District Level Monitoring Committees (<i>Comités Locaux de Suivi du Projet</i>)
COS	Inter-sectoral Steering Committee (<i>Comité d'Orientation Stratégique</i>)
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
CTs	Cash Transfers
DA	Designated Account
DDAS	Departmental Office of Social Affairs (<i>Direction Départementale des Affaires Sociales</i>)
DHS	Demographic and Health Survey
ECT	Emergency Cash Transfer
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plans
ESS	Environmental and Social Standards
E&S	Environmental and Social
FCFA	Central African CFA Francs
FCV	Fragility, Conflict, and Violence
GBV	Gender Based Violence
GDP	Gross Domestic Product
GoC	Government of Congo
GRM	Grievance Redress Mechanism
HEIS	Hands-on-Expanded Implementation Support
IDA	International Development Association
IGA	Income-Generating Activity
INS	National Institute of Statistics (<i>Institut National de la Statistique</i>)
IPV	Intimate Partner Violence
LECRP	Lisungi Emergency COVID-19 Response Project
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MASAH	Ministry of Social Affairs and Humanitarian Action (<i>Ministère des Affaires Sociales et de l'Action Humanitaire</i>)
MIS	Management and Information System
NGOs	Non-governmental Organizations
OHS	Occupational Health and Safety
PDO	Project Development Objectives
PIM	Project Implementation Manual

PMU	Project Management Unit
PND	National Development Plan (<i>Plan National de Développement</i>)
PPSD	Project Procurement Strategy for Development
RCCE	Risk Communication and Community Engagement
Renapac	National Network of Indigenous People (<i>Réseau National des Peuples Autochtones</i>)
RoC	Republic of Congo
RSEL	Local Monitoring and Evaluation Officer (<i>Responsable Suivi Evaluation Local</i>)
RSU	Unique Social Registry (<i>Registre Social Unique</i>)
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SGBV	Sexual and Gender Based Violence
SH	Sexual Harassment
SP	Social Protection
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
UCT	Unconditional cash transfers
WBG	World Bank Group
WHO	World Health Organization



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name		
Congo, Republic of	Republic of Congo Lisungi Emergency COVID-19 Response project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P174178	Investment Project Financing	Moderate	Urgent Need or Capacity Constraints (FCC)

Financing & Implementation Modalities

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

Expected Approval Date	Expected Closing Date
25-Jun-2020	31-Dec-2022

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To provide emergency income support to households affected by the COVID-19 health and economic crisis and increase access to safety net for recovery for poor and vulnerable in participating areas of the Beneficiary.



Components

Component Name	Cost (US\$, millions)
Emergency cash transfers for COVID-19 response	20.00
Scaling up Lisungi program for recovery	24.50
Strengthening the social protection system	2.50
Project management, monitoring and evaluation	3.00
Contingency Emergency Response Component - CERC	0.00

Organizations

Borrower: Republic of Congo
 Implementing Agency: Ministry of Social Affairs and Humanitarian Action

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Credit	50.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Congo, Republic of	50.00	0.00	0.00	50.00



National PBA	50.00	0.00	0.00	50.00
Total	50.00	0.00	0.00	50.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2020	2021	2022	2023
Annual	0.00	20.00	15.00	15.00
Cumulative	0.00	20.00	35.00	50.00

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Education, Health, Nutrition & Population

Climate Change and Disaster Screening

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

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

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



COMPLIANCE

Policy

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

Yes No

Does the project require any waivers of Bank policies?

Yes No

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

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

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

Legal Covenants

Sections and Description



The Recipient shall, not later than one (1) month after the Effective Date, cause the PMU to recruit and thereafter retain an accountant, with terms of reference, experience and qualifications satisfactory to the Association as per Section I.A.3(d) of the Financing Agreement.

Sections and Description

For the purposes of the social safeguards aspects of the Project, the Recipient shall, not later than two (2) months after the Effective Date, cause the PMU to recruit and thereafter retain the following additional staff: (i) a social specialist; and (ii) a GBV expert, with terms of reference, experience and qualifications satisfactory to the Association as per Section I.A.3(e) of the Financing Agreement.

Sections and Description

The Recipient shall, not later than six (6) months after the Effective Date, recruit an independent external auditor under terms of reference acceptable to the Association as per Section I.H.1 of the Financing Agreement.

Sections and Description

The Environmental and Social Management Framework will be updated, disclosed, consulted upon and adopted by the Recipient no later than two (2) months after the Effective Date as per Section I.H.2 of the Financing Agreement.

Sections and Description

The Recipient, through the PMU, shall furnish to the Association not later than November 30 of each year during the implementation of the Project, the annual work plans and budgets approved by the Intersectoral Steering Committee for the Association’s review and approval; except for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date as per Section I.C.2 of the Financing Agreement.

Conditions

Type	Description
Effectiveness	The Recipient shall, before the Effective Date, prepare and maintain throughout Project implementation an updated Project Implementation Manual (“PIM”), satisfactory to the Association as per Section I.B.1 of the Financing Agreement.
Disbursement	For payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed eleven million two hundred sixty eight thousand Euros (€ 11,268,000 total, with € 5,256,000 under Category (1) and € 6,012,000 under Category (2)) may be made for payments made prior to this date but on or after March 1, 2020, for Eligible Expenditures under Categories (1) and (2) as per Section III.B.1(a) of the Financing Agreement.
Disbursement	Under Category (2) unless and until: (i) at least one Payment Agreement has been executed in form and substance satisfactory to the Association; and (ii) an Accredited Payment Agency has been recruited as per Section III.B.1(b) of the Financing Agreement.



Type Disbursement	Description Under Category (3) unless and until: (i) at least one Payment Agreement has been executed in form and substance satisfactory to the Association; and (ii) an Accredited Payment Agency has been recruited as per Section III.B.1(c) of the Financing Agreement.
Type Disbursement	Description Under Category (4) unless and until: (i) at least one Payment Agreement has been executed in form and substance satisfactory to the Association; and (ii) an Accredited Payment Agency has been recruited as per Section III.B.1(d) of the Financing Agreement.
Type Disbursement	Description Under Category (5), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures (as per Section III.B.1(e) of the Financing Agreement): (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the CERC 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 Safeguard 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 I.F of this Schedule; (iii) the Coordinating Authority in charge of coordinating and implementing the CERC has adequate staff and resources, in accordance with the provisions of Section I.G.2 of this Schedule, for the purposes of said activities; and (iv) the Recipient has adopted the CERC Manual, in form and substance acceptable to the Association, and the provisions of the CERC Manual remain - or have been updated in accordance with the provisions of Section I.G.1(a) of this Schedule so as to be - appropriate for the inclusion and implementation of the CERC.



I. STRATEGIC CONTEXT

1. **The Coronavirus Disease 2019 (COVID-19) pandemic is causing significant adverse impacts throughout the world both in terms of direct health impacts and indirect socio-economic impacts that result from social distancing policies, lockdowns, the effects of supply chain disruptions, and the global economic downturn on remittances and prices.** Compared to other types of shocks, the COVID-19 pandemic poses three unique challenges: its immediate impact on *urban* populations; the need for social distancing which impedes *mobility and thus economic activity*; and its *rapid onset and scale*. With a delay, COVID-19 has also hit the African continent and is expected to trigger the first recession in Sub-Saharan Africa in 25 years¹ with a shock to many households. Most countries around the world, and increasingly in Africa, are introducing various forms of social protection to compensate workers for lost income from extensive lockdowns and the broader economic downturn and to mitigate adverse impacts on the poor and the vulnerable.

2. **The Republic of Congo (RoC) is taking decisive measures to mitigate the effects of the COVID-19 pandemic on those who are expected to suffer most from its socio-economic impacts.** After the initial health-focused response, the Government has decided to support 200,000 households with emergency cash transfers as well as to expand the existing social safety net interventions to support households in restoring their livelihoods as the pandemic recedes. RoC's response is building on Lisungi Social Safety Net program, which has been providing income support to the poorest and most vulnerable households since 2014. The emergency response will scale up Lisungi's delivery system infrastructure to provide transfers to a larger share of the poor and vulnerable population. The Government of RoC has requested the World Bank Group to support its public response to the pandemic.

3. **The proposed Lisungi Emergency COVID-19 Response Project (LECRP) is being processed under paragraph 12 of the World Bank Policy on Investment Project Financing (Projects in Situations of Urgent Need of Assistance or Capacity Constraints).** The project will: (i) support increased safety nets coverage as an emergency response to the COVID-19 pandemic; (ii) support the expansion of safety nets through productive inclusion activities to restore households' livelihoods; and (iii) strengthen social protection delivery systems and institutions to strengthen their scalability and shock-responsiveness. The Government has already embarked on selecting beneficiaries for the emergency cash transfers and intends to start disbursing them using its own funds. It is expected that LECRP would provide retroactive financing to cover these expenses.

A. Country Context

4. **A national coordination committee for the COVID-19 response under the leadership of the President of the RoC was created and important measures to halt the spread of the disease have been taken, including the declaration of a state of sanitary emergency, border closures and shelter-in-place orders.** The Government has prepared a national health contingency plan in collaboration with the World Health Organisation (WHO) and other development partners with an estimated budget of US\$38 million. To support its implementation, on April 20, 2020, the World Bank has approved an emergency COVID-19 investment project financing (Republic of Congo COVID-19 Emergency Response Project, P173851) of

¹Africa's Pulse, No. 21, Spring 2020 : An Analysis of Issues Shaping Africa's Economic Future



US\$11.3 million. The Government has mobilized an additional US\$1 million from the Global Alliance for Vaccines and Immunisation (GAVI). Additional measures include the declaration of a state of sanitary emergency on April 1, 2020, mandating a generalized shelter-in-place order for the entire population, and prohibiting mass gatherings exceeding 50 people. The Centre for Quarantine and Care was created in Brazzaville and the Center of Epidemiological Control has intensified communication on COVID-19 prevention. **As of June 9, 683 confirmed cases of COVID-19 and 22 deaths have been reported.** The national public health laboratory has stepped up testing services with the support of donors, but further improvements are needed to increase testing. The Government has further adopted measures to mitigate the effect of the pandemic on the private sector, such as easing tax and duty payments for private enterprises. However, these measures will have a limited effect on poor and vulnerable households since most workers are engaged in the informal sector.

5. **The ROC's economy has been in recession since 2014, driven by the country's high dependence on oil exports and oil price shocks.** The oil sector represents more than 90 percent of RoC's exports, making it particularly vulnerable to market fluctuations. The reduction in the oil price since mid-2014 has triggered a profound economic crisis, with deep output losses, large fiscal and current account deficits, and a steep increase in public debt levels. Debt-to-GDP ratio which reached an estimated 119 percent by the end of 2017 has decreased to 77.5 percent in 2019. Nevertheless, a Debt Sustainability Assessment conducted by the International Monetary Fund and the World Bank in July 2019, confirmed that the RoC is in debt distress and that its debt is unsustainable unless it is restructured. The country's economic outlook for 2020 remains challenging given the sharp decline in oil prices and the impact of the COVID-19 pandemic on the country's exports to China, its largest export market². This has led to a revision of the National Budget for 2020.

6. **Gains from sustained economic growth prior to the 2014 oil shock translated into some improvements in poverty and shared prosperity, but they are quickly disappearing.** Although the proportion of the population living below the poverty line fell from 51 percent in 2005 to 41 percent in 2011, the extreme poverty rate appears to have increased from 2016³, especially in rural areas. Inequality levels remain high with a Gini coefficient of 0.46 and are driven by location, education, and sector of activity. Human capital accumulation remains low, limiting individuals' earning capacities and reinforcing the intergenerational transmission of poverty. A Human Capital Index of 0.42 means that a child born in Congo today only reaches 42 percent of the productivity levels they could have reached, had they enjoyed complete education and full health. This is slightly higher than the Sub-Saharan Africa average of 0.40, but well below the average for lower middle-income countries of 0.48.

7. **More than a third of Congolese live below the national poverty line, and many more hover just above it, making them vulnerable to falling into poverty as a result of even slight shocks.** While the poverty incidence is higher in rural areas, 65 percent of the poor reside along the Brazzaville-Pointe Noire corridor and in these two main cities. In addition to potential health-related costs resulting from the pandemic, there are significant risks of income and livelihood losses and inflationary pressures (particularly on food) due to crisis-induced trade disruptions, an economic slowdown, restricted markets, and a full lockdown imposed on the entire population. These could push many more near-poor and poor households into deeper poverty and deprivation. The economic impact of the crisis is heightened by high

² World Bank, Republic of Congo Quarterly Economic Update, March 2020.

³ World Bank, Macroeconomic and Poverty Outlook (MPO), April 2020



institutional and social fragility risks that could jeopardize social stability.

8. **Women have limited access to good work opportunities.** The gender gap manifests itself in difficulties faced by women in entering the labor market and obtaining productive jobs. Women earn much less on average compared to men. The gap is largely explained by women's lower education and skills levels and by their higher concentration in the informal sector (CPF, 2019)⁴. Women are less likely to be employed in the higher earning formal sector, particularly in the private sector. Social norms limit women's ability to access productive resources, such as land and credit. Moreover, limited education opportunities for women and large household sizes, which weigh heavily on women's ability to join the formal labor market, contribute to the exclusion of women in the economy.

9. **The gender gap in the labor market is also linked to significant levels of sexual and gender-based violence against women and girls.** The latest Demographic and Health Survey (DHS, 2012) found that a large share of women aged 15-49 suffer from recurrent gender-based violence (GBV), which in three out of four cases is committed by husbands, partners, or boyfriends.

10. **The country is not well equipped to respond to shocks.** To date, the country has limited institutional capacity to identify and respond to disruptions from various types of shocks, including climate-related and natural disasters. There is no national disaster risk financing plan. According to the Notre Dame Global Adaptation Initiative⁵ (ND - GAIN), RoC has a high vulnerability score and a low readiness score indicating a great need for investment and innovations to improve readiness. The Ministry of Social Affairs and Humanitarian Action (*Ministère des Affaires Sociales et de l'Action Humanitaire - MASAH*) had been mandated to coordinate support activities for those affected by the devastating floods of December 2019, which affected at least 170,000 persons⁶. However, fiscal constraints limited the government's response to declaring a state of emergency and asking for the support of the international community. The poor are particularly vulnerable to climate-related changes in living and livelihood conditions as well as climate-related shocks.

11. **The COVID-19 pandemic and measures taken to mitigate further spread of the disease are likely to intensify the stresses on the local economy, with poor and vulnerable populations affected most.** Measures to mitigate a further spread of the disease locally, such as social distancing, lockdown and travel restrictions, are already complicating business activity in both the formal and informal sectors and generating income losses for many households. These adverse effects are more pronounced for poor and vulnerable populations since (i) in urban and peri urban areas with high population density, mitigation measures are reducing economic activities with close human interaction; and (ii) most of the poor and vulnerable gain their daily income from informal activities, with no protections for workers. Moreover, inflationary pressures on food resulting from trade disruptions and restricted markets could impose an additional burden on many poor households, due to the relatively higher share of their resources spent on food. In the absence of public mitigation measures, the proportion of people living below the

⁴ World Bank (2019) Country Partnership Framework (CPF) for the Republic of Congo for the period FY20-FY24, Report No. 126962-CG.

⁵ This initiative 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.

⁶ United Nations Office for Coordination of Humanitarian Affairs 2020



international poverty line (US\$1.9 a day in 2011 PPP) is expected to increase from 40.0 percent to 43.0 percent over 2020-2022⁷.

12. **The RoC is particularly vulnerable to the socio-economic impacts caused by the COVID-19 pandemic and related mitigation measures due to its high urbanization rates.** The Republic of Congo is a highly urbanized country with more than half of its population living in two main cities, Brazzaville and Pointe-Noire. Whereas concentration in urban areas facilitates the provision of public services to the population, the propensity for higher contact rates may also accelerate the transmission of COVID-19. Further, mitigation measures such as restrictions on movement and interactions are likely to be stricter and longer in urban areas. Urbanization also enhances the risk that the small share of the population living in rural areas may receive less attention in the context of this crisis, increasing pre-existing inequalities between urban and rural areas and possibly feeding grievances and drivers of fragility and insecurity. Therefore, this Project will support the overall strengthening of the Social Safety Net and, by providing financing for emergency response measures, will provide fiscal space for the Government's ongoing investment of expanding the Lisungi program nationwide.

13. **Marginalized groups, such as youth, women, and the elderly are likely to be particularly affected by the socio-economic impacts of the COVID-19 pandemic with longer-term implications for human capital accumulation and fragility.** Pandemic mitigation measures, such as mobility restrictions, further reduce slim earning opportunities and may agitate an already disenfranchised youth. School closures and resulting extensive absences from school may compound the risk of dropout and, together with general disruptions to social service delivery, could have negative medium- to longer-term effects on human capital accumulation. Older wage earners are at higher risk of catastrophic health outcomes due to COVID-19. Women have seen increased burdens and responsibilities due to COVID-19 mitigation measures. Some may be forced to disengage from part-time work as combining family care and paid work becomes increasingly difficult. It is possible that reduced household earnings and increased stress and anxiety may also lead to higher levels of domestic violence.

14. Technical and financial partners such as the European Union, the World Food Program, and the French Development Agency (AFD) are collaborating with the MASAHA to provide support to the poorest segments of the population, but the levels of announced support, estimated at about 3 billion Central African CFA francs (FCFA) (US\$5 million), have been insufficient thus far.

B. Sectoral and Institutional Context

15. **There is a wide consensus that strong economic and social protection measures should complement the health sector's response to the pandemic.** Indeed, the global response is heavily relying on social protection measures: as of May 15, 2020, 181 countries have either planned, introduced, or adapted social protection measures in response to COVID-19. The majority of these measures are social assistance transfers, with cash transfers as the most common measure, representing one-third of total global social safety net programs. About 56 percent of cash transfer measures (148 out of 264) are new programs in 104 countries, while one-fourth of measures are one-off payments⁸. The Government of RoC

⁷ World Bank, Macroeconomic and Poverty Outlook (MPO), April 2020

⁸ <https://www.worldbank.org/en/topic/socialprotection/brief/social-protection-and-covid-19>



has requested the World Bank to support its public response to the crisis caused by the pandemic, including its social and economic consequences.

16. **The Lisungi program is Congo's only flagship safety nets program.** Since 2014, the Government has made a commitment to develop a harmonized social safety net system, moving away from ineffective and fragmented programs and bringing social safety nets to the forefront of the poverty reduction strategy. To this end, in 2014 the Government has developed a new National Policy for Social Action (*Politique Nationale d'Action Sociale*), which was updated in 2018 and accompanied by an action plan covering the period 2018-2022. The World Bank has been supporting the RoC in this agenda since 2014 through the Lisungi Safety Nets System Project (P145263)⁹, which aims to establish the key building blocks of a national safety net program and pilot a conditional cash transfer program to improve access to health and education services for the poorest households in participating areas. The government's commitment to the program remains strong and Lisungi continues to be the main vehicle for the Government to strengthen social safety nets.

17. **While Lisungi remains limited in scale, it is widely regarded as successful and the Government plans to expand the program nationwide.** Since 2015, 50,447 individuals living in 9,824 households have benefited from conditional cash transfers (CCTs) in 16 mostly urban intervention zones¹⁰. This includes 6,500 elderly (1,361 of whom are living alone) who benefitted from unconditional transfers. In addition, close to 10,000 households or about 50,000 individuals are benefiting from Income-Generating Activity (IGA) transfers. In total, the program has covered about 10 percent of the poorest quintile of the population. Lisungi's positive impacts to date have prompted the government to embark on a plan to scale up the program nationally. Midterm evaluations of Lisungi show that the CCTs have increased expenditure per adult equivalent in beneficiary households by 30.5 percentage points compared to non-beneficiaries¹¹ and that beneficiary households score higher on a resilience index¹². Until recently, the Lisungi program had been largely funded by the World Bank and the AFD, but the Government's own funding of the program has resumed in late 2019 and early 2020. The government committed to allocating FCFA200 billion (US\$300 million) for the expansion of Lisungi in the period 2019-2022, out of which FCFA 6 billion (US\$10 million) have been disbursed to date. Considering the oil price shock and expected COVID-19 impact on the country's economic and fiscal position, there is a considerable risk to the Government's ability to provide further funding to Lisungi.

18. **All planned rounds of CCTs have been fully finalized by the end of 2019 while the IGA program continues to benefit 10,000 households.** A second Additional Financing (P166143, US\$22 million) was approved on February 7, 2019 to expand the Lisungi project to the remote and underserved Likouala Department and to respond to the needs of refugees and host populations (with funding from the IDA Refugee window). The Additional Financing (AF) takes a cross-sectoral human development approach to

⁹ The project is implemented by MASA with the help of Lisungi Project Management Unit (PMU).

¹⁰ These zones are Brazzaville (Makélékélé, Baongo, Moundali, Talangaï, M'Filou, Djiri, and Madibou), Pointe-Noire (Mvoumvou and Loandjili), Cuvette (Oyo and Makoua), Niari (Dolisie 1 and Dolisie 2), and Pool (Nganga Lingolo).

¹¹ National Institute of Statistics (2019). Evaluation of the Impact of the Lisungi Cash Transfers. Mid-term Report. (« *Évaluation de l'impact des transferts monétaires du projet Lisungi. Rapport à mi-parcours* »).

¹² National Institute of Statistics (2019). Evaluation of the Resilience Levels of the Lisungi Beneficiary Households (« *Évaluation de la résilience des ménages bénéficiaires des transferts monétaires du projet Lisungi* »).



address the basic needs of the target groups, including in education and health. The AF became effective in December 2019 and activities are currently underway to start reaching the intended beneficiaries.

19. **Lisungi’s delivery system has the necessary mechanisms to be scaled up to respond to the socio-economic impacts of the pandemic.** These include a functional social registry - *Registre Social Unique* (RSU), a payment mechanism, and a robust targeting mechanism. The social registry contains information on more than 120,000 households. It has been used to provide free health care services supported by the World Bank-financed Health System Strengthening Project (P143849), covering about 43,000 households, and the Skills Development for Employability Project (P128628). A government decree institutionalizing the Lisungi RSU and its use across the government’s social programs has been recently enacted (May 31, 2019). However, the experience of the recent flood crisis and the current COVID-19 pandemic shock have illustrated that RoC’s national social protection system needs to become more shock-responsive to respond to recurrent and ad-hoc crises.

20. **As an immediate response to the COVID-19 crisis, the Government has already started with an emergency program covering 200,000 vulnerable households with cash payments.** The Lisungi RSU will be the key tool to manage this caseload, which will include 100,000 households in Brazzaville, 60,000 households in Pointe-Noire, and 40,000 households in other departments. Particularly, the RSU makes it possible to identify widowed and orphaned individuals, refugees, and populations with special needs or minorities living in households. Most beneficiary households derive their income from informal sources, making them the most vulnerable to labor income shocks as well as increases in food prices.

21. **Given the uncertainties on the trajectory of COVID-19 cases in RoC, the LECRP will adopt a flexible approach.** Experiences from other countries show that new clusters of infection may arise followed by renewed efforts at halting the spread. Therefore, at this stage it is not possible to state with certainty when the emergency or relief phase would end, and the recovery phase begin. The recovery phase would likely begin while some measures restricting movement, such as border closures, are still in place. Also, new restriction measures may be introduced while the recovery activities are underway if new infection clusters emerge. To this end, the LECRP includes a Contingency Emergency Response Component (CERC) that would allow flexibility to re-allocate project resources from recovery to relief activities. In addition, the design of recovery activities will be flexible to adapt to changing circumstances. The initial plan foresees that the Project would complete all relief activities by the end of 2020 and start recovery activities 2021; however, the course of actions will be adapted depending on the situation.

C. Relevance to Higher Level Objectives

22. **The proposed Project is aligned with the strategic objectives of the World Bank Group (WBG), and with the WBG’s response to the COVID-19 pandemic, which has been focused on health response in its first phase and protecting the poor and vulnerable in the second.** It will provide emergency cash support to poor and near poor households in response to the socio-economic impact of COVID-19 pandemic. These households are most vulnerable to COVID-19-triggered shocks to labor income and food prices. The Lisungi program will also support the third phase of supporting jobs and economic recovery. Thus, the Project aligns with the WBG’s twin goals of eliminating extreme poverty by 2030 and boosting shared prosperity, measured as the income of the bottom 40 percent in any given country. It also supports



the Human Capital project's goal of improving human endowments by conditioning CCT transfers on investments in health and education.

23. **The Project will also contribute to reducing the gender gap by enrolling mostly women and promoting women's economic inclusion.** It will provide beneficiaries with skill development trainings with modules on gender norms and gender relations, mentoring, and capital necessary to boost women's economic inclusion and productivity. There is a growing body of evidence showing that integrated interventions tackling some of the binding constraints women face for insertion into more productive employment generate improvements in earnings and wellbeing for women.

24. **The Project is part of the WBG's COVID-19 Phase Two Response package to help countries mitigate the social and economic impacts of COVID-19.** It fully aligns with the Africa region-wide platform to mitigate the socioeconomic impacts of the COVID-19 crisis. The Project contributes to Focus area 2 of World Bank Group's Country Partnership Framework for RoC for the period FY20-FY24 (Report No. 126962-CG) – "Build human capital and enhance resilience for social inclusion and sustainable growth" by increasing the sustainability of social protection coverage through supporting delivery systems. The Project builds on the Lisungi safety net program to address social impact of the COVID-19 crisis by using the RSU to improve the targeting of the cash assistance to beneficiaries.

25. **The Project is also aligned with RoC's National Development Plan (PND – 2018-2022).** The Project supports Pillar 2 on human capital development, in particular Strategic Objective five of the PND high priority actions: "*Social and inclusive development, which allows all social classes to contribute to and benefit from economic development, and which promotes the inclusion of women and disadvantaged groups*". The supporting sectors to achieve this objective are mainly health and social protection. Following the World Bank US\$11.3 million support to the health sector (Republic of Congo COVID-19 Emergency Response Project, P173851), the LECRP will promote the expansion plan for Lisungi, which is the Government's national flagship safety net program.

26. **The Project is aligned with and directly supports the Government's response to the COVID-19 crisis.** While the initial response to COVID-19 has focused on health, the Government's objective is now to protect households which are negatively impacted by quarantine measures, by partially compensating for income losses through emergency cash transfers and thereby avoiding the use of negative coping strategies such as decreased consumption that can have long-term negative impacts on human capital accumulation. The principles guiding the social protection response to COVID-19 are: (i) supporting the government communication campaign with a focus on hygiene, sanitation, and social distancing requirements to avoid contagion, particularly among the most vulnerable households; (ii) assisting poor and near-poor households during the crisis through emergency cash transfers; and (iii) helping poor and near-poor households rebuild their assets and strengthen resilience once the acute phase of the pandemic recedes. The ERCP will directly finance the cash support to poor and vulnerable households announced by the Government as well as the post emergency recovery phase.

II. PROJECT DESCRIPTION



A. Project Development Objective

PDO Statement

To provide emergency income support to households affected by the COVID-19 health and economic crisis and increase access to safety net for recovery for poor and vulnerable in participating areas of the Beneficiary.

PDO Level Indicators

- Number of households benefiting from emergency cash transfers
- Number of households benefiting from recovery program

B. Project Components

27. In response to the COVID-19 pandemic, a two pronged approach is proposed: (i) financing emergency cash transfers to assist poor households during the ongoing pandemic to void negative coping mechanisms and to partially compensate for income losses (Component 1), and (ii) after the acute phase of the crisis, helping households rebuild their livelihoods and reinforcing their resilience to any future shock through regular cash transfers and income generating transfers (Component 2). In addition, the Component 3 will support capacity building for MASAH by strengthening delivery systems to make them more inclusive and shock responsive. Finally, the CERC will allow the Government to mobilize funds in case of continued emergency related to COVID-19 or other shocks that would require immediate recovery and reconstruction needs such as a climate-related shock or another epidemic outbreak. As stated previously, at this stage, a preliminary timeline for the start of activities exists, which is flexible and ready to be adapted to changing circumstances resulting from COVID-19's trajectory.

Component 1: Emergency cash transfers for COVID-19 response (US\$20 million equivalent)

28. **The two main activities for this component are emergency cash transfers (ECT) to compensate for income losses due to COVID 19 and a communication campaign on hygiene and sanitation measures.** ECT will help the poor cope with the immediate impact of the economic shock, resulting from the quarantine measures undertaken to mitigate a further spread of the COVID-19 disease. Due to its COVID-19 relief purpose, a proper communication campaign on the emergency character of the ECT and its exceptional objective of providing a one-time income support as a relief measure will be in place to reduce social tensions and potential backlash against Lisungi's long term program. The communication campaign will use a variety of different media outlets to increase its reach.

Sub-component 1.1: Emergency cash transfers (US\$19.5 million equivalent)

29. **This sub-component will finance one-off emergency cash transfers to approximately 200,000 households likely to be affected by the socio-economic impacts of the COVID-19 crisis during the lockdown.** It will also finance the enrollment of beneficiaries and cover the services of payment service providers (PSPs). The beneficiary households would be pre-identified, registered, and assessed using the process protocol described below. **It is expected that the implementation of this sub-component would be completed by the end of 2020,** provided the pandemic subsides. However, given the uncertainties around the development of the epidemiological situation, the Government may consider providing subsequent rounds of ECT to the same and potentially additional beneficiaries, depending on the situation



and budget. This Project could support such activities by activating the CERC component that is included in the Project.

30. All activities will be conducted in a manner that minimizes social contact while providing fast support. Measures in place to support physical distancing include using mobile money where possible and using tablets for fast data entry and minimizing community gatherings. Further, all field workers will be provided with personal protective equipment (PPE), including masks and hand sanitizers.

31. **Amount received by households.** The Government has decided to support poor and vulnerable households with an emergency one-off transfer of CFA 50,000 (US\$82) per household, which represents on average about a third of monthly household expenditure levels. Notice that this amount is about twice the average monthly payment¹³ under the Lisungi CCTs, which vary depending on the household composition.

32. **Geographic coverage.** Given that the COVID-19 pandemic is likely to have a disproportionate impact on urban households, the Project will focus on the main urban areas and districts, namely: Brazzaville, Kintélé, Pointe-Noire, Dolisie, Nkayi, Madingou, Loango, Owando, Oyo, Makoua, Djambala, Gamboma, Ngo, Sibiti, Ewo, Kinkala, Nganga Lingolo, Ouessou and Impfondo. According to the National Statistical office, an estimated 565,573 households were classified as poor in 2018, including 362,950 households (about 64 percent) in the urban areas targeted by the Project. The Project will therefore cover about 35 percent of the poor nationally and 55 percent of poor households in the targeted urban areas.

33. **Determination of eligibility.** Eligibility decisions will follow a four steps process which starts with outreach, followed by household registration and combines a mix of a community-based ranking and a deprivation/vulnerability index assessment to determine eligibility, as described in Box 1.

Box 1: Household Registration in the RSU and Eligibility Determination for the Emergency Program

- (a) **Outreach:** The overall objective of the outreach campaign is to promote social cohesion and awareness around the emergency program. It aims to increase stakeholder engagement by using different media platforms (see description of subcomponent below) to inform the population about the Project and project-related activities, including the process for intake and registration, the criteria for emergency program determination of eligibility, the benefit amount, and the duration of the program. The goal is to create awareness and promote inclusion of potential beneficiaries through the involvement of the local population and local authorities. The outreach campaign aims to ensure harmonious collaboration between project staff and local communities and to minimize and mitigate risks.
- (b) **Intake and Registration of households in the RSU:** The household registration process will be conducted at the block level¹⁴. Each block includes only 10 to 24 plots, which ensures that block representatives know the community and their needs. Each block representative has the current RSU caseload information and will be given two registry booklets to create a pre-list for intake and registration: the first one to register households that are not in the RSU but would like to receive the ECT while the second

¹³ Average Lisungi CCT transfer is about CFA 23,500 per month per household.

¹⁴ A city is made up of several districts. The districts are then divided into “zones” which include numerous blocks.



one will be dedicated to households who have already been included in the RSU¹⁵, to update some information regarding any household composition change and to complete information needed for the electronic payment of benefits. This process aims to update current RSU information and to increase the RSU from about 120,000 to about 300,000 households by the end of the Project. District level committees consisting of elected officials, civil society and community-based organizations will perform oversight of the intake and registration process.

The intake and registration process will then use an online platform to digitize records on site once the pre-listing using the booklets is completed. Short questionnaires will be conducted among those who have been pre-identified. The application form is available electronically for registration to ensure quick data collection using mobile devices. This application form will provide information on household composition, key indicators on living conditions, and data necessary to provide mobile payments. This quick data collection process (about 10 minutes per household) will enable the classification of households according to poverty status (extreme poor, poor, and non-eligible) based on a deprivation/vulnerability index. Other households that are interested in benefitting from the program but have not been identified by block representatives will have the opportunity to place a complaint in the Grievance Redress Mechanism (GRM) and register online through the RSU platform by filling in a short digital questionnaire.

(c) Assessment of needs and conditions: A community-based ranking of households by level of vulnerability will be used in combination with a deprivation/vulnerability assessment. Congo has experience in community-based targeting (CBT) due to the MASAH's presence at the local level through its network of social workers and due to the experiences with Lisungi's implementation. Each block representative will be in charge of classifying households by level of vulnerability (extreme poor, poor, less poor) following the community targeting notice laid out in the project implementation manual and described below. The Lisungi project will also provide training on the principles and criteria that should guide the ranking exercise. The following criteria will be used by block representatives to classify extremely poor households:

- Households relying on charity to survive;
- Homeless households that are not receiving any assistance;
- Female headed households with no income or very limited resources;
- Households whose head is a temporary worker with no income for the past two months;
- Households whose head is a retiree with no pension;
- Households that survive by selling collected wood or waste or relying on child labor;
- Lack of access to running water, electricity or a flush toilet or durable goods;
- Households in which all members are living and sleeping in the same room;
- Households with undernourished children;
- Additional criteria can include: Household with a disabled person, pregnant women, children aged 0-18, and elderly.

(d) Determining eligibility: For the emergency program, eligibility status will be determined by the Lisungi Project Management Unit (PMU) combining the household ranking performed by block representatives with the classification of households resulting from the social surveys deprivation/vulnerability index. Priority will be given to households that have been identified as extremely poor and poor by both rankings. Moreover, the emergency cash transfers will be available to all legal residents, including refugees.

¹⁵ Data on the RSU have been collected between 2015 and 2018. The RSU contains information about 120,546 households but comprehensive data is available for only 89,444 households.



34. **Payment mechanism.** The Project will use digital payments to beneficiaries’ mobile phones whenever possible but will also contract a few payment providers to ensure the widest coverage. The government has concluded contracts with several payment agencies as the capacity of any single financial institution is too weak to ensure mass payment. The currently contracted payment agencies are Airtel Mobile Money, *la Poste Mobile of SOPECO*, *la Banque Postale du Congo*, and the *Charden Farell* group. Beneficiaries without mobile phones or mobile money accounts will have the possibility to receive their payments through the above-mentioned agencies. As of today, cash transfer Lisungi beneficiaries are paid in cash at *Banque Postale du Congo* bank branches, and each beneficiary has a bank account, but no Automated Teller Machine (ATM) card is provided. However, in the context of COVID-19 and to avoid the spread of the disease due to the handling of cash and crowds gathering, the Project will support the digitalization of payments through mobile banking. Beneficiary households will be notified by Short Message Service (SMS) during the payment process. If a beneficiary household does not have a mobile phone, the notification will be sent to the block chief, who is then responsible to share the information with the beneficiary household. Women are the preferred recipients of the cash transfers for households with children. The Lisungi PMU will share the household information necessary to facilitate payment with payment agencies. A cross verification will be done by the Departmental Directorates of Social Affairs (*Directions Départementales des Affaires Sociales - DDAS*) and the Social Assistance Offices (*Circonscription d’Action Sociale - CAS*). Detailed procedures for payments, verifications and cross verifications will be specified in the PIM. Annex 2 provides an overview of the current verification and oversight systems for Lisungi cash transfer programs and a description of additional measures to reinforce it. These measures will be reflected in the PIM to be cleared by the World Bank prior to effectiveness.

35. **Grievance redress mechanism (GRM).** The Project will include a GRM, building on the GRM in the ongoing Lisungi program, and will try to reduce exclusion errors by building awareness through communication campaigns about the Project. The PMU has substantial experience with handling grievances: in 2019, the PMU handled a total of 197 grievances, 145 of which were related to households feeling wrongfully excluded from receiving the transfers. The GRM will be strengthened to capture any complaints or grievances and will be supplemented by a dedicated phone number that can be called free of charge by anyone who wants to receive information about the Project or would like to register for it. A website will be designed for similar purposes. Further, complainants will be updated via SMS while the grievance is under consideration. The GRM will be updated within two months of Project effectiveness. The GRM will also rely on representatives at the local level who can help individuals register grievances if needed. Table 1 displays the current Lisungi GRM and the revamped GRM for the Emergency Cash Transfers.

Table 1: Comparison of Current Lisungi GRM and Revamped ECT GRM

Current Lisungi GRM	GRM for Emergency Cash Transfers
PMU created complaint sheets for claimable grievances (e.g. issues related to targeting, delays in registration, etc.)	Same In addition to the reclamation sheets, a dedicated phone line (“ <i>ligne verte</i> ”) that anyone can call to receive information about the program or voice grievances is put in place. A web-based grievance submission system will



	also be developed.
Registration of grievances held by trustworthy official at the municipal level	Same
The complainant can decide to fill in the complaint sheet, to register (or not) the complaint in the official registry, or to send the complaint directly to the PMU via SMS (to the dedicated Lisungi number 1516).	Same In addition, individuals who voice grievances will be updated along the process via SMS.
All complaints registered in the register will be updated in the Management Information System (MIS) every 7 days.	Same In addition, all complaints related to program eligibility and will be registered and dealt with within 10 days.
Complaints that are confidential or deal with the local structures can be registered online. Alternatively, a complaint sheet can be filled in and send directly to the PMU.	Same

Sub-component 1.2: Communications and sensitization campaign (US\$0.5 million equivalent)

36. **This component will finance a communication and sensitization campaign to provide poor and vulnerable households with information about key program characteristics and COVID-19 prevention messages.** Communications platforms will include radio, television, and mobile phones, through SMS and interactive voice response. Communication messages will include information on the objective and duration of the emergency program to ensure i) widespread registration of potential beneficiaries; and ii) build an understanding that these transfers are tied to the COVID-19 crisis and are temporary in nature. Messages will also focus on preventive measures such as hygiene and sanitation, social distancing requirements, related behavior change messaging, and any relevant situational updates, such as announcements about the tightening or easing of mobility restrictions. The Project would partner with community-based organizations and community representatives to identify households that are most in need of assistance or medical aid to provide them with information and assistance, and to offer individual protection tools. This subcomponent will also deliver a communication and sensitization campaign that focuses on gender, due to the overwhelming global evidence of the negative impact of the pandemic on GBV/ Intimate Violence Partner (IVP).

37. The sub-component will finance development of messages, recording and airing of the messages, as well as personal protective equipment. Information developed by other actors, such as the Ministry of Health, WHO, or United Nations organizations such as United Nations Children’s Fund (UNICEF), would be used when readily available.

Component 2: Scaling up Lisungi program for recovery (US\$24.5 million equivalent)

38. **This component will provide households affected by the economic crisis with support to Income-Generating Activities integrated into the regular Lisungi Cash Transfer program** to help them rebuild their assets and strengthen resilience once the acute phase of the pandemic recedes. **It is expected that this component would be implemented mostly starting in 2021 with a possibility of starting activities in 2020 if the epidemiological situation permits.** An overlap between ECT and the Lisungi program for recovery beneficiaries is possible. This component will follow a different eligibility



determination approach which may result in both former ECT beneficiaries and/or new beneficiaries being eligible depending on their poverty and vulnerability status. The eligibility determination process, payment process and internal controls will be described in the updated Lisungi Project Implementation Manual (PIM) that must be approved by the World Bank prior to implementation of this component.

39. **The ongoing Lisungi project has a subcomponent providing direct cash transfers targeted to poor households (CCT) and another subcomponent providing support to IGA with some overlap between these two target groups.** In Lisungi, the direct cash transfers are conditioned on regular health visits and school attendance for children of beneficiary households with certain activities to promote the development of their human capital. IGA support is provided to poor and vulnerable beneficiaries to develop and implement a business plan with the support of the Project.

40. **The proposed LECRP will integrate the two types of support (CCT and IGA) into one.** Growing evidence shows that integrated and sequenced interventions that provide a range of services and a cash grant to the poor in addition to small regular cash transfers generate lasting improvements in earnings and well-being. Regular cash transfers act as consumption support as poor households must meet their food needs before being able to invest in productive activities. Similar programs have already been successfully tested in other countries in the sub-region, e.g. in Cameroon.

41. **In addition, the conditionality to utilize health and education services will be applied variably depending on the availability of functioning social services in locations covered by the Project.** In locations with limited access to health and education services, the Project will apply soft conditionalities. Beneficiary households will be encouraged to attend training sessions on early childhood development and financial literacy. These accompanying measures have proven quite effective in other countries and could be used to complement efforts to enhance social service delivery and human capital and sustain benefits (World Bank, 2018)¹⁶.

42. **As in the ongoing Lisungi Social Safety Nets project, the LECRP beneficiaries will be encouraged to fulfil the following conditions, with built-in flexibility (with a possibility of lifting conditions altogether) to account for the uncertainty in the trajectory of the pandemic and potential new rounds of shelter-in-place orders, in addition to taking into account the availability of services in specific locations:**

(a) **Health.** Regular health center visits, including age-relevant checkups and vaccinations to improve children's health status and prenatal and postnatal exams to improve maternal health

(b) **Education.** A minimum of 80 percent regular school attendance per child per month.

43. **To counter gender gaps, accompanying measures will be developed with a strong focus on gender and social role demarcation to boost women's economic empowerment and reduce gender-based violence.** Societal norms represent significant barriers for women to fully engage in economic activities. Gender and social roles limit women's ability to acquire education or participate in the labor force. As a result, female workers face higher barriers to accessing good economic opportunities. To help

¹⁶ Beegle, Kathleen, Aline Coudouel, and Emma Monsalve (2018). Realizing the Full Potential of Social Safety Nets in Africa. Africa Development Forum series. Washington, D.C.: World Bank Group.



address those obstacles and boost women's empowerment, the Project will develop accompanying measures that seek to foster behavioral changes within the beneficiary household. It will include modules designed to provide dedicated mentoring to address pervasive social barriers and boost self-confidence as well as specific modules on women's empowerment and gender relations. In addition, accompanying measures on early childhood development, financial literacy, and others will be developed and provided by contracted Non-governmental Organizations (NGOs).

44. **The objective of the conditional cash transfer part of the newly integrated benefit is to provide timely, predictable, and regular transfers for the targeted households.** Regular transfers ensure the achievement of program objectives, smooth and increase household consumption, and protect their assets. Predictable transfers allow households to maximize the use of their money and enable households to plan and invest in the future, particularly in the human capital of their children. As in the ongoing project, women are expected to represent most recipients of the CCTs. Accredited payment agencies will make the payments to beneficiaries.

45. **The objective of the IGA part of the new integrated benefit is to support households in starting or resuming and growing activities to improve their livelihoods in the recovery phase after the pandemic recedes.** It will benefit from the accompanying measures offered by implementing partners to support the preparation of business plans; to provide information on financial education, savings, and credit; and to support the implementation of the activities. The ongoing project has developed experience in this area which will be strengthened further, including with support from a new technical assistance activity (TA) executed by the World Bank¹⁷, to support innovation and effectiveness of IGAs, particularly among women. Participation of women in IGAs will be strongly encouraged, since women are more likely to be economically marginalized compared to men. Over 60 percent of the IGA beneficiaries under the ongoing Lisungi project were women.

46. **The IGA will be small-scale (undertaken at the household level) and could include activities in agriculture and animal husbandry, especially in rural areas, retail (grain, food supplies, etc.), handicrafts, or services to individuals such as hairdressing or transportation.** The World Bank's ongoing TA¹⁸ will inform these activities regarding: i) types of activities that the Project could support where women show high levels of activity or have growing opportunities; ii) effective methods to reach out to female beneficiaries and content to be included in the communication campaigns (incl. sensitization on social norms and aspirations); iii) specific training modalities that allow for women's enrollment and regular involvement in training; iv) additional services that can alleviate women's workload to allow them to participate successfully in productive and income-generating activities; v) additional activities and content to be included in the package of accompanying measures offered by the Project (e.g. specific content for life skills trainings and behavioral interventions); and vi) additional community measures to support women's successful participation and increased productivity (e.g. interventions among local leaders, heads of household etc.).

47. **In addition to a cash transfer to support their IGA business plans, the beneficiaries will benefit from accompanying measures such as:**

¹⁷ Informing gender-smart social protection in Congo (P173535)

¹⁸ IBID



- (a) Training on the preparation of a business plan and other technical skills;
- (b) Communication and mentoring of beneficiaries to support implementation and boost their self-confidence and social capital; and
- (c) Financial literacy training to improve their income management and to encourage them to save to weather shocks.

48. **The Project will not finance the purchase of land or buildings leading to involuntary resettlement, nor will the Project procure any pesticides**, but the Project will carry out extension services toward project beneficiaries on the proper use of pesticides and other agro-chemicals. IGA beneficiaries will receive guidance on how to undertake their proposed activities in an environmentally friendly and sustainable manner. The PIM will further provide a checklist to capture potential social and environmental risks of subprojects.

49. **Eligibility criteria.** Beneficiary selection for the new integrated benefit is expected to follow the same approach used in the ongoing Lisungi project. Households preidentified by commune Level targeting committees (CCC) will be visited to collect or update their information entered in the RSU. In Brazzaville, Pointe Noire and other urban areas, a needs and conditions assessment will be performed based on socioeconomic characteristics using the full RSU questionnaire and households will be classified according to their poverty levels. Those households classified as extreme poor or poor will be eligible for the program. The eligible household list is then validated by the CCCs and District Level Monitoring Committees (CLSs)¹⁹ prior to program enrollment. Households unable to provide labor for IGAs, e.g. households consisting of the elderly, disabled or single mothers with infants, will be exempted from the requirement to engage in these activities. Nevertheless, the final process will be detailed in the updated PIM and will ensure that such households are not discriminated against.

50. **Benefit level and duration.** The minimum CCT benefit level per household will be set at FCFA 5,000 (US\$8.3) per month. A variable child benefit is set at FCFA 5,000 per child per month for a maximum of three children. A variable elderly benefit is set at FCFA 10,000 (US\$16.6) per elderly per month. Due to the multigenerational nature of households, the maximum transfer per household is FCFA 40,000 (US\$67), representing a household with three children and two elders. This transfer is aligned with the current Lisungi Program that transfers on average FCFA 23,500 (US\$39) a month per household due to different household composition and multigeneration households. The transfers will be paid over a period of 12 months. The IGA transfer, capped at FCFA 200,000 (US\$333), will be provided in three installments (50 percent, 25 percent, and 25 percent), in accordance with the individual business plan and the PIM. The first transfer of 50 percent will be provided upon receipt of a validated business plan to allow for up-front investments; the second transfer of 25 percent is provided midway through the implementation of the activities; and the third transfer of 25 percent is provided six or nine months from the first payment. The IGA transfers will commence about 6 months after payment of the first CCT transfer to allow participants to engage in training and develop their business plans. Transfers will continue until the business plan is fully implemented but will last no longer than two years after the start of the CCT transfers.

¹⁹ See more information on CCCs (*Comités Communaux de Ciblage*) and CLSs (*Comités Locaux de Suivi du Projet*) in Annex 1.



51. **Number of beneficiaries.** It is expected that this component will benefit about 23,000 households living in the following areas: Brazzaville, Pointe-Noire, Kinkala (Pool), Madingou (Bouenza), Ewo (Cuvette -Ouest), Sibiti (Lékoumou), and Owando (Cuvette).The component will finance cash transfers, fees of Payment Service Providers, behavioral change messaging, inputs such as tools, seeds, fertilizer, and training.

Component 3: Strengthening the social protection system (US\$2.5 million equivalent)

52. **Component 3 will provide support to strengthening the social protection system.** Activities under this component will mainly focus on delivery systems. Its objectives are to support the delivery of emergency cash transfers under Component 1 as well as cash transfers and income-generating activities under Component 2, while improving and strengthening existing delivery systems and laying the foundations for future program scale-up and response to shocks.

53. **This component will focus on four priority areas: (a) support to the elaboration of a social protection strategy, (b) expansion of the RSU, (c) adoption of electronic payments and (d) support to improve the capacity of delivery systems to respond to shocks and crisis.** It will build on previous work in these areas, while strengthening and further developing the existing systems and improving the capacity of delivery systems to respond to shocks and crises.

(a) Support to the elaboration of a Social Protection Strategy

54. **The Project will support the Ministry of Social Affairs and Humanitarian Action (MASAH) in the preparation of the Social Protection Strategy.** The strategy document will provide a framework for the planning and coordination of interventions that form part of the social safety net system. This activity will finance technical assistance as well as consultations and workshops.

(b) Expansion of the social registry

55. **The main objective will be to expand the coverage of the RSU, which currently covers about 10 percent of the population** (or 19 percent if looking at the poor population only) and focuses on urban areas. This activity will finance technical assistance for the expansion of the RSU in terms of its coverage and for more decentralized operation.

56. **The RSU has the potential to become an integrated gateway for social programs.** It has been used by the Lisungi program, both for CCT and IGA, by the Skills Development for Employability Project (*Projet de Développement des Compétences pour l'Employabilité*, PDCE, P128628) and the Health Sector Project (*Projet de Développement du Système de Santé*, PDSS, P143849), as well as programs supported by the AFD. The Government mandated the use of the RSU for all public entities that provide social protection assistance since March 2019.

57. **In the short-term, the expansion of the RSU will support the determination of eligibility for both emergency cash transfers and the recovery program.** As the RSU currently covers about 120,000 households and the Project aims to cover 220,000 households, additional intake and registration efforts



will have to be conducted in order to determine eligibility for both emergency cash transfers under Component 1 as well as cash transfers under Component 2.

58. **In the medium-term, the planned expansion of the RSU will lay the foundations for future scale-up of social safety nets programs and will allow the Government to respond more quickly to all types of shocks.** The RSU, combined with other data sources, such as early warning systems, could be used to determine eligibility for shock-responsive cash transfers and to allow the horizontal and vertical expansion of the safety nets program, including in response to climate-related shocks. The RSU will allow the Government to respond more quickly to climate-related crises by identifying and targeting emergency cash transfers to existing or new beneficiaries, in response to onset of climate-related disasters.

(c) Adoption of electronic payments

59. **This activity will involve analyzing and auditing the payment system and developing mobile payment modules.** Currently, the Lisungi program relies on an in-person cash provision modality. This component will support the gradual adoption and transition to electronic modalities, including bank accounts, digital wallets and mobile money. In the context of COVID-19, transitioning to electronic payments becomes an urgent need due to social distancing guidelines. The gradual adoption of mobile payments also represents a shock-responsive delivery change which will allow faster payment scale-up through mobile means. In the context of Congo's recurrent floods, electronic payments will enable beneficiaries to receive the support they need even when access to normal cash points or post offices in urban areas may be restricted.

(d) Support to improve the capacity of delivery systems to respond to shocks and crisis

60. **In order to expand programs vertically and horizontally in a context of crisis, the use of existing delivery systems can be leveraged.** Adaptations to delivery mechanisms will be also introduced in order to be able to respond to new and urgent needs. In the context of COVID-19, these adaptations mainly constitute modifications that are necessary to comply with social distancing guidelines. Examples of necessary adaptations that might need to be implemented in the short-term (other than the ones related to the social registry and the payments system), include relaxation of program co-responsibilities, delivering accompanying measures and outreach campaigns through mass media and avoiding community gatherings. In the short-term, this activity will finance technical assistance to design and implement the necessary adaptations to existing processes.

61. **In the medium-term, this sub-component will provide support to strengthen the capacity of the safety nets system to respond to future shocks and crisis.** Activities to be financed include a study on shock-responsive systems, adapted to the country's needs and implementation approaches, as well as technical assistance for the establishment of early warning systems, with a focus on strengthening its governance and investing in its digitization.

Component 4: Project management, monitoring and evaluation (M&E) (US\$3.0 million equivalent)



62. **This component will support project management.** It will ensure that the PMU is operational and that it successfully and efficiently implements the Project in conformity with the Financing Agreement, Project Appraisal Document, and the PIM. This component will finance:

- (a) The PMU staff (non-civil servant) salaries including operational costs at the regional levels;
- (b) The equipment and operating costs for the PMU directly linked to the daily management of the Project (office space; utilities and supplies; bank charges; communications; vehicle operation, maintenance, and insurance; building and equipment maintenance costs; travel and supervision costs; and so on);
- (c) M&E costs, including data collection and reporting in accordance with the Project’s M&E plan.
- (d) The regular internal audits and annual external audits (according to World Bank legal requirements, the audits of financial and procurement aspects); and
- (e) The training of the personnel of the PMU (at both the central and regional levels).

63. **Within the framework of the monitoring cycle, a midterm review will involve the Project’s stakeholders and civil society in the review of Project performance, intermediary results, and outcomes.** The progress and outcomes of the Project will be measured using the data collected at the midterm review and at the end of the Project.

Component 5: Contingency Emergency Response Component (US\$0)

64. 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, and are not already covered by the Project, e.g. an epidemic outbreak, or a climate-related shock. The CERC can be used to respond to emergencies across the national territories, i.e. including in areas not initially covered by the Project. In this Project, **in case of extended pandemic emergency phase it could facilitate the reallocation of funds from other components that have a medium-term perspective to Component 1,** given the uncertainty about the duration of the health emergency and lockdown period.

Project cost by components

65. Table 2 presents the project cost by component.

Table 2. Project Costs by Components

	Cost (US\$ million)
Component 1: Emergency cash transfers for COVID-19 response <ul style="list-style-type: none"> • Emergency cash transfers • Communication and sensitization campaign 	20.00
Component 2: Scaling up Lisungi program for recovery <ul style="list-style-type: none"> • Integrated CCT and IGA 	24.50
Component 3: Strengthening the social protection system <ul style="list-style-type: none"> • Support to the elaboration of a Social Protection Strategy • Expansion of the social registry 	2.50



<ul style="list-style-type: none"> • Adoption of electronic payments • Support to improve the capacity of delivery systems to respond to shocks 	
Component 4: Project management, monitoring and evaluation	3.00
Component 5: Contingency Emergency Response Component - CERC	0.00

C. Project Beneficiaries

66. Under Component 1, the Project will provide one-time emergency cash support to approximately 200,000 households affected by the COVID-19 crisis. This represents about 900,000 beneficiaries. The geographic breakdown by department is depicted in Table 3.

Table 3. Quotas of Households by Department

Departments/communes	Number of eligible households
Brazzaville et Kintélé	100,000
Pointe-noire	60,000
Niari	4,890
Bouenza	8,953
Cuvette	5,484
Plateaux	5,642
Lekoumou	3,439
Cuvette - ouest	1,647
Pool	3,727
Sangha	1,706
Likouala	2,673
Kouilou	1,839
Total	200,000

Source: MASAH

67. The above geographic distribution is based on the National Institute of Statistics (INS) simulations of the number of poor households in Congo, using World Bank microsimulations models. According to the INS, the number of food insecure household is estimated at 462,202, while the number of poor households is about 626, 548. Hence, by targeting 200,000 households, the Project will reach 43 percent of food insecure people in Congo, representing 32 percent of the poor population.

68. Under Component 2, the integrated CCT/IGA support will benefit about 20,000 households out of 23,000 households receiving the monthly transfer in the RSU. The remaining 3,000 represents the elderly beneficiaries and other households, who cannot be involved in IGA due to inability to supply labor. As mentioned above, beneficiaries of ECTs will be eligible for the integrated CCT/IGA support along with other potentially eligible applicants. Compared to the ongoing Lisungi project, conditionality for health and education will be applied only in areas where these services are available. Thus, soft conditionalities will be considered such as the participation in training sessions on early childhood development and financial literacy. In addition, conditions may be lifted altogether if the epidemiological situation deteriorates during implementation of activities. Messaging that uses mobile technology can be maintained.



D. Results Chain



Components	Activities	Outputs	Intermediate Outcomes	Outcomes
Emergency cash transfers for COVID-19 response	Provide one-time emergency cash transfers to households affected by the COVID-19 crisis	Emergency cash transfers provided to about 200,000 households in urban areas	Compensation of some of the income losses of households affected by the COVID-19 crisis	The risk of affected households falling into poverty or deeper poverty and using adverse coping strategies is mitigated
Scaling up Lisungi program for recovery	Provide cash transfers to poor households	Monthly cash transfers provided to 23,000 households for 12 months	Cash transfer program scaled up for recovery	Improved livelihoods of poor households
	Provide accompanying measures on early childhood development, financial literacy, etc. in areas with weak provision of services	Sessions on early childhood development, financial literacy and other topics delivered to beneficiaries in areas with weak provision of services	Increased awareness of early childhood development and financial literacy among beneficiaries	Improved human capital of poor households
	Support poor households in their development of IGA	Three installments of IGA transfer, training and mentoring provided	Income generating projects created by beneficiaries	Increased income of poor households from income-generating activities
Strengthening the social protection system	Prepare Social Protection Strategy	Social Protection Strategy document drafted	Social Protection Strategy adopted and implemented	Increased planning and coordination of social assistance interventions
	Expand the social registry	Social registry expanded to cover 300,000 households	Social registry used to determine socio-economic needs and make eligibility decisions by multiple social programs	Increased inclusion of poor and vulnerable populations in social programs
	Adopt electronic payments	Electronic payments adopted in all or most project areas	Increased awareness of benefits of electronic payments among beneficiaries	Increased financial inclusion of poor and vulnerable populations
	Improve the capacity of delivery	Adaptations to comply with social	Increased innovation and	Improved capacity of social safety nets



	systems to respond to shocks and crisis	distancing guidelines implemented Study on shock-responsive systems conducted TA for the establishment of early warning systems provided	dynamism of delivery systems	to be scaled-up in response to climate-related shocks
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E. Rationale for World Bank Involvement and Role of Partners

69. **The World Bank has been providing critical support to RoC’s social protection development since 2014 through the ongoing Lisungi project, the country’s main national social safety nets program.** As part of the Lisungi project, the World Bank helped the country to establish the key building blocks of a national social safety net program. Following the economic contraction and resulting fiscal challenges in 2015, the Lisungi project has been supported (and financed) mostly by the World Bank and the AFD. The project remains Congo’s only flagship safety nets program, despite currently only covering about 10 percent of the poorest quintile. Institutional arrangements still need to be improved and strengthened, notwithstanding that the project management experience acquired since its inception brings some guarantee of further success. The Lisungi program has the mechanism to be scaled up in response to the socio-economic impacts of the pandemic through its social registry. Given RoC’s limited social protection landscape, the World Bank’s involvement will be crucial to implement the scale-up to ensure that lessons learned from the implementation so far are leveraged and strengthened.

70. **The World Bank can contribute technical leadership based on its global experience in designing and deploying targeted safety nets.** Lisungi is still a relatively young program that, according to the government’s vision, will act as the platform to provide longer-term support to vulnerable populations. The proposed activities will constitute Lisungi’s first intervention at scale, within the complex context of a health and economic crisis, increasing coverage to 200,000 households through temporary cash transfers (since 2015, a total of 9,824 households benefited from conditional cash transfers). This represents an unprecedented increase in coverage. Additional engagement of the World Bank is needed to support the scale-up, in particular to strengthen all elements of the delivery system.

71. The World Bank enjoys global expertise in the provision of safety nets and livelihoods support, bringing important knowledge in the design of social registries, efficient and transparent targeting, setup of institutional coordination mechanisms, and payment mechanisms, including mobile payments. The Bank can also leverage its convening power to facilitate knowledge sharing, capacity building, and South-South learning based on other countries’ experience in shock-responsive safety net delivery.

F. Lessons Learned and Reflected in the Project Design

72. **The Project builds on a wealth of experience from previous crises in terms of who should be targeted for emergency support transfers.** While the COVID-19 pandemic is unprecedented in modern history, the transmission channels to households via reduced labor incomes (main channel), reduced remittances, and higher food prices are well established. Poor and near-poor families are likely to be most



affected, due to their predominant reliance on jobs in the informal sector, without any protection against job losses, or formal coping mechanisms. Poor and near poor households, especially in urban areas, tend to be disproportionately affected by increases in food prices because food consumption takes up a larger share of their income. Experience also shows that in the absence of support, poor and near poor families may resort to negative coping strategies, such as re-allocating funds from income generating activities, or reducing investment in (children's) human capital, with long term implications for household welfare.

73. **The fastest and most effective way to protect households against unexpected shocks is through cash transfers.** Experience from other crises has shown that the use of cash transfers is preferable to other forms of (in-kind) support. This is because it is operationally easier to channel, more cost-effective and provides beneficiaries the freedom to spend the money in any way they see fit to meet their needs. In the situation of functioning markets, cash assistance allows for more dignified access to a larger variety of food options and other basic needs, as well as the ability to make productive and human capital investments.

74. **Mobile transfers are the best way to guarantee contactless, transparent, user-friendly and timely delivery of cash to beneficiaries, even in the most remote places.** The humanitarian community has been utilizing mobile transfers for the delivery of aid particularly in fragile and crisis contexts for several years, facilitated by innovative utilization of cell phone penetration, low costs, and lack of additional physical infrastructure requirements. Experiences range from programs to support the poor in Somaliland, to transfers to refugees in Uganda and Jordan, to natural disaster responses in Haiti and the Philippines. Mobile transfers have become a key vehicle of the pandemic shock response across the world, as in-person payment delivery has become challenging due to physical distancing requirements. The pandemic crisis response presents an opportunity for the Government of Congo (GoC) to establish the mechanisms for mobile payment of cash transfers which can be leverage in the future for regular cash transfers as well as scaling up the social protection response in future crises. The proposed Project utilizes a flexible approach, gradually introducing mobile payments to avoid overexerting the limited technical and institutional capacities available and to increase the likelihood for institutionalizing mobile payment throughout the GoC's social protection programs.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

75. **The implementation arrangements of the Project will be broadly the same as in the ongoing Lisungi project, with some adjustments.** The MASAHA will have the overall responsibility for the implementation of the Project and the Lisungi PMU will have responsibility for the day-to-day management and implementation of the Project. The Inter-sectoral Steering Committee (*Comité d'Orientation Stratégique*, COS) that oversees the project implementation will be expanded to include representatives of other relevant ministries such as the Ministries of Health, Interior and Decentralization; Justice, Human Rights, and Promotion of the Indigenous Population, as well as of the civil society. The COS shall be responsible for, inter alia: (i) reviewing and endorsing the Project's annual work plan and budget; (ii) reviewing progress made towards achieving the objective of the Project; (iii) facilitating coordination of Project activities and the removal of any obstacle(s) to the implementation of the Project; and (iv) monitoring and evaluating the impact of Project activities.



76. **Given the tight timeframe for implementation of the emergency transfers, it will be difficult for the Lisungi PMU to coordinate and supervise operations in all the urban areas selected under the program.** The Manual of Procedures for the Emergency Cash Transfer program, prepared by the Lisungi PMU, grants the status of regional field offices of the Project to the departmental directorates of social affairs or Departmental Steering Committee (CDS, *Comité Départemental Strategique*). For these reasons, the Lisungi PMU has delegated part of its functions to the CDS including:

- (a) signing of agreements with mayors and sub-prefects, on behalf of the Coordinator of the Lisungi PMU and at his request, in departments other than those of Brazzaville;
- (b) the holding of technical coordination meetings with the mayors, sub-prefects, and CAS of the areas concerned by the operations in accordance;
- (c) monitoring and coordinating all operations provided for in the various agreements signed with town halls and sub-prefectures;
- (d) monitoring and evaluation of the performance of the household data collection and payment system;
- (e) the representation of the Project Management Unit before the competent authorities.

77. During the project implementation period, the PMU together with the MASAH will hold the responsibility for defining project implementation strategies, development of the annual workplans and budgets, procurement plans and progress reports for the Project.

78. **Fiduciary management (financial management, disbursement and procurement) will be implemented by the Lisungi PMU.** To carry out the fiduciary responsibility the PMU will: (i) work together with the MASAH to prepare the annual work plans and budgets; (ii) carry out disbursements and procurement in accordance with World Bank procedures; (iii) prepare and consolidate periodic progress reports; (iv) monitor and evaluate project activities; and (v) liaise with stakeholders on issues related to implementation. The PMU will provide, on a quarterly basis, a summary of the Interim Financial Reports showing the sources and uses of funds and cash forecasts for the following six months. The report will additionally provide an update on key activities and contracts, as well as raise key challenges. The report will be made available to the MASAH 30 days after the end of each quarter. More details will be provided in an annex to the Lisungi PIM which is currently being updated and will be finalized before Project effectiveness.

79. **The Lisungi management team will be expanded as needed during implementation to allow for efficient and effective execution.** A reinforced technical and fiduciary team will be assigned within the team to focus on the fiduciary management and monitoring and evaluation of the proposed activities as defined in the COVID-19 Plan. The additional personnel to be hired by the PMU to reinforce the team has been identified and agreed upon with MASAH. This includes, but not limited to, an accountant, a social specialist and a GBV expert to be hired shortly after Project effectiveness.



B. Results Monitoring and Evaluation Arrangements

80. **The PMU will have the overall responsibility for monitoring and evaluation of project activities.** The Lisungi project's M&E plan, which will be updated to include the new project activities, will continue to guide monitoring and evaluation efforts.

81. **The Project's results indicators will be regularly monitored, mainly through administrative data, which could be complemented with survey data when necessary.** The Project's information system (*Système d'Information et Gestion - SIG*), which automates processes related to operations management and beneficiary data, will provide data on number of beneficiaries benefiting from both regular and emergency cash transfers; number of beneficiaries benefiting from IGA; provision of payments and its frequency and timeliness; beneficiary households' compliance with co-responsibilities and participation in accompanying measures; number of grievances received, registered, processed and resolved as well as timeliness of grievance resolution. The social registry will provide data on number of registered households whose socio-economic needs have been assessed to determine their potential eligibility for social programs.

82. **Data generated by the program will also be a source to assess program performance in terms of its effectiveness and efficiency.** This includes data on the time taken between the initial registration of a household in the social registry and the household visit conducted by social workers for verification and collection of additional data, cost of intake and registration, time taken between household registration and notification of eligibility status, time taken between enrollment and payment of first transfer, timeliness of payments, cost of providing and receiving cash transfers, etc. Data on grievances, which would be collected as part of the revamped GRM, also constitute an important source for identifying implementation bottlenecks and provide an opportunity to improve specific processes.

83. **Data on program performance will be complemented with evaluations.** Possible evaluations that could be conducted to assess the quality of implementation include a process evaluation to assess the performance of specific processes, spot checks and beneficiary feedback surveys.

C. Sustainability

84. **Cash transfers and productive inclusion activities under the LECRP are expected to build household resilience, improve vulnerability to shocks, and facilitate investments in human capital.** Under Component 1, the LECRP will provide emergency one-off cash transfers to poor and vulnerable households as a response to the COVID-19 pandemic, and recurring cash transfers, productive inclusion activities and accompanying measures, under Component 2. This is expected to meet urgent needs and smooth consumption gaps in the short run, thereby reducing the urge for negative coping mechanisms (e.g. going into debt, selling productive assets, eating less and/or poor-quality food) that may otherwise impact human capital. In the longer run, the latest evidence on recurring cash transfers suggests increased investments in productive assets, improved time allocation towards more productive activities, and easier savings, which translates into higher average earnings and consumption, particularly for the extreme poor (Ralston et al., 2017 ; Bastagli et al., 2016). Cash transfers have also been shown to generate positive spillovers for non-beneficiaries in some cases, particularly through increased demand for goods and



services in local communities (Davis et al., 2016), while productive inclusion programs have been shown to generate lasting improvements in earnings and well-being (Banerjee et al., 2015).

85. **The sustainability of the Project is ensured through the improvements in supporting delivery systems.** While Components 1 and 2 focus on building the resilience of beneficiary households to the pandemic shock and shocks in general, Component 3 will improve the delivery mechanisms of the safety nets program, making the program itself more resilient and sustainable. In particular, the Project will support the systems and tools required to implement project interventions, including communication and outreach, strengthen the Management and Information System (MIS), extending the RSU, and introducing mobile payments. These improvements will be central to the future development of the Lisungi project; it will provide the infrastructure to respond quickly to future crises and improve the capacity of the program implementation unit to manage its regular program.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis (if applicable)

86. **Emergency cash transfers will protect poor households from resorting to detrimental coping strategies that can have long-term consequences on household welfare.** The empirical literature shows that income shocks can have long-term consequences on household welfare when insurance and credit markets are imperfect, which is the case in RoC. Households facing liquidity constraints have limited smoothing ability. For these households, therefore, income declines resulting from the COVID-19 economic slowdown will generate a welfare loss. Jacoby and Skoufias (1997)²⁰ showed that in India, households adjusted child school attendance to unanticipated income changes. According to their results, schooling can be considered as part of the self-insurance strategy of poor households in particular in areas with less developed financial markets. Almond²¹ (2006), Banerjee et al.²² (2007) and Gorgens et al.²³ (2012) examined the long-term effects of an economic shock experienced during early childhood on adult health and education outcomes. They showed that children exposed to severe shocks during early life had lower investment in education and health, with consequences on adults' outcomes measurable many years later. The inability of poor households to smooth consumption in response to income shocks calls for immediate action to bring relief to those in need through emergency cash transfers.

87. **While Component 1 focuses on emergency relief, Component 2 will support poor and vulnerable households with regular monthly transfers based on the evidence that regular and predictable cash transfers can substantially improve the lives of the poor.** A recent meta-review on the impact of safety nets in Africa shows a range of valuable impacts on beneficiaries (Ralston, Andrews, and

²⁰ Jacoby, H. G., & Skoufias, E. (1997). Risk, Financial Markets, and Human Capital in a Developing Country. *The Review of Economic Studies*, 64(3), 311-335.

²¹ Almond, D. (2006). Is the 1918 Influenza Pandemic Over? Long-term Effects of In Utero Influenza Exposure in the Post-1940 U.S. Population. *Journal of Political Economy*, 114(4), 672-712.

²² Banerjee A., Duflo, E., Postel-Vinay, G., & Watts, T. (2007). Long Run health Impacts of Income Shocks: Wine, and Phylloxera in 19th Century France. NBER Working Papers No 12895.

²³ Gorgens, T., Meng, X., & Vaithianathan, R. (2012). Stunting and Selection Effects of Famine: a case study of the Great Chinese Famine. *Journal of Development Economics*, 97(1), 99-111



Hsiao 2017²⁴). Safety nets significantly increase consumption and improve food consumption and food security. Specifically, Ralston, Andrews, and Hsiao (2017) find that, on average, 74 cents per dollar transferred goes toward consumption, including 36 cents per dollar transferred toward food consumption. The meta-review also finds evidence of longer-term improvements in living standards, including through impacts on savings and asset accumulation. On average, livestock ownership increases by 34 percent and ownership of other household and business durables increases by 10 percent. Asset accumulation can in turn translate into higher labor productivity and earnings.

88. There is a growing body of evidence showing that integrated interventions addressing multiple constraints, which is the approach followed by Component 2, generate lasting improvements in earnings and well-being (Bastagli et al. 2016²⁵). Productive inclusion programs typically combine regular cash transfers, intended to act as consumption support, with the transfer of a productive asset, trainings, coaching, and savings encouragement. The various interventions are sequenced and typically start with consumption support interventions mindful that poor households need to meet their food needs before being able to invest in productive activities. Beneficiaries are then provided with capital transfers, skills development and financial services. An evaluation of this approach in six countries including Ethiopia and Ghana showed statistically significant impacts on all ten key outcomes or indices, including consumption, food security, assets, and mental health (Banerjee et al. 2015²⁶). A year after the program ended, eight out of ten indexes still showed statistically significant gains and, in most countries, the (discounted) extra earnings exceeded the program's cost. Another evaluation of a program by the Bangladesh Rural Advancement Committee found very similar results after four years (Bandiera et al. 2013²⁷). Ethiopia's Productive Safety Net Program is well known for layering productive interventions on top of consumption support (access to credit, training on farming techniques, and soil and water conservation). Gilligan, Hoddinott and Taffesse²⁸ (2009) show that households participating in the full program are more likely to borrow for productive purposes, use improved agricultural technologies, and operate nonfarm businesses. Where a cash grant was delivered, asset growth was also significantly improved.

89. Recognizing that the COVID-19 pandemic has the potential to exacerbate gender inequalities in economic opportunities, the proposed Project will ensure strong participation of women and promote their participation in IGA. The poverty assessment report published in 2017 showed that gender affects the ability of individuals to acquire the required skills and thus excludes women from productive jobs. There is an important gender gap on the labor market, with men earning about twice as much as women. On average, women earn FCFA 60,000 (US\$100) per month, while men earn almost double that, FCFA 119,000 (US\$198). The Project will ensure strong participation of women. Component 2 will include interventions to help address the obstacles faced by women in engaging in economic activities and boost

²⁴ Ralston, L., Andrews, C., & Hsiao, A. J. Y. (2017). The impacts of safety nets in Africa: what are we learning?

²⁵ Bastagli F., Hagen-Zanker J, Harman L, Barca V., Sturge G. and Schmidt T., with Pellerano L. (2016) Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features. London. Overseas Development Institute

²⁶ Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Parienté, W., Shapiro, J., Thuysbaert, B., & Udry, C. (2015). A multifaceted program causes lasting progress for the very poor: Evidence from six countries. *Science*, 348(6236), 1260799

²⁷ Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., & Sulaiman, M. (2013). Can basic entrepreneurship transform the economic lives of the poor?

²⁸ Gilligan, D. O., Hoddinott, J., & Taffesse, A. S. (2009). The impact of Ethiopia's Productive Safety Net Programme and its linkages. *The journal of development studies*, 45(10), 1684-1706.



women's empowerment. It will include activities designed to address pervasive social barriers and boost self-confidence of women such as mentoring activities. Evidence shows that cash transfers to women can be used as a tool for economic recovery: women who receive them are more likely to start businesses, which can fuel economic growth (World Bank Gender Innovation Lab, 2020). After receiving a US\$150 cash grant coupled with five days of business skills training, beneficiary women in Uganda were able to start small trading enterprises. 16 months after receiving the grants, beneficiaries nearly doubled their earnings, mainly from petty trading (Blatman et al., 2013²⁹).

B. Fiduciary

(i) Financial Management

90. **The Project will leverage on the existing financial management and disbursement arrangements of the ongoing Lisungi project.** The main activities to be implemented will be based on the annual workplans and budgets developed jointly by the PMU and the MASAH. The Lisungi project currently has a Financial Management performance rating of Moderately Satisfactory, and there are no overdue audit reports and Interim Financial Reports.

91. **For disbursement purposes, a Designated Account (DA) denominated in Central African CFA Franc will be opened at a financial institution acceptable to IDA.** The DA will initially be managed by the Lisungi PMU. IDA will provide an advance representing a six-month forecast of expenditures which will be reduced by the amount of any payment for which alternative fiduciary arrangements have been put in place. Funds will flow from the Project Account to the DA to be used for the payment of suppliers or service providers. Disbursements will be based on Statements of Expenditures and customized statements of expenditures for transactions related to cash transfers. The frequency of reporting on the use of the DA will be monthly. Other disbursement methods such as reimbursement, special commitment, and Direct Payment will apply as well. Given that the processing of this operation is under situations of urgent need of assistance or capacity constraints, disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open, or limited competition, or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods. The minimum value of application for such payments will be stated in the disbursement letter.

92. **Retroactive Financing, not exceeding Euros 11,268,000 will be considered for eligible expenditures paid for on or after March 1, 2020 until the date of the signing of the Financing Agreement.** Retroactive financing would only cover expenditure related to Component 1 and associated costs as further specified in the Financing Agreement (up to an amount equal to 40 percent of the amounts of disbursement Categories (1) and (2) as per Section III.B.1(a) of the Financing Agreement). The World Bank's procedures and policies including procurement are applicable for expenditure paid using retroactive financing. For retroactive financing payments, the Recipient will have to pre-finance those payments for eligible expenditures from their own resources and confirm that the expenditures have been appropriated accordingly to satisfy those payments. Payments made for retroactive eligible expenditures by the Recipient, will be "Reimbursed" upon effectiveness, into a bank account of the Recipient's choice,

²⁹ Blattman, C., Fiala, N., & Martinez, S. (2013). Generating skilled self-employment in developing countries: Experimental evidence from Uganda. *The Quarterly Journal of Economics*, 129(2), 697-752



and not to the designated account which is only used to receive “Advances”. The requirements applicable to disbursements for cash transfers also apply to cash transfers claimed retroactively.

93. **Tax exclusive financing:** The LECRP financing will be tax exclusive. Thus, all withdrawal applications and related supporting documentation submitted for eligible expenditure of the Project should be net of taxes, otherwise amounts corresponding to taxes paid will be declared ineligible and are to be recovered per the Association’s applicable procedures. Additionally, the terms of reference of external audits should include diligences on confirming that claims were submitted net of taxes.

94. **The PMU will submit quarterly interim financial reports to the World Bank, using the existing formats in place at the Lisungi PMU.** An external audit firm will be recruited no later than six months after Project effectiveness to conduct an annual audit of the Project’s financial statements. The audit report will be submitted to the World Bank no later than six months following the end of the calendar year.

95. **The overall project financial management risk is assessed as Substantial.** Table 4 includes the main constituent elements of the risks and their respective mitigation measures. The implementation of the mitigation measures will be reviewed, and the financial management risk will be reassessed as part of the continuous implementation support for the Project. Financial management implementation support will occur on a semester basis. For cash transfers, tools will be further developed to mitigate fiduciary risks, and details will be provided in the PIM, which is being updated. However, the residual risk remains Substantial due to the emergency nature of the Project. Mobile money transfers will be the first choice of payment method to minimize the related risk.

Table 4. Financial Management Risks and Mitigation Measures

Risks	Mitigation Measures
Potentially ineligible expenditures and delay in providing reports as a result of incomplete documentation provided by the implementing agencies, overdue unacquitted cash advances, or use of funds for non-project related expenditures.	<ul style="list-style-type: none"> • The nature of eligible expenditures will be clearly defined. • Advances to implementing agencies will be limited and controlled. • The Lisungi PIM, to be updated before Project effectiveness, will provide more information on the fiduciary requirements, including the management of cash transfers (eligibility criteria, amount to be paid, beneficiary selection rationalization and payment mechanisms). • Implementation support will be provided by the World Bank.
Duplication of expenditures with expenses being charged to multiple partners/financing sources.	<ul style="list-style-type: none"> • A detailed global response plan will have to be prepared, and each partner will be assigned specific activities to finance. • Common reporting frequencies and consolidation will also be agreed upon so that joint communication among donors is established.



96. **The Project's Fiduciary risk is Substantial. World Bank's portfolio in RoC is characterized by high fiduciary risks and fragility.** There have also been frequent cases of procedural non-compliance. Payments for cash transfers which will make up at least 80 percent of the Project's activities have high related fiduciary risk and the PIM will include details on the management of cash transfers activities.

(ii) Procurement

97. Procurement activities under the Project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018). The Project will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track all procurement transactions.

98. As most of the project funds will go to cash transfers, the planned procurement is expected to primarily include consultancies for communication campaigns, assessments of the Social Registry, developing a strategy for Social Protection and for the decentralization of Social Registry operations, as well as other consultancies. Given the emergency nature of this Project, it is agreed that the Borrower develops a streamlined Project Procurement Strategy for Development (PPSD) during the Project preparation phase and finalizes the same strategy early during implementation. An initial procurement plan for the first three months has been agreed upon with the Borrower and will be updated during implementation.

99. The proposed procurement approach will use the flexibilities provided by the World Bank's Procurement Framework for fast track emergency procurement for the required emergency goods, works, non-consulting and consulting services, particularly during the immediate response and recovery phases. In this regard, key measures to fast track procurement include: (i) use of retroactive financing (i.e. advance procurement before signing the Legal Agreement); (ii) direct contracting, and/or limited competition with identified manufacturers, suppliers and providers for most of the items; (iii) use of framework agreements including existing ones, (iv) procurement from UN Agencies enabled and expedited by World Bank procedures and templates; (v) use of procurement agents; (vi) force account, as needed, (vii) thresholds for Requests For Quotations increased up to US\$500,000 and national procurement among others, as well as no prior review for emergency procurement. It is agreed to streamline the competitive process and procedures with: (a) shorter bid/proposal preparation period, reduced to a minimum of three working days; (b) bid securing declaration instead of bid security; (c) advance payments; (d) direct payments; (e) no standstill period; and (f) no prior review. For contracts already signed but which did not include the application of the Anti-Corruption Guidelines and the World Bank's sanction framework, it will be sufficient for each supplier/contractor/consultant to sign a *Letter of Acceptance of the World Bank's Anti-Corruption Guidelines and Sanctions Framework* so that said contracts are eligible for retroactive financing provided that the procurement procedures used are acceptable to the World Bank.

100. At the request of the Borrower, the World Bank may provide procurement hands-on expanded implementation support (HEIS) to help expedite all stages of procurement of complex and urgent contracts, from help with elaboration of technical requirements and specifications, to supplier identification/support for drafting the bidding documents/providing advice on evaluation procedures,



and/or participation as observer during the negotiations by only clarifying matters of the Bank Procurement Regulations/to contract signing and monitoring of implementation. The support provided under HEIS does not result in the Bank’s executing procurement on behalf of the Borrower, and Project execution remains the Borrower’s responsibility.

101. Procurement will be carried out by the existing Lisungi PMU within the MASA that is implementing the ongoing project. Due to the additional workload caused by this Project, the Lisungi PMU is in the process of recruiting a Procurement Specialist who will lead its procurement team. The procurement capacity of the PMU will thus be strengthened to ensure procurement of this Project.

102. **Procurement risk is rated High.** This is due to: (i) the country context and associated risk; (ii) the limited knowledge of the World Bank’s Procurement Framework including limited capacity to conduct emergency procurement; (iii) the workload and the weak contract management capacity; and (iv) the foreseeable effects that the COVID-19 pandemic could have on the economy and trade. The prevailing risk can be reduced to substantial provided that the corrective measures in the table below are implemented. The residual risk rating is Substantial.

Table 5. Procurement Risks and Mitigation Measures

Risks	Mitigation Measures
Country context and associated risk (fraud and corruption and procurement non-compliance)	<ol style="list-style-type: none"> 1. <i>Ex ante</i> due diligence of firms being selected will be attempted using databases available in country and externally. 2. <i>Post</i> review of contracts will be scheduled immediately on award of contracts for all contracts that would have been subject to prior review. 3. Mandatory use of STEP as daily tool to manage procurement activities.
Limited knowledge of the World Bank’s Procurement Framework including limited capacity to conduct emergency procurement. Workload and weak contract management capacity	<ol style="list-style-type: none"> 1. Finalize the recruitment process of the Procurement Specialist underway. 2. At the request of the Borrower, the PMU may benefit from HEIS for the procurement of urgent and complex contracts.
Foreseeable effects that the COVID-19 pandemic could have on the economy and trade.	<ol style="list-style-type: none"> 1. Mobilize and procure from the private sector, NGOs and UN agencies using measures for supplier preferences like direct payments by Bank, advance payments, etc. 2. Measures to facilitate the entry and transportation of goods on national territory.



C. Legal Operational Policies

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

D. Environmental and Social

103. The Project is being implemented under the Environmental and Social Framework (ESF). It is rated moderate for both Environmental and Social risks. The relevant Environmental and Social Standards (ESSs) are: ESS1 (Assessment and Management of Environmental and Social Risks and Impacts; ESS2 (Labor and Working Conditions); ESS3 (Resource Efficiency and Pollution Prevention and Management; ESS4 (Community Health and Safety); and ESS10 (Stakeholder Engagement and Information Disclosure). ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources); ESS7 (Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities); and ESS8 (Cultural Heritage) are not currently considered relevant, due to the Project’s primary focus on cash transfers. But should issues arise related to Indigenous Peoples or Cultural Heritage, mitigation strategies and measures will be identified in the Environmental and Social Management Framework (ESMF) to be prepared under ESS1. ESS5 is not considered relevant at the Project is not expected to incur resettlement.

104. Social risks are considered to be moderate, given the limited duration of the program (until December 2022) and the client’s capacity and experience in managing similar programs. The Project builds on existing Lisungi Social Safety Nets program, the existing Lisungi unique social registry (RSU), national systems, payment delivery mechanisms and processes.

105. **Environmental risks:** Civil works are not expected under this Project and key environmental risks are risks related to occupational health and safety including the risk of spread of the COVID-19, mainly for activities under Component 2. These risks are not expected to be significant or irreversible. They will be managed consistent with the requirements of the ESSs and good international industry practice.

106. **The Social risks** are expected to be moderate. Social risks are related to: (i) the potential exclusion of some vulnerable and disadvantaged groups; (ii) Occupational Health and Safety and Community Health and Safety Risks due to COVID-19 contagion and (iii) potential risks of GBV, Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) within a workplace environment or as part of the broader context of inter-partner violence in ROC; iv) create social tension between project beneficiaries and non-project beneficiaries within the same community if the targeting mechanism is not transparent enough. Among vulnerable groups, the Project has identified the following: (i) beneficiaries with accessibility challenges (such as the disabled, female headed households, or elderly households, population with low human capital or illiterate, or with limited digital literacy); and (ii) vulnerable households currently not captured by the existing project design. The Project specifically addresses such concerns by targeting vulnerable groups in the Stakeholder Engagement Plan (SEP) and project design. The SEP was disclosed in country on Lisungi’s website and on the World Bank external websites on May 28, 2020.



107. Based on the assumption that SEA/SH risks level will increase, the risk level of the Project has not been assessed yet, but it will be assessed and addressed during implementation through the updating of the ESMF and Environmental and Social Management Plans (ESMP) instrument. Experience from other past epidemics and other COVID-19 affected countries indicates that the COVID-19 pandemic might increase the likelihood of IPV, and SEA/SH in RoC, including workplace violence in the health sector, physical, verbal abuse and sexual harassment against health-care workers³⁰.

Management of Environmental and Social Risks and Impacts

108. **Environmental and Social Commitment Plan (ESCP):** The Borrower has prepared jointly with the World Bank an ESCP, which has been agreed and is legally binding. It includes environmental and social measures, to which the Borrower is committed, including the preparation of environmental and social instruments during project implementation. The ESCP was disclosed in country on Lisungi's website and on the World Bank external website on May 28, 2020. Mitigation measures for site-specific impacts will be managed through the implementation of required environmental and social assessment instruments to be prepared to meet the objectives of the relevant ESSs. The ESCP includes the requirement for recruitment of an Environmental Specialist, a Social Specialist, as well as a GBV specialist by the PMU to provide support for the Project's overall environmental and social aspects.

109. **Environmental and Social Assessment Instruments:** To manage environmental and social risks and impacts, the Project will revise and update the existing Environmental and Social Management Framework (ESMF) within two months after Project effectiveness. The ESMF will guide the preparation of site specific Environmental and Social Management Plans (ESMPs) if needed prior to the start activities. The ESMF will also include measures related to COVID-19 prevention as per the WHO guidance; waste management guidance, Labor Management Procedures (LMP) and outline the implementation arrangement to be put in place for environmental and social risk management, training programs, as well as compliance monitoring and reporting requirements.

110. **Institutional capacity:** the Lisungi PMU team will be responsible for the day-to-day management of the Project including the administrative and fiduciary management as well as environmental and social safeguards. To guarantee an efficient Environmental and Social (E&S) management system, the Project will need to hire and maintain a three-person team, including an Environmental Specialist, a Social Specialist, and a GBV expert, to be hired or appointed no later than two months after Project Effectiveness. The Social Specialist should have a background in stakeholder and community engagement and be familiar with gender-related programming and/or prevention and response of gender-based violence (GBV). The Project also will recruit a GBV specialist to assure the implementation of GBV/SEA/SH Action Plan, including adequate data collection and reporting of GBV cases with disaggregated data related to the outbreak by sex, age, and disability to understand the differences in exposure and treatment, to design differential preventive measures in response, and to ensure that referral paths to services are efficient. The E&S specialists will receive capacity building to be able to help the Project respond to the requirements of the ESF in terms of E&S risks and impacts management, including GBV/SEA/SH risks.

³⁰ The First 100 Days of COVID-19 in Asia and the Pacific: A gender lens. UNWOMEN. <https://asiapacific.unwomen.org/en/digital-library/publications/2020/04/the-first-100-days-of-the-covid-19-outbreak-in-asia-and-the-pacific>



111. **Stakeholder Engagement:** An initial (SEP was developed and disclosed in country on Lisungi’s website and on the World Bank external websites on May 28, 2020. The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. It will be updated periodically as necessary via the inclusion of a Risk Communication and Community Engagement (RCCE) strategy, to be prepared under the Project.

112. **Grievance Redress Mechanism:** the Project will use Lisungi’s existing GRMs to mitigate such risks. This GRM will be revised and updated to be sensitive to GBV/SEA/SH issues and the ethical treatment and resolution of such complaints as well as proportionate to the potential risks and impacts of the Project. An Environmental and Social Assessment will also be carried out within two months after effectiveness to evaluate the Project’s operational processes and performance and assess whether targeted disadvantaged or vulnerable individuals or groups have access to the Project’s development benefits. The assessment will include an analysis of (i) the results of stakeholder engagement activities; (ii) grievances received; (iii) direct feedback from beneficiaries through survey and/or focus groups; and (iv) overall implementation performance.

113. **Labor Management Procedures (LMP):** The Project will follow the applicable requirements of ESS2, including preparation of Labor Management Procedures to protect, implementing adequate occupational health and safety measures for healthcare and laboratory personnel and other Project workers (including emergency preparedness and response measures), setting out grievance arrangements for Project workers, and incorporating labor requirements into the ESHS specifications of the procurement documents and contracts with contractors and supervising firms.

V. GRIEVANCE REDRESS SERVICES

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. KEY RISKS

115. Table 6 presents a summary of key risk ratings.



Table 6. Systematic Operations Risk Rating Tool (SORT)

Risk Categories:	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector strategies and policies	Moderate
4. Technical design of project	Substantial
5. Institutional capacity for implementation and sustainability	Substantial
6. Fiduciary	Substantial
7. Environmental and social	Moderate
8. Stakeholders	Substantial
9. Other (Exposure to COVID-19)	Substantial
Overall	Substantial

116. Mitigation measures for risks that are rated Substantial include the following:

- (a) **Political and governance risk is assessed as Substantial** due to potential political interference in decisions and processes related to project beneficiary selection. The governance challenges could hamper effective implementation of the large-scale emergency cash transfer component. Transparency, accountability and participation, the three key principles of good governance will be difficult to assure when numerous actors on many levels are involved in implementations of activities. Mitigation measures include increased communication aimed at key stakeholders at various levels, including the parliament, local authorities and population in general. To reduce governance risk at local level, the Project will provide training and information materials to all involved actors. District level committees consisting of elected officials, civil society and community-based organizations will perform oversight of the intake and registration process for the emergency cash transfers under Component 1. In addition, a revamped grievance redress mechanism (GRM), building on the current Lisungi GRM, will further be implemented that would allow any individual who feels excluded to voice their concern.
- (b) **Macroeconomic (Substantial).** The macro framework will be under increased strain, and the fiscal space is expected to further deteriorate jeopardizing the sustainability of the Project. The macro risk cannot be mitigated within this Project; however, the World Bank will continue to monitor the situation and coordinate with the International Monetary Fund and other partners to provide support where possible. The Government intends to frontload expenditures for the Emergency Cash Transfers, which would then be reimbursed through the Project. Given the tight fiscal situation, there is a risk that the Government might not frontload. However, the Government is firmly committed to the emergency transfers and has already started their implementation, attenuating this risk.
- (c) **Technical design of project (Substantial).** Substantial risk is due to the COVID-19 context and the size of the emergency response in relation to the current program. Flexibility built in the design of Component 2 (Scaling up the Lisungi program for recovery) in terms of the start of its activity will help attenuate the technical design risk. The extensive communication



campaign, focusing on the modalities of the emergency transfers under Component 1 and the scope of this one-off transfer, will further help manage this risk. The technical design of the Project relies heavily on the successful implementation of Lisungi to date, thereby drawing upon existing and functional systems.

- (d) **Institutional Capacity for Implementation and Sustainability (Substantial).** Institutional capacity of the MASAH and of the Lisungi PMU will be challenged by the scale of proposed activities, which represents a substantial increase over the current level of operations. This risk will be mitigated through measures foreseen in the project design to distribute the responsibility and operational business processes more evenly over a broader set of actors including local level authorities and district and department level offices of MASAH. The MASAH and the PMU have already advanced significantly on the implementation of the Emergency Cash Transfers. An ECT Implementation Manual has been developed, implementation arrangements involving DDAS and CAS have been defined for rapid rollout of activities. Contracts have been negotiated with payment providers and a mobile network operator for electronic payments and data exchange platform. accountability. Preliminary discussions have been held with MASAH and PMU on hiring additional fiduciary and safeguards staff to reinforce the PMU. Short-term consultants would also be hired to provide support during at the height of implementation. In addition, private sector entities will be contracted to deliver the increased volume of operations, including multiple payment agents and mobile network operators, to provide a platform for data management.
- (e) **Fiduciary (Substantial).** RoC's portfolio as a whole is characterized by high fiduciary risks and fragility. There have also been frequent cases of procedural non-compliance. Payments for cash transfers which will make up at least 80 percent of the Project's activities have high related fiduciary risk and the PIM will include details on the management of cash transfers activities. See
- (f) Table 4 and 5 for mitigations measures.
- (g) **Stakeholders (Substantial).** As mentioned above, the potential political interference and opposition to the program of activities may hinder project implementation. The risk is being mitigated through proactive engagement of MASAH and of the Project with key stakeholders such as the parliament and political parties represented therein, religious and other civil society organizations. The Lisungi program currently enjoys support at the highest political levels, which is also backed under the framework of the country's engagement with the IMF. The World Bank will continue coordinating with the IMF and other international stakeholders for continued joint support to strengthening the social safety nets in RoC.
- (h) **Other: Exposure to COVID-19 (Substantial).** Risk: field workers who will be deployed in neighborhoods may be exposed to infection. To minimize the risk, they will receive adequate training. They will also be provided with personal protective equipment.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Congo, Republic of
Republic of Congo Lisungi Emergency COVID-19 Response project

Project Development Objectives(s)

To provide emergency income support to households affected by the COVID-19 health and economic crisis and increase access to safety net for recovery for poor and vulnerable in participating areas of the Beneficiary.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
Provide income support to households affected by the COVID-19 crisis			
Number of households benefiting from emergency cash transfers (Number)		0.00	200,000.00
Provide social safety net for recovery			
Number of households benefiting from recovery program (Number)		0.00	20,000.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Emergency cash transfers for COVID-19 response			



Indicator Name	PBC	Baseline	End Target
Beneficiaries of social safety net programs (CRI, Number)		0.00	800,000.00
Beneficiaries of social safety net programs - Female (CRI, Number)		0.00	400,000.00
Cash transfer program for recovery			
Percentage of beneficiary households participating in income-generating activities (Percentage)		0.00	80.00
Percentage of women participating in income generating activities (Percentage)		0.00	70.00
Strengthening the social protection system			
Elaboration and adoption of a Social Protection Strategy responsive to shocks (Yes/No)		No	Yes
Number of households registered in the social registry (Number)		120,417.00	300,000.00
Percentage of transfers delivered through digital payments (Percentage)		0.00	60.00
Timely payment of cash transfers (Percentage)		0.00	80.00
Percentage of grievances documented, processed and resolved within 20 days (Percentage)		0.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of households benefiting from emergency cash transfers	Emergency cash transfers: number of beneficiary households	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU



Number of households benefiting from recovery program	Regular cash transfers: number of beneficiary households	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU
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Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net programs		Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU
Beneficiaries of social safety net programs - Female					
Percentage of beneficiary households participating in income-generating activities	Beneficiary households participating in income-generating activities/ beneficiary households	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU
Percentage of women participating in income generating activities	Percentage of female beneficiaries of income-generating activities	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU
Elaboration and adoption of a Social Protection Strategy responsive to shocks	The Ministry of Social Affaires and Humanitarian Action (MASAH) will draft and adopt a Social Protection Strategy.	Yearly	MASAH and PIU progress reports	MASAH and the PIU will monitor progress though frequent consultations.	Lisungi PIU



Number of households registered in the social registry	This indicator measures the use of the RSU to assess households' socio-economic conditions and to determine their potential eligibility for social programs.	Every 6 months	Social Registry Information System	Extraction from Social Registry Information System	Lisungi PMU
Percentage of transfers delivered through digital payments	Transfers delivered through digital payments / total transfers	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU
Timely payment of cash transfers	Timeliness of payments as defined by the Operations Manual	Every 6 months	Lisungi information system	Extraction from Lisungi Information System	Lisungi PMU
Percentage of grievances documented, processed and resolved within 20 days	Average time taken to record, process and resolve grievances related to targeting	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PMU



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Congo, Republic of Republic of Congo Lisungi Emergency COVID-19 Response project

Implementations Arrangements

1. The implementation arrangements of the Project will remain the same as in the ongoing Lisungi project, with some adjustments. The MASAH will continue to have the overall responsibility for the implementation of the Project and the PMU remains the implementation unit with the mandate to implement the Project.
2. The COS that oversees the Project's implementation will be expanded to include representatives of other relevant ministries such as the Ministries of Health, Interior and Decentralization; Justice, Human Rights, and Promotion of the Indigenous Population, as well as of the civil society. The COS shall be responsible for, *inter alia*: (i) reviewing and endorsing the Project's annual work plan and budget; (ii) reviewing progress made towards achieving the objective of the Project; (iii) facilitating coordination of Project activities and the removal of any obstacle(s) to the implementation of the Project; and (iv) monitoring and evaluating the impact of Project activities.
3. The PMU will continue to rely on the following coordinating and implementing bodies at the local level for implementing the Project, and particularly Component 2. Committees are set at:
 - (a) The department level (*Comité Départemental Strategique, CDS*) to oversee the Project implementation in the department according to the guidance provided by the PMU and to guarantee the support of all sectoral actors involved in the Project implementation, that is, to guarantee project ownership by the local authorities. They meet every six months;
 - (b) The district level (*Comités Locaux de Suivi du Projet, CLS*) to support the supervision and monitoring of the Project; and
 - (c) The commune level (*Comités Comunaux de Ciblage, CCC*) to support project implementation in different activities including information and education campaigns, identification of potential beneficiaries, monitoring of project implementation, and both collection and treatment of complaints.
4. More specifically, the committee's composition is as follows:
 - (a) **CDS members.** *Préfet* or its representative, the department directors for the MASAH and for all other relevant sectors represented at the COS, and at least two representatives of the civil society working in the department and one member of the National Network of Indigenous People (Renapac, *Réseau National des Peuples Autochtones*) in the Likouala region.



- (b) **CLS members.** *Sous-préfet*, head of the CAS, school and health district directors, head of department of police force, the heads of health committees, and other key actors from sectors represented at the COS, and at least one representative of the civil society working in the district and one member of Renapac in the Likouala region.
- (c) **CCC members.** CAS head of social sector, CAS social workers, local representatives, and the civil society to be the liaison between the Project administrators and the population and one member of Renapac in the Likouala region.

5. In addition to the committees, the PMU relies on the local social assistance offices named CAS. The CAS staff that includes the head of CAS, which is the deputy of CLS, and social workers, which are members of CCC in each respective community

Implementation Support Plan and Resource Requirements

6. This implementation support plan describes how the World Bank will assist the Government with the implementation of the risk mitigation measures and provide the technical advice necessary to help the Borrower achieve the PDO. The plan has been developed based on the nature of the Project and its risk profile. The World Bank will work closely with the PMU and key stakeholders to ensure project success. Should structural implementation challenges occur, the resolution of which would require in-depth analysis and restructuring, then a Mid-Term Review (MTR) will take place accordingly.

7. In addition to implementation support visits^[1] and ongoing engagement, the World Bank will carefully monitor the progress of project implementation and achievement of results through formal and informal reporting channels. Formal reporting channels include World Bank Implementation and Status Results Reports (ISRs) and regular results monitoring, and implementation progress reports prepared by the PMU. Informal channels include interaction with direct beneficiaries of the Project, reports from local media, and third-party assessments. The World Bank will continue a close policy dialogue with the MASA and the government to support the achievement of project objectives.

8. Project procurement and FM missions^[2] will be undertaken as part of periodic fiduciary support conducted concurrently across operations in the RoC. In addition to regular supervision by the fiduciary specialists, FM and procurement specialists will also participate in the MTR, implementation support missions, and contribute to the ISRs and the Implementation Results and Completion Report.

9. M&E. The World Bank will review the Results Framework submitted quarterly by the PMU as part of its implementation support. The World Bank will discuss the progress and deviations with MASA to identify any areas where additional support from the World Bank is required.

10. The tables below detail the key areas of focus of the implementation support activities for the Project's implementation. These have been determined based on discussions with the Government and an understanding of the priority activities to be implemented. Future updates will be based on progress of project activities.



Table 1.1. Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate
First six months	Support preparation and implementation of activities	World Bank Task Team, Consultants in Cash Transfer Activities	US\$150,000
6-30 months	Support implementation of activities	World Bank Task Team, including specialists and consultants in Cash Transfers, Monitoring and Evaluation, and Social Protection delivery systems (MIS) Activities	US\$150,000

Table 1.2. Skill Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips
Task Team leader	8	2
Social Protection Specialist	8	2
Procurement Specialist	2	0
FM Specialist	2	2
Counsel	1	0
Operations Support	3	2
Safeguards Specialist(s)	2	2
M&E Specialist	1	2

^[1] Implementation support will be carried out virtually in the event that COVID-19 pandemic measures and restrictions (such as suspension of travel) in place are not lifted for the duration of project implementation.

^[2] These missions will be carried out virtually in the event that COVID-19 pandemic measures and restrictions (such as suspension of travel) in place are not lifted for the duration of project implementation.



ANNEX 2: Verification and Oversight System for Lisungi Cash Transfer Programs

1. The ongoing Lisungi program has developed strong internal verification and oversight procedures to assure integrity and transparency throughout the cash transfer delivery chain. Verification and oversight procedures exist to assure satisfactory implementation of all program components, including: i) the accuracy of the beneficiary selection mechanism; ii) monitoring of co-responsibilities (for CCTs); and (iii) verification of payments. The verification and oversight processes have been established as part of the Lisungi program since its inception, to address potential implementation errors, fraud, and other irregularities and to continuously improve implementation and oversight procedures. Internal verification and oversight are complemented by external audits and oversight measures as described below. Given the expected significant increase in the number of cash transfer beneficiaries due to the large size of the proposed ECT program, the current systems need to be enhanced. This section describes the enhancements to the current internal verification and oversight system that will be made under the proposed Project and defines reinforced measures for ECTs.

Key elements of Lisungi's internal verification and oversight system

The verification and oversight system consists of several key elements including:

- i) **regular monitoring of the key program processes**, based on the Project's Management Information System (MIS) and on specific Monitoring and Evaluation (M&E) activities, that allows detecting and registering errors, irregularities, and complaints on a regular basis;
- ii) **internal audits**, including random spot checks, risk-based checks, and targeted internal investigations;
- iii) **external audits and oversight** performed by independent auditors and national institutions mandated to conduct fiduciary oversight.

Regular monitoring of the key program processes

2. The MIS facilitates key business processes along the program's delivery chain, e.g. intake, registration, eligibility determination, benefit calculation, administration of payments, monitoring of conditionalities, grievance redress, etc. It allows real-time monitoring of the program's caseload and of key performance indicators, e.g. the number of current beneficiaries and their disaggregation by various characteristics such as location, gender of the recipient, amount of payments made, rate of compliance with conditionalities, timeliness of payments, etc. The MIS contains the following elements: i) the RSU, which plays a role of a "gateway" for registration of applicants and determination of eligibility to receive a specific type of transfer; ii) a payments module for both the CCT and IGA beneficiaries; iii) a module for monitoring conditionalities; and iv) a GRM module that permits registering and managing complaints.

3. Payment administration is a key function of the Lisungi MIS. The payment module is electronically integrated with the PSP management systems. It can generate beneficiary payment lists and monitoring of cash transfers delivered. It can also provide individual level and consolidated data on payments made and allows for payment reconciliations between the generated beneficiary lists sent to a PSP for executing payments and reports on actual payments made at the end of a payment cycle. The payments module,



along with the other MIS modules, is a key element of the verification and oversight system deployed by the Lisungi program.

4. M&E activities contributing to internal verification and oversight are the following:

(i) Regular monitoring and reporting of activities is done by the DDAS and CAS. As part of the regular monitoring activities, the PIU relies on MASAHA as well the M&E team, which includes Local Monitoring and Assessment Officers (RSEL) responsible for monitoring outputs and results in each department where the program is active. Each officer produces trimestral progress reports sent to the PMU in a format agreed upon with the Bank team.

(ii) Periodic process evaluations during the project cycle to assess the program's operations and to verify that the program's operational guidelines are being applied in practice as described in the PIM. The process evaluation may also consider how the verification of the of co-responsibilities for CCTs is conducted and assess the satisfaction of beneficiaries with program processes and features. These qualitative assessments are carried out by specialized firms on a number of randomly selected households and help adjust program processes and procedures. The last process evaluation took place in 2019. The next process evaluation will take place by December 2020.

5. The regular M&E and process evaluations allow the PMU and the different donors to track the Project's progress, inform further scale-ups, calibrate its implementation processes, and provide information on beneficiary perceptions and feedback, as well as measure results.

Internal Audit

6. The internal audit currently includes (i) random and risk-based spot checks; and (ii) ad-hoc technical audits.

7. **Spot checks.** They are performed by the Lisungi PMU primarily to verify the eligibility of beneficiaries and whether correct payments were received by the intended beneficiaries. Several spot checks were conducted in 2019 and in previous years as documented in annual progress reports. For example, spot checks allowed the PMU to understand the reasons behind payments not claimed by the intended beneficiaries and find suitable solutions to allow them to continue benefitting from the program. The PMU also conducted an internal verification of beneficiaries' eligibility through ad-hoc committees, composed of CAS social agents and PMU local-level staff responsible for monitoring and evaluation. In 2019, a total of 502 households were visited to verify their eligibility. Following the visits, 23 households have been suspended from the program as they did not meet, or no longer met, the program's selection criteria (e.g. households which had falsified the number of vulnerable household members or moved into a zone that is not currently covered by the program). The spot checks have been done by the Sate Inspectorat General (IGE) in 2017 and 2018; the last one in 2019 was requested by the MASAHA to clarify fraud suspicions in the seventh district of Mfilou.

8. **Ad-hoc technical audits.** The program conducts ad-hoc technical audits of certain program characteristics based on its own initiative. An example is an audit of the proxy means testing (PMT), which was carried out in 2019 in cooperation with the National Statistical Institute (INS), which implements the



PMT. Home visits to beneficiaries and applicants to the Lisungi program had shown that exclusion errors were prevalent. The PMU therefore engaged in an internal audit of the PMT to understand the reason for exclusion errors. The audit found that certain modalities of the PMT had not been applied properly. Following the audit, these issues have been resolved.

External audit and oversight

9. In addition to regular internal verification and oversight, external audits (financial, procurement) as per the World Bank’s legal requirements and other external verification and oversight procedures exist, as depicted in Table 2.1 below. These verification mechanisms are carried out every year.

Table 2.1: Current External Verification and Oversight Mechanisms

Agency	Frequency	Purpose and Scope	Output
Court of auditors (<i>Court des comptes</i>)	Annual (2018, 2019)	The court of auditors produces annual financial audits of government institutions, including the Lisungi program. The auditor is external and independent of the program being audited and assures the accuracy of financial statements.	Reports shared with the Parliament and the Ministry of Finance. Program can get access to reports through a judge.
State Inspectorat General (<i>Inspection générale d’Etat</i>)	Ad-hoc (2017, 2018)	The purpose of the IGE audits is to follow up on perceived cases of fraud and corruption in the program. For example, following a number of fraud reports in the newly targeted district Mfilou, the IGE carried out in-depth investigations of these cases to establish the facts and the responsibilities of each party. As a result of the investigation, a series of unannounced checks on households in Mfilou was organized to assess the eligibility of all households in Mfilou.	Investigative reports, shared with the program.
External financial auditor (here : KPMG)	Ad hoc (2018)	In order to satisfy fiduciary requirements, the PMU recruited an audit firm (KPMG) to carry out a financial audit of the accounts for the financial year (e.g. 1 January to 31 December 2018). The Auditor confirmed proper conduct: «in view of the generally accepted accounting rules and principles in the Republic of Congo, the annual accounts of the LISUNGI project are regular and fair, and give a true picture of the results of operations for the past financial year as well as the financial situation and assets of the project as of December 31, 2018».	Audit report, transmitted to the PMU.



10. Additional measures will be taken to reinforce internal verification and oversight, and specific measures will be applied to assure that the ECT program is implemented in accordance with sound procedures acceptable to the World Bank.

11. The Emergency Cash Transfers included in the ongoing Lisungi project will increase the number of applicants and beneficiaries to be handled by the Lisungi program. Additional verification and control measures are required to ensure that the program continues to perform with a high degree of integrity and transparency. The enhanced verification and control measures included in the current project for this purpose consist of: i) hiring an internal auditor; ii) reinforcement of M&E system; iii) an enhanced GRM and revised social accountability and citizen's engagement approaches; iv) additional modules introduced to the MIS; v) additional spot checks and high frequency monitoring surveys of beneficiaries; and vi) additional reporting requirements. These measures will be included in the PIM, which would be cleared by the World Bank prior to effectiveness.

i) Hiring an internal auditor

12. The Lisungi program had previously engaged with an internal auditor, but the position was reduced to part-time. This auditor has so far produced six expenditure review reports. Given the importance of activities, the PMU will hire a full-time internal auditor, whose tasks will be clearly defined and will include (but not be limited to) spot checks and field verifications of the correct application of the program's procedures of beneficiary selection and payment. Field verifications might need to be conducted partially remotely, depending on the trajectory of the COVID-19 pandemic and related containment measures.

ii) Reinforcement of the monitoring and evaluation system (recruitment of a monitoring and evaluation expert and Local Monitoring and Assessment Managers)

13. The Lisungi Program hired an official from the National Institute of Statistics (INS) as M&E Manager. However due to the workload, the Monitoring Evaluation Manager will be supported by a Monitoring Evaluation Expert who will be recruited for two years. This M&E Manager worked with the RSEL at the CAS level, some of which are no longer in post following the closing of the original IDA financing. To monitor the program at the local level and to support the departmental branches, local monitoring and evaluation officers will be recruited. The Government had already launched the recruitment process for these staff, which will also be approved by the World Bank.

iii) Enhanced GRM and revised social accountability and citizens' engagement approaches

14. The PMU is revising the current social accountability and citizens' engagement approach to mitigate the risks associated with the project's implementation, to promote nondiscrimination against any population group, to inform about the emergency nature of cash transfer program, and to address the prevalence of Sexual and Gender-based Violence that persists within communities, as well as across the country. As described in the Project Appraisal Document in detail, the GRM will also be enhanced to include a dedicated toll-free phone line and a web-based complaint system, as well as keeping complainants informed via SMS over the course of their complaint being processed.

iv) Additional modules for the MIS

15. Several modifications to the MIS will be introduced to adjust the system for the different modalities of the ECTs. First, the MIS will be adapted to include a new module for the emergency program,



which will be interoperable with the existing payment modules. The CCT and IGA payment modules will be adapted to account for the merger of the CCT and IGA program modules as part of the recovery transfers. In line with these modifications, the payment module will be enhanced to guarantee interoperability with additional payment agencies, as the current system is only interoperable with the Postal Bank of Congo (*Banque Postale du Congo*). As additional payment agencies will be contracted to handle the increase in caseloads, an adaptation of the payment system for interoperability with all contracted payment agencies is required.

v) *Additional spot checks and high frequency monitoring surveys of beneficiaries*

16. The current modalities include beneficiary surveys and occasional spot-check verifications on a randomly selected number of households. Several modifications will be added for the ECTs. First, high frequency phone surveys will be conducted among a randomly selected sample of eligible households enrolled in the program to assess payment process quality and completion (high frequency phone surveys are considered the preferred method, as they ensure physical distancing). Second, spot checks will be conducted on a random sample of potential beneficiaries to assess the targeting mechanism. Third, a beneficiary survey will be conducted after the payment cycle has been completed to assess the delivery of cash transfers.

17. **Further, a consultant will be hired to carry out an ex-post process evaluation of the ECT programs once all payments have been made, including the application of eligibility criteria, targeting procedures as well as the receipt of payments by beneficiaries.** The terms of reference for the consultant will be shared with the World Bank prior to hiring.

vi) *Additional reporting requirements*

18. In addition to the regular reporting requirements of Lisungi, such as annual process evaluations, the PMU will provide a special progress report, covering the ECTs only. This special ECT process evaluation report will include verifications of eligibility and payments, among other topics, to offer the government a clear understanding of how the emergency cash transfers were implemented. The process evaluation will provide useful lessons for shock-responsive social protection measures that the Government might wish to implement in response to future crises.