



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 21-Feb-2024 | Report No: PID269

**BASIC INFORMATION****A. Basic Project Data**

Project Beneficiary(ies) Chad	Operation ID P502142	Operation Name Chad Adaptive and Productive Safety Nets Project	
Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 25-Mar-2024	Estimated Approval Date 18-Jun-2024	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing (IPF)	Borrower(s) REPUBLIC OF CHAD	Implementing Agency Cellule Filets Sociaux	

Proposed Development Objective(s)

The Project Development Objective (PDO) is to increase access to productive social safety net for the poorest and vulnerable populations and develop a national adaptive social protection system.

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	120.00
Total Financing	120.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	100.00
IDA Grant	100.00

Non-World Bank Group Financing



Trust Funds	20.00
SAHEL ADAPTIVE SOCIAL PROTECTION PROGRAM	20.00

Environmental and Social Risk Classification

Moderate

Concept Review Decision

The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Classified as a fragile and conflict-affected situation (FCS), Chad has historically faced political instability and conflict that undermined public investment in basic services.** These conflicts have been fueled by multiple drivers, such as insufficiently inclusive governance, regional imbalances, associated grievances, inter-communal tensions caused by natural resources management, and dysfunctions in the justice and security sectors¹. Since its independence on 11 August 1960, the country has been subject to many incursions and coups d'états. Thus, for each government, more focus was on favor of security than access to public services. The authorities have been preparing a constitutional referendum and presidential elections are planned in October 2024.

2. **Poverty in Chad is omnipresent and significant, concentrated in rural and refugee-hosting areas with substantial disparities by province.** Based on the last poverty survey (2018), the poverty rate in the country is high and stands at 42.3 percent. While the country's extreme poverty rate was estimated at 34.3 percent in 2021, this represents a decline of 2 percentage points compared to 2011 (36.6 percent). However, the number of people living in extreme poverty increased from 4.5 million in 2011 to 5.8 million in 2021. As a result, the number of extreme poor has increased by 29 percent over the past ten years due to volatile GDP growth and a fast-growing population². Multidimensional poverty is deep, with the deprivation rate for basic needs remaining high for poor households: 97.3 percent with no access to electricity, 68.4 percent with no access to sanitation, 52.0 percent with no access to water, and 89.2 percent without access to cooking fuel. The documented cause of poverty overlaps with lack of economic diversification, low productivity of the rural sector, exposure to shocks, and low levels of human capital. With regards to shock exposure, it is estimated that by 2050, with no adaptation policies and investments to account for climate change impacts in G5 Sahel countries, the poverty rate is estimated to increase by 29 percent in the wet and optimistic climate scenarios and 34 percent in the dry and pessimistic climate scenarios. Niger and Chad will experience the highest increases in the poverty rate³. Poverty in Chad is concentrated in rural areas (89 percent of the poor) and in refugee camps (between 79.8 and 83.7 percent are poor)⁴. The concentration of investments in urban areas, particularly N'Djamena, drives fragility and conflict in Chad.

¹ Table 1 for a summary of Chad's Risk and Resilience Assessment (World Bank, 2021) and project's responses to conflict risk drivers.

² Chad Country Economic Memorandum – boosting growth and reducing vulnerability

³ Chad Country Economic Memorandum – boosting growth and reducing vulnerability, 2023

⁴ World Bank, 2021, Chad Poverty Assessment: Investing in rural income growth, human capital, and resilience to support sustainable poverty reduction.



Sectoral and Institutional Context

3. The government has established its social safety net system with support from the Bank's Safety Net Project (SNP, P156479). The foundational framework built under SNP offered a basis to shift towards an adaptive social protection (ASP) approach to forced displacement through the Refugees and Host Communities Project (PARCA, P164748). On the institutional side, the government has taken steps to establish the legal and institutional foundation of social protection and disaster risk management by developing a new National Social Protection Strategy (2024-2028)⁵, which integrates the dimension of adaptive social protection. In addition, the government is designing a roadmap for a new DRM national strategy for 2024 - 2028 with the support of its partners. However, the landscape of government actors in Chad's shock response and early warning system remains fragmented, with a widespread lack of financial resources, staff, equipment, and infrastructure turning into a lack of reliable climate early warning data. based on regional experience, the National Framework for Crisis Prevention and Management - *Dispositif National de Prévention et de Gestion des Crises* (DNP GC)- was established in Chad in 2017. Housed at the Prime Minister's office, the DNP GC was conceptualized as the central body for food security analysis and response. Of the three envisaged sub-bodies, only one has been set up so far, the *Système d'Information sur la Sécurité Alimentaire et d'Alerte Précoce*; SISAAP) in charge of food security data collection and analysis. The two remaining, one for crisis response coordination and one for monitoring and evaluation, have not been established.

Relationship to CPF

4. **The proposed project aligns with the World Bank's strategic priorities in Chad, operationalizing the Bank's goal of ending extreme poverty on a livable planet.** It aligns with the FY23-24 Country Engagement Note (CEN) for Chad, most notably under Pillar 1 ("Enhance Citizen-State relations") in helping to ensure resources reach intended beneficiaries and under Pillar 3 ("Increase inclusive access to basic services and infrastructure, with effective inclusion of border, peripheral and conflict-affected area"). The proposed operation would strengthen the government's ability to counter the spillover of insecurity, such as forced displacement. It will contribute to implementing the Humanitarian-Development-Peace Nexus approach in Chad, as the 2022 FCV Strategy recommends. Additionally, the fundamental principles of the proposed operation are based on the findings of the RRA that underpin the CEN's pillars and on the strategic objectives delineated in the Government's Prevention and Resilience Allocation (PRA) Action Plan. Furthermore, this new operation will build upon the lessons learned from PARCA and other FCV-sensitive projects, including adopting an integrated territorial approach, investing in historically underserved areas, targeting the most vulnerable communities in a conflict-sensitive manner, and a phased approach to remaining engaged even when the context changes. It builds on the diagnostics and aligns with the Sahel Country Climate and Development Report (CCDR) recommendations. Finally, the proposed operation supports the AFW strategic 2021-2025 framework on three main goals (more robust human capital, climate resilience, and a new social contract). It aligns with the Green, Resilient, and Inclusive Development (GRID) approach to build the foundation for a strong and durable recovery in a world transformed by the pandemic.

5. **The proposed operation aligns with the Paris Agreement.** Social protection systems are crucial for helping the poorest and most vulnerable manage consumption, cope with crises and shocks, especially those related to climate change, access income-generating opportunities, find jobs, and invest in health and education. Creating or expanding safety nets and social insurance through cash and in-kind transfers are universally aligned.

C. Proposed Development Objective(s)

⁵ The first National Social Protection Strategy was designed in 2016 to align with Chad's 2016-2020 National Development Plan (NDP)



6. The Project Development Objective (PDO) is to support the government in increasing access to social safety net interventions for the poor and vulnerable populations through a national adaptive social protection system.

Key Results (From PCN)

7. The proposed PDO indicators are:

- Households with updated information in the Unified Social Registry within the last three years (percentage)
- Households that have received regular cash transfers (number*)
- Households that have received a human capital accompanying measures package (number*)
- Households that have received a productive inclusion package (number*)
- Households that have received lean season assistance or shock response assistance (number*)
- Complaints addressed quarterly (percent).

* Disaggregated by gender, disability, and refugee/host community status.

D. Concept Description

Component 1: Development of an adaptive social protection system. This component will finance technical assistance for establishing the system, the software and infrastructure needed, and the institutional capacity to implement the USR.

1. *Sub-component 1.1: Unified Social Registry (USR):* **This sub-component aims to improve the existing social registry, ensuring it functions as an interoperable system.** Technical support will be provided to strengthen the USR's ability to apply the principles of data collection, security, data protection, accountability, and complaint management. Its scope extends beyond social protection, encompassing vital sectors like education, health, agriculture, and water. For that purpose, emphasis will be put on the interoperability between MIS of the project using USR to allow for updating the database.

8. *Sub-component 1.2: Payment Platform:* **The project will develop a comprehensive payment system in Chad designed to streamline and unify the disbursing cash transfers.** This sub-component will allocate funds for the in-depth evaluation, the creation, and implementation of a payment platform in Chad. This platform will expedite the distribution of funds to recipient households, ensuring traceability, real-time monitoring, and the utilization of multiple mobile network operators to capitalize on their varied coverage and reduce transfer fees. The objective is to set up a governmental integrated payments platform in Chad that any development and humanitarian partner can use to facilitate the delivery and tracking of payments. However, the platform would be flexible and adaptive, allowing payment in areas with low network coverage.

9. *Sub-component 1.3: Monitoring and Information System (MIS) and GRM:* **The national safety net program in Chad is set to advance by developing a comprehensive and dynamic Management Information System (MIS), integrating all projects, and incorporating a Grievance Redress Mechanism (GRM) to boost responsiveness and accountability.** An MIS that will enable information sharing and monitoring of the entire program. A two-tiered GRM, both at local and national levels, will be established, providing avenues for addressing complaints, enhancing transparency, and ensuring inclusivity, particularly for women and vulnerable groups. This system will have various tools, including a toll-free hotline and local committees, to capture and resolve grievances effectively. Additionally, the project will finance communication and



outreach activities, drawing on previous experiences to develop a communications strategy involving local media and existing channels for effectively disseminating information about the program and the GRM mechanism.

10. *Sub-component 1.4: Strengthening the Climate Early Warning System: The proposed project would strengthen Chad's shock response institutional framework, particularly emphasizing the national food security early warning system.* In close collaboration with other international partners, the sub-component would support the institutionalization of the DNP GC, including technical assistance and start-up costs. Furthermore, the sub-component would support the functioning of the SISAAP. This includes technical and financial support to (i) carry out the semi-annual food security and nutrition assessments, (ii) conduct required food security analyses (for example, to inform the semi-annual *Cadre Harmonisé*, the national food security analysis report consensual with partners), (iii) to prepare the annual National Response Plan, as long as the responsible DNP GC sub-body has not been established, and (iv) to cover SISAAP administrative cost. Emphasis is placed on the SISAAP as its functioning is critical for providing shock-responsive cash transfers described under sub-component 2.2.

Component 2: Development and roll-out of a productive social safety net program. The component will finance an integrated package of interventions for targeted poor and vulnerable households, including refugees and internally displaced persons (IDP), to meet their basic needs, build and protect human capital, and build resilience to climate and other shocks and their effect on food insecurity.

2. *Sub-component 2.1: Establishment of national safety net program: This operation will support establishing a national productive safety net program that progressively provides cash transfers, economic inclusion, and human capital accompanying measures to poor and vulnerable households nationwide.* The project will support the move from projects to a national program that will support the government's desire for a paradigm shift away from the PARCA project approach, which currently focuses on provinces affected by forced displacement and provides support exclusively to refugees and host communities and expand this successfully to a more significant part of the population. This subcomponent will establish the key operational tools needed to develop a national adaptive social protection program, such as fiduciary, procurement, and other managerial instruments. The project will finance the program's operating costs, including staff costs, equipment, rental, etc. This support will be provided for the project's duration. Still, it will gradually diminish over the years to allow the government to take over and ensure the viability of the new institution. A sustainability strategy will be defined for this purpose by the government with the support of the Bank, in coordination with the various partners. The program should be capable of rapidly scaling up to respond to all types of shocks, including forced displacement. The roll-out of the productive safety net program will progressively target the poorest provinces of Chad with a particular focus on areas prone to shocks.

3. *Sub-component 2.2: Productive cash transfers and accompanying measures: This sub-component will provide regular and predictable cash transfers with human capital accompanying measures to the poorest households in selected provinces, including refugees and IDP.* Households will be targeted using their socioeconomic information stored in the USR when available or by collecting additional data to update their information before performing a PMT analysis. In line with the experiences of the PARCA project, cash will be provided to a female household member designated by the household with alternate recipients in case of indisposition of the designated recipient. The project will help kickstart the national program by providing funding for three years that could be scaled up later. The program will adopt a phased approach, similar to the one done through PARCA. Households will receive a monthly transfer paid every quarter over two years, human capital accompanying measures, and a light package of economic inclusion measures to be defined during the first year of project implementation. Within the third year of intervention, cash transfer will be replaced by a completed productive inclusion package to allow beneficiary households to further invest in their economic activities. The



project will also support structuring the existing village savings and loans associations (VLSA) and setting up a new VLSA to sustain community economic dynamics and the financial inclusion of poor households.

11. *Sub-component 2.3: Shock-responsive cash transfers: The sub-component would finance emergency cash transfers to shock-affected households.* Given these needs, the proposed project would provide annual emergency cash transfers to additional beneficiary households in areas classified in the *Cadre Harmonisé / IPC* phase 3 or higher during the lean season. This response will be an integral part of the National Response Plan developed by the DNPGC. The transfer amount, type of program expansion (vertical or horizontal), and the number of beneficiary households will be determined jointly with the government team during the project preparation. Furthermore, in the event of a significant refugee influx, the subcomponent would finance emergency cash transfers to refugee households (30 percent of financing) and host community households (70 percent of financing). In major climate events, the sub-component would provide relief by financing emergency cash transfers to affected households.

Component 3: Project implementation and system capacity building. This component will finance material and human resources and support a wide range of capacity-building activities, including training modules on technical and operational aspects.

12. *Sub-component 3.1: Project management: The sub-component will support all key activities and functions to ensure the efficient management of the proposed project.* Funds will cover project management and fiduciary teams and all support activities and materials required to implement project interventions successfully. Particular attention will be paid to M&E through remote instruments such as Post Distribution Monitoring (PDM) and the Geo-Enabling Initiative for Monitoring and Supervision (GEMS). Third-party monitoring (TPM) will be considered for activities implemented in inaccessible regions of the country. The component will rely on or strengthen existing government structures as much as possible to ensure the long-term sustainability of the project management functions. The component will also support documenting the lessons and experiences of implementation of the project, especially which is expected to promote 'learning by doing' and adjustments to project design, as well as knowledge dissemination.

13. *Sub-component 3.2: Strengthening national safety net program implementation capacity: This sub-component strengthens the institutional and human resource capacity for executing the national safety net program.* In line with the government's institutional framework for the program, a capacity-building action plan, designed following thorough technical and fiduciary capacity assessments, will be a cornerstone of this new project. This plan will cover areas related to implementing an adaptive SP system: communication, targeting, information systems, payment, monitoring and evaluation, and grievance redress mechanisms. Operational skills will include FM, procurement, gender, environment and social safeguards, and other areas to be identified after assessing needs.

4. *Sub-component 3.3: Strengthening institutional capacity for refugee management: The sub-component will finance technical assistance to develop tools such as standard operating procedures for managing refugees and early warning systems.* The aim is to strengthen the national institution's capacity to manage refugees and effectively coordinate forcibly displaced populations. Support will reinforce the National Commission in Charge of Reception and Reinsertion of Refugees (*Commission Nationale d'accueil de Réinsertion des Réfugiés; CNARR*) and the National Agency for Secure Documents (*Agence Nationale des Titres Sécurisés; ANATS*) to improve their capacity to manage camps, collect and manage data, and provide secure ID to refugees. The project will also support the full operationalization of the DNPGC to ensure the early warning function is divided from the shock response⁶ unit, the SISAAP. Social protection services within

⁶ Currently there is a confusion of role within the DNPGC where the early warning unit SISAAP is also playing the role of planning and delivery shock response undermining the performance of the whole national early warning system.



the existing decentralized structures from the Ministry of Gender and Solidarity will be strengthened to implement a one-stop shop for accessing various social protection services.

Component 4: Contingent Emergency Response

14. **A zero-dollar Contingency Emergency Response Component (CERC) will only be activated and funded in case of any eligible crisis in the country.** The arrangements agreed upon as part of the project can be slightly modified to respond to the government’s request in an emergency. The CERC manual will include the operational, fiduciary, and technical details of the CERC and can be updated later to address the specific type of shock better.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

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