



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Sudan	AFRICA	P173521	
Project Name	Sudan Family Support Program (SFSP)		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	5/14/2020	6/16/2020
Borrower(s)	Implementing Agency(ies)		
Republic of Sudan	Ministry of Finance and Economic Planning		

Proposed Development Objective(s)

To expand and improve the efficient provision of cash assistance to Sudanese households to mitigate the effects of expected economic reform and ongoing economic hardships.

Financing (in USD Million)	Amount
Total Project Cost	1900.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The Government of Sudan (GoS) is responding to urgent needs to stabilize the economy and begin a long process of clearing arrears to MFIs as part of the Sudan’s larger macroeconomic stabilization and integration. These measures are expected to include exchange rate liberalization/unification and reallocation of public resources away from commodity subsidies, tax exemptions, towards social and development needs. These fiscal adjustments are expected to contribute to furthering an already deteriorating economic situation in Sudan which has impacted vulnerable people’s abilities to cover basic needs. These challenges facing households are compounded by the economic shutdown recently imposed to mitigate the effects of the Corona Virus pandemic (COVID 19) in some regions of Sudan.



Accordingly, the GoS has requested support from the donor community to establish the Sudan Family Support Program (SFSP) to provide cash transfers to 80 percent of the population, i.e., to about 32 million individuals, with an annual cost of US \$1.9 billion. The SIMP would continue for up to two years, depending on financing availability. The GoS will contribute its own budget to the SFSP, particularly as the program enters later phases and transitions to the longer-term support to permanent social safety nets.

The project's development objectives are to assist the Government of Sudan to effectively provide cash transfers to the targeted population to mitigate the effects of the expected economic stabilization. To this end, the proposed Project would include three components (1) provide cash transfers to selected households; (2) establish delivery systems and institutional capacity; and (3) support project management, monitoring and evaluation and knowledge management.

The first component, provision of cash transfers will finance cash transfers to selected households. The program would provide cash transfers of about US \$5 per person per month to approximately 80 percent of the population. The second component supports establishing delivery systems and build institutional capacity. The component will provide financing for outreach and registration, enrollment, beneficiary verification, payment delivery, grievance redress, monitoring, and capacity-building. This would also establish operational procedures, a SIMP beneficiary database, and a Management Information System (MIS). The component would also strengthen the government's institutional capacity to manage and implement the program, including support to expansion and referral to the permanent social safety net and complementary services. Finally, the third component will support project management, monitoring, evaluation and learning from the program.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

Sudan is situated in north-east Africa with a coastline bordering the Red Sea. It is the third largest country in Africa with a population of about 39 million. Sudan has witnessed profound environmental problems because of deforestation, land degradation and desertification. These environmental problems are further aggravated by climate change.

The deteriorating economic situation in Sudan has impacted vulnerable people's abilities to cover basic needs. It is estimated that over 50% of the population is now under the poverty line, compared to the reported 36.1 percent in 2014/2015. This is also having a negative impact on access to basic service provision, which is already limited. There is also a risk that unfulfilled needs will deepen when the GoS starts implementing its essential economic, social, and political reforms over the transitional 3 years.

The proposed project will provide cash transfers of \$5 per person per month to around 80 percent of the population, i.e., approx. 32 million individuals, with an annual cost of \$1.9 billion. The project will be implemented in all the 18 states of Sudan. Each household will receive cash transfers for 12 months through quarterly payments. Benefit levels will be calculated based on the number of household members.



At the core of the intervention is a feasible and fair targeting system. This system relies on the availability of data as well as the cooperation of local communities, especially in remote areas, where data availability is still scarce. Currently it is being estimated that 10 million individuals potentially eligible for SIMP are not registered. The project will implement a wider communication and awareness creation program to enhance registration. But the situation will also require to take into consideration remoteness, technological and logistical challenges, and mistrust of communities towards the central government in areas of decades of violent conflict between federal and local forces as well as avoidance of elite capture or use of the project for political or security-related purposes. Thus, timely identification of alternative measures for such remote areas where people are not registered is essential to ensure equal opportunity to share project benefits in line with the PDO.

Given the country-wide transfer of considerable amounts of funds, ensuring security for SIMP project operations, both for staff and communities, will be a considerable challenge. The risk is heightened by a diverse history of political and communal violence in different regions of the country. The current transition phase and more long-term impacts such as climate change are further underlying conflict risk conditions. More specifically, delivery points for cash transfers may be targeted by opportunistic armed actors. The pilot phase will evaluate options of limiting physical cash transfers through alternative transfer systems (e.g. mobile money).

A third complex of risks encompasses misunderstanding and/or mis-communicating project objectives and implementation modality. The variety of languages and dialects spoken throughout Sudan and other challenges associated with working in rural Sudan make continuous, consistent, and clear communication around SIMP necessary at all levels an essential requirement. This includes also timely information on potential changes of the project, from the pilot phase to the implementation phase to the follow-on safety net approaches. Given the likelihood of a political debate of the relation between SIMP and the reform of the subsidies-system, a communication strategy will be required covering all levels from country-wide to local messaging. These challenges and envisaged mitigation measures are specifically difficult in remote areas and empowering local institutions to monitor implementation will be crucial for the sustainability of the intervention in remote areas. The project should, thus, also consider third party and community monitoring.

D. 2. Borrower's Institutional Capacity

The MoFEP will be the institutional home for the SIMP including the beneficiary database. The Undersecretary of Finance will be responsible for the management of the project, reporting to the Minister of Finance and supported by a Project Implementation Unit that will be responsible for the day-to-day implementation of the SIMP. The PIU will be headed by a program manager and would include, inter alia, specialists in communications, operations, database administration, payments, IT, field operations, M&E, E&S safeguards, financial management and procurement.

To ensure ESF compliance in the implementation of the project, the MoFEP and the MoLSD will support the development of social accountability and citizen engagement mechanisms with the support of community-development associations (CDAs) and NGOs. These community development associations will support the project by generating social mobilization, outreach activities, and maintaining of continuous contact with beneficiary households. These community associations will also provide feedback loop on service delivery of the SIMP. The project will benefit from the strong network of MoLSD officers across the country and the ministry's staff who are currently implementing similar programs.



In general, the institutional capacity is limited, and the GoS lacks experience in implementing cash transfer programs on a nation-wide level. Also, there might be an underestimation of the key role of permanent SSN, cash assistance and social services. SIMP is suggested to be a temporary measure, with the core safety net providing the main instruments of social assistance. Accordingly, continued investment in strengthening the current SSN is critically important in parallel to launching SIMP.

Therefore, the project will support MoFEP in building its safeguards management capacity (in addition to technical and FM/procurement expertise) to undertake the basic functions of the program. This will include helping in the recruitment of specialized skills in social and environment risk management, SP delivery systems, M&E and communication. The Bank will also offer on-the-job training of relevant staff in these areas, in addition to providing implementation support throughout the launch and roll-out of the program.

If in remote areas, additional support would be required from agencies other than GoS agencies, then a capacity-assessment would be included.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Low

The project finances only cash transfers without any on-the-ground activity with potential negative environmental impacts. However, with increased income from the cash transfer, the beneficiary households might get involved in the implementation of activities potentially affecting the environment. Under the World Bank’s Environmental & Social Framework (ESF) the environmental risk of the Project is low, being associated with potential impacts of:

- (i) Activities that are each micro- or small-scale, largely site-specific, reversible, and can be avoided or mitigated with measures that are known, each activity being low risk;
- (ii) Livelihoods household-level activities that are micro-scale and can be managed at locality level to ensure that any negative cumulative impact can be avoided or mitigated, each activity being low risk.

Given that the environmental risk of the Project is low, the client is not expected to develop an environmental risk management instrument but have a system in place for environmental monitoring during the project implementation

Social Risk Rating

Substantial

The social risk of the project is considered substantial; mainly due to the size of the operation and social risks related to: (i) social exclusion of beneficiaries in remote and conflict-driven areas; (ii) security-concerns for SIMP workers and beneficiaries; (iii) insufficient community engagement, elite capture, and social tensions; (iv) gender-based violence, (v) operational concerns due to remoteness and security, including monitoring and supervising as well as grievance redress; and (vi) weak implementation capacity with limited prior experience. An additional item to consider are population movements, above all in relation to forced displacement and related grievances by displaced beneficiaries and/or host communities.



To reduce and address social risks, the client will establish the following Social risk management documents: (i) a GBV risk assessment, (ii) Labor Management Procedures, (iii) a Stakeholder Engagement Plan, (iv) an essential social assessment encompassing the country overall as well as a specific section for remote areas/areas where SSAHUTLC are present; a more comprehensive and long-term study on ESS7 will be deferred and prepared during implementation based on emergency procedures; (v) an assessment on privacy rights; and (vi) a security management plan.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

As stated above, the project transfers cash without supporting any on the ground activity with potential negative environmental impacts. But with the increased income the beneficiary households might get involved in the implementation of activities potentially affecting the environment. Based on experience elsewhere, the environmental risks of the micro-activities of the household-level arise principally from the potential cumulative effects of large numbers of households in the same locality all undertaking the same activities. If the transfer is used for income generating activities, the risks may include: (i) degradation caused by overgrazing resulting from animal-fattening; (ii) loss of endemic tree species due to tree-cutting for the manufacture of furniture or artefacts; and (iii) deforestation and reduction in local energy sources due to trading in fuelwood, poles or charcoal.

Key social risks associated with the project are expected to be (i) social exclusion of beneficiaries in remote and conflict-driven areas; (ii) security-concerns for SIMP workers and beneficiaries; (iii) insufficient community engagement, elite capture, and social tensions; (iv) gender-based violence, (v) operational concerns due to remoteness and security, including monitoring and supervising as well as grievance redress; and (vi) weak implementation capacity with limited prior experience to handle the risks in this large-size operation. An additional item to consider are population movements, above all in relation to forced displacement and related grievances by displaced beneficiaries and/or host communities. To get a better understanding of these risks, details have to be assessed during project preparation.

Of key importance is thereby also that vulnerable groups are being identified early on and project procedures adapted to ensure that they can share equitable project benefits and that project implementation is not further aggravating their situation. A non-comprehensive list encompasses illiterate people not accessing project information, people not linked to government systems having problems to be registered, people in conflict-prone areas where cooperation with government poses a security risk, people with disabilities and elderly not being able to access cash distribution points, etc. These aspects will be captured also along the ESSs 4, 7, and 10.

To avoid/mitigate the risks associated with the project, the client will prepare and implement appropriate environmental and social risk management instruments: (i) a GBV risk assessment, (ii) Labor Management Procedures proportional to the project risks, (iii) a Stakeholder Engagement Plan, (iv) an essential social assessment encompassing the country overall as well as a specific section for remote areas/areas where SSAHUTLC are present; a more comprehensive and long-term study on ESS7 will be deferred and prepared during implementation based on



emergency procedures; (v) an assessment on privacy rights; and (vi) a security management plan. The project stakeholders shall be actively engaged throughout the project life cycle.

The client will also prepare an Environmental and Social Commitment Plan outlining detailed commitments to support compliance with the environmental and Social Standards.

Areas where “Use of Borrower Framework” is being considered:

The project will not rely on a Borrower Framework.

ESS10 Stakeholder Engagement and Information Disclosure

As the project covers 80% of the population, they are the primary stakeholders; it will be important to address their diversity, with a focus on the most vulnerable among them in terms of language, gender, disabilities, etc.

Other key stakeholders include all participating states, the Digital Transformation Agency MoLSD, the Ministry of Interior, Justice, Health, Education and Central Bank of Sudan as well as CSOs, and Development Partners that will be actively involved in the design and implementation of the project.

A Stakeholder Engagement Plan will be developed with specific provisions for the different project components. The SEP will outline the characteristics and interests of the relevant stakeholder groups and timing and methods of engagement throughout the life of the project. The project will ensure that all vulnerable groups of people are included in the project.

A Grievance Redress Mechanism (GRM) will be developed to provide an avenue for complaints regarding registration and enrollment, targeting, payments, and other operational matters. The GRM would include mobile-phone based applications, and in-person centers for complaint registration and resolution, and a free hot line linked with a call center. The GRM would address each area of the feedback value chain: (i) uptake, (ii) sort and process, (iii) acknowledge and follow up, (iv) verify, investigate, and act, (v) monitor and evaluate, and (vi) provide feedback to the complainant as well as to project management and WB.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The activities of workers will be limited due to the nature of the project. Most project staff will encompass civil servants from the national to the local level. The project will also engage volunteers to support the project in community mobilization and awareness creation programs as well as in the grievance redress committees. For the distribution of cash, contracted workers may provide their services.

Labor Management Procedures (LMP) proportional to the activities, risks and impacts will be prepared before appraisal which will provide an estimated number of workers; detailed information on the work terms and



conditions; and procedure to address workers grievances. Differentiated provisions will be provided to the different workers under the project, i.e. civil servants, specific PIU staff and consultants, volunteers, and contracted staff. The risks and mitigation measures encompass: (i) child and forced labor; (ii) codes of conduct; (iii) measures to ensure that community labor is provided on a voluntary basis; (iii) security provisions for workers involved in the distribution of cash; etc.

ESS3 Resource Efficiency and Pollution Prevention and Management

This is not relevant as the project will not finance on ground activities. However, any impacts associated with resource efficiency and pollution due to the implementation of activities by the beneficiary households will be captured under the environmental monitoring.

ESS4 Community Health and Safety

As the project only involves cash transfer, the general risks and impacts to the workers and local communities are low. These risks will be managed through the Labor management procedures. Three specific risks need to be highlighted: (i) GBV, (ii) security, and (iii) data privacy. The project will conduct a GBV risk assessment which will identify potential risks and mitigation measures that will inform the project design. A first trial of the GBV risk tool assesses moderate to substantial risks. It will need to be adapted during preparation to the specifics of a SPJ operation. General country risks result above all from intimate partner violence, child marriage, peace keeping missions/conflict areas and limited legal provisions for IPV.

The project, in the social assessment, will also discuss security risks for beneficiaries related to the project and provide appropriate mitigation measures. This includes the potential use of security personnel, depending on the final decision how cash will be distributed among the communities (digital vs. in paper cash). Finally, the client will also commit to a risk assessment on the digitalization of the program to ensure privacy rights of beneficiaries.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This standard is not Relevant

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This standard is not relevant

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Due to the country-wide rollout of activities, it is expected that it will also affect people meeting the criteria of ESS7.



The project will ensure respect of human rights, dignity, aspirations, identity, culture and livelihoods of SSAHUTLC and avoid adverse impacts on them or, when avoidance is not possible, minimize, mitigate or compensate for such impacts.

This will be ensured via the Project’s communication and outreach strategy as outlined under ESS10: the project will ensure that such communities are appropriately informed and can share in the benefits of the project in an inclusive and culturally appropriate manner. The project will also ensure that no adverse impacts, including security risks, are triggered from integration and/or registration for this project, including by ensuring data privacy provisions.

In terms of project inclusion and distribution of benefits, the project will ensure that local approaches are adequate for the living conditions of SSAHUTLC, including but not limited to seasonal migration patterns of pastoralists.

No situations which would require FPIC are foreseen.

ESS8 Cultural Heritage

This is not relevant as the project will not finance on ground activities with potential impacts on cultural heritage. However, any impacts on cultural heritage due to the implementation of activities by the beneficiary households will be captured under the environmental monitoring.

ESS9 Financial Intermediaries

Financial Intermediaries (FIs) are not involved in this project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

No identified financing partner at this time.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Public Disclosure



Actions to be completed prior to Bank Board Approval:

The following actions need to be completed before Bank Board Approval:

- Environment and social Commitment Plan will be prepared;
- Gender Based violence risk assessment will be prepared;
- Stakeholder Engagement plan will be prepared;
- Labor Management Procedure proportional to the project risks will be prepared;
- Appropriate Environment and Social structure will be established;
- An essential social assessment encompassing the country overall as well as a specific section for remote areas/areas were SSAHUTLC are present; a more comprehensive and long-term study on ESS7 will be deferred and prepared during implementation based on emergency procedures;
- An assessment on privacy rights; and
- a security management plan will be prepared. Moreover, the Borrower will ensure that all the instruments prepared are disclosed for the public.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

The borrower's ESCP will among other things address commitment to:

- Establishment of a function E&S risk management system including deployment of qualified staff
- ESF capacity-building plan for implementing agencies
- Commitment to appropriate compliance monitoring and reporting
- Reporting procedures for (a) regular status updates and (b) immediate notifications on any significant accident or incident to the Bank.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

04-May-2020

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Republic of Sudan

Implementing Agency(ies)

Implementing Agency: Ministry of Finance and Economic Planning

V. FOR MORE INFORMATION CONTACT

Public Disclosure



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VI. APPROVAL

Task Team Leader(s):	Surat F. Nsour
Practice Manager (ENR/Social)	Robin Mearns Recommended on 22-Apr-2020 at 11:42:25 EDT
Safeguards Advisor ESSA	Nathalie S. Munzberg (SAESSA) Cleared on 24-Apr-2020 at 16:29:33 EDT