



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 22-Apr-2019 | Report No: PIDISDSA25720



BASIC INFORMATION

A. Basic Project Data

Country Sierra Leone	Project ID P167757	Project Name Sierra Leone SSN Project Second Additional Financing	Parent Project ID (if any) P143588
Parent Project Name Sierra Leone Safety Nets Project	Region AFRICA	Estimated Appraisal Date 18-Apr-2019	Estimated Board Date 01-Jul-2019
Practice Area (Lead) Social Protection & Labor	Financing Instrument Investment Project Financing	Borrower(s) Republic of Sierra Leone	Implementing Agency National Commission for Social Action

Proposed Development Objective(s) Parent

The project development objective is to establish the key building blocks for a basic national safety net system and to provide income support to extremely poor households in Sierra Leone.

Components

Development of Systems for Implementation of Social Safety Net Interventions
 Cash Transfers to Extremely Poor Households
 Program Management and Capacity Building

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	32.50
Total Financing	32.50
of which IBRD/IDA	30.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	30.00
IDA Grant	30.00



Non-World Bank Group Financing

Counterpart Funding	2.50
Borrower/Recipient	2.50

Environmental Assessment Category

C-Not Required

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Sierra Leone experienced strong economic growth from 2001 to 2014, which came to a halt after the Ebola crisis.** Before the twin shocks of the Ebola virus outbreak and a sharp drop in iron ore prices, the economy in Sierra Leone grew at an average of eight percent per year between 2003 and 2012¹. Agriculture was the largest contributor to economic growth during this period, growing at an average of eight percent per year and contributing to almost 50 percent of the total increase in real GDP between 2001 and 2014². Industry, driven by two large-scale iron ore and mining projects and services were the second and the third largest contributors to growth. However, since the twin shocks, agricultural exports and manufacturing outputs have declined sharply, and the GDP has contracted by more than 21 percent³.

2. **Despite periods of strong economic growth, poverty and food insecurity remain high in Sierra Leone.** Even though recent estimates are not available, poverty headcount rate based on the national poverty line was 53.8 percent in 2011, having decreased by 12.6 percentage points since 2003⁴. A World Food Program (WFP) assessment conducted after the Ebola crisis found that 49.8 percent of all households in Sierra Leone were food insecure and 8.6 percent were severely food insecure⁵. Poverty and food insecurity levels were much higher in rural areas compared to urban areas⁶. Shocks, including four floods, global economic deterioration such as the 2007/2008 food, fuel, and financial crisis, the Ebola outbreak, and fall in the iron ore prices, have adversely affected economic activity in the last five years. In May 2018, the Government removed fuel subsidies, leading to a 33 percent increase in the retail price of fuel and an 18 percent increase in the price of public transportation⁷. Previous shocks have induced households to deplete their human and physical assets, for

¹ IMF (2016), Article IV Consultation and Fifth Review, Page 4.

² World Bank (2018), Sierra Leone: Systematic Country Diagnostics, Page ix.

³ IMF (2016), Article IV Consultation and Fifth Review, Page 4.

⁴ Ibid, Page 17.

⁵ WFP (2015), State of Food Security in Sierra Leone.

⁶ World Bank (2018), Sierra Leone: Systematic Country Diagnostics, Page 18.

⁷ World Bank (2019), Impact of Fuel Price Liberalization on Poverty and Inequality in Sierra Leone (Draft).



example, by selling their livestock or pulling their children out of school⁸. The effects are felt the most by the poorest people who have the fewest coping mechanisms.

3. **Sierra Leone has some of the lowest human capital outcomes in the world.** A child born in Sierra Leone today can only be 35 percent as productive when she is 18 as she could be if she enjoyed complete education and full health. The World Bank's Human Capital Index shows that a child born in Sierra Leone has lower chances of surviving until the age of five, worse test scores in school, and poorer health outcomes and survival in adulthood compared to a child born in the average low-income country or other countries in Sub-Saharan Africa⁹. Within the country, more than 30 percent of children under 5 years of age in the bottom two consumption quintiles are stunted compared to 18 percent in the richest quintile¹⁰. Rural areas and areas not in the Western region of the country have achieved lower human capital outcomes. Close to 100,000 people (approximately 1.3 percent of total population) are living with disabilities, with 67 percent of them residing in rural areas¹¹. In 2009, a World Bank report on disability found that people with disabilities are overrepresented among the poorest and have limited access to basic services and economic opportunities¹². To create the conditions for economic growth and poverty reduction, Sierra Leone must invest in its people, particularly the poor.

4. **While Sierra Leone has made progress in recent years in enhancing the wellbeing of women, significant gender disparities remain.** Women experience lower outcomes than men across a range of indicators. For example, 19.2 percent of adult women obtained at least a secondary level of education as compared with 32.3 percent of their male counterparts. For every 100,000 live births, 1,360 women die from pregnancy related causes. With regards to employment, the 2014 Labor Force Survey found that, holding all other characteristics constant, men earn three times more than women in wage employment, 2.5 times more in self-employment, and nearly double in agriculture. Women are traditionally excluded from jobs in construction and mining, which are currently the highest paid unskilled sectors. Advancing economic opportunities for women could help reduce high fertility rates, especially for women from poor households, as poverty is correlated with larger household size.

Sectoral and Institutional Context

5. **Social Protection has become an important instrument in the development agenda of Sierra Leone.** The Sierra Leone Medium-Term National Development Plan (2019-2023), which is the government's new Poverty Reduction Strategy Paper (PRSP), identifies social protection as a key instrument for poverty eradication under Cluster Two: Human Development, strategic objective 4.5. The country's earlier national development plan (2013-18), the Agenda for Prosperity (A4P), had also devoted a pillar to social protection, showing the government's continuous prioritization of the sector in national level documents. The A4P stressed the implementation of the 2011 National Social Protection Policy (NSPP) to complement the effects of economic growth in building resilience and developing social protection policies, institutions, and programs. The NSPP was revised in 2018 to reflect new emergencies and vulnerabilities and to redefine the institutional arrangements for implementation of said policies. Currently, the National Social Protection Strategy and the Social Transfer

⁸ Ibid, Page 65.

⁹ World Bank (2018), Human Capital Project.

¹⁰ UNICEF (2017), Multi Indicator Cluster Survey (MICS).

¹¹ UNFPA (2017), Thematic Report on Disability based on the 2015 population and housing census data. Highest number of persons with disabilities have physical disability (30.7 percent with a majority due to polio), visual (27.7 percent) and hearing/speech (12.5 percent).

¹² World Bank (2009), Escaping Stigma and Neglect: People with Disabilities in Sierra Leone.



for Emergency Preparedness Response Plan are being prepared by the Government to guide investments in the sector.

6. **Through the SSN, the Government has incrementally built a social protection platform that has been instrumental in fighting poverty and mitigating the effect of shocks.** In 2011, a Social Protection Assessment was carried out, which recommended the establishment of systems to increase the cost-effectiveness of interventions and to improve coordination between actors implementing SP and related programs. The SSN project was launched in 2014 to establish the core social protection system and progressively expand the coverage of cash transfers to extremely poor households. In the initial phase, the SSN was launched in the poorest district in each of the four regions, with a total of 12,000 extremely poor households receiving quarterly transfers. When the Ebola crisis erupted, the program was further expanded in these four districts and other districts that were heavily affected by the crisis. As a result, the allocation of beneficiaries across districts reflects the geographic distribution of poverty and Ebola. With the proposed second additional financing, the SSN will return to allocating resources geographically based on poverty, thereby laying the foundation for a national safety net program.

7. **The Government has taken important steps to improve the coordination of the social protection sector, although coverage remains low in comparison to need.** The Social Protection Secretariat was established within the National Commission for Social Action (NaCSA) to lead the development of common Social Protection systems and enhance policy coordination. National coordination mechanisms have since been established and are functioning regularly, namely, (i) the National Social Protection Inter-Agency Forum (IAF), chaired by the Office of the Vice President and composed of ministers; and (ii) the Social Protection Technical Steering Committee (TSC), composed of technical directors from key sector ministries. While the sector has moved toward a more coordinated approach through these mechanisms, including through strong participation in the establishment of the social protection systems, the coverage of social protection programs remains low in comparison to the extent of need in the country. The current scale of the Social Safety Nets (SSN) program, the Government's flagship program, reaches roughly 30,000 households, which is less than a quarter of extreme poor households.

8. **The Social Protection delivery systems have proven to be instrumental in responding to a range of shocks.** During the Ebola crisis, the Government coordinated donor resources, including from the World Bank, to engage in a rapid scale-up of standardized cash transfer interventions benefiting nearly 60,000 of the poorest households across the country¹³. A similar approach was taken in the response to the recent floods, funded largely from humanitarian budget lines. However, recurring disasters have also shown that there are important areas for improvement. Lack of flexibility and coordination limited the government's ability to mobilize resources rapidly and adequately to both predictable and unexpected crises. The need to improve disaster risk management (DRM) features in the National Development Plan, as does the need to establish a National Disaster Management Agency and invest in requisite technologies to cushion against shocks. At the same time, the Government is considering further economic reforms to improve its fiscal situation, such as the removal of subsidies, which would directly impact upon the ability of poor households to meet their basic needs. Strengthening the Government's social protection system would create a platform for the Government to quickly and systematically scale-up to protect households from the negative effects of economic shocks as well as natural disasters¹⁴.

¹³ World Bank (2017), Sierra Leone: Rapid Damage and Loss Assessment of August 14, 2017 Landslide and Floods in the Western Area.

¹⁴ Cash transfers have repeatedly been found to be a useful tool to mitigate impact of shocks and help poor households by smoothing consumption (See Sumarto and Bazzi (2011); Verme (2016)).



9. **The Government is committed to improving the livelihoods of people living with disabilities, including through the provision of safety net support.** Disability is a complex issue in Sierra Leone given the post-conflict setting and the prevalence of different kinds of disabilities (physical, mental, victims of war). Disabled members of the society face social stigma, exclusion, and discrimination within their communities and households. Research shows that persons with disability are more likely to face higher rates of poverty and multiple deprivation than persons without disabilities. Persons with disabilities also tend to experience barriers to access education and employment¹⁵. Disasters compound this by enhancing disparities between persons with disabilities and other members of society increasing the likelihood that persons with disabilities are negatively and disproportionately affected both during and after the emergency¹⁶. An inclusive social protection system supports the social participation, inclusion, and independent living of persons with disabilities by ensuring income security and access to social and employment services.¹⁷ In Sierra Leone, public programs in support of persons with disabilities are limited and institutionally fragmented. The Ministry of Social Welfare is the official government administration responsible for the welfare of people with disabilities, but its resources and capabilities are very limited¹⁸. The current administration is committed to ensure inclusive development and is in the process of putting in place a livelihood program that would respond to the needs of people with disabilities, particularly in urban areas. As part of these efforts, the Government is seeking to extend the coverage of the SSN to benefit people living with disabilities to provide income support for the most vulnerable and as a bridge towards the forthcoming livelihoods program.

10. **Safety nets enable Sierra Leoneans to invest in their human capital and move into more productive employment and opportunities.** A safety net system is also needed to alleviate demand-side constraints on the poor. One of the major reasons why poor and vulnerable households do not access health care facilities or do not send their children to school is because they cannot afford it¹⁹. There is robust evidence internationally that cash transfers help poor families to invest in education and preventive healthcare of their children, thus contributing towards building the human capital of these children²⁰. Expanding the coverage of the SSN would thus contribute towards improving the access of poor households to health and education services, particularly for girls, which can reduce the risk of early sexual debut and teen pregnancy. At the same time, “graduation” programs that link existing safety nets beneficiaries to active labor market programs have helped poor households to transition into productive employment²¹. Stabilizing the income of the poor and building human capital outcomes are important first steps toward enabling poor and vulnerable Sierra Leoneans to engage in productive economic activity.

C. Proposed Development Objective(s)

Original PDO

The project development objective is to establish the key building blocks for a basic national safety net system and to provide income support to extremely poor households in Sierra Leone.

¹⁵ Even in OECD countries, the employment rate of persons with disabilities is on average 40 percent lower than the overall level, while the unemployment rate is twice as high (OECD (2010), *Sickness, Disability and Work: Keeping on Track in the Economic Downturn*).

¹⁶ World Bank (2018), *GFDRR: Disability Inclusion in Disaster Risk Management*.

¹⁷ World Bank (2018), *Disability Inclusion and Accountability Framework: Disability-Inclusive Social Protection*.

¹⁸ In addition to the Ministry, the National Commission for Social Action (NaCSA) and the National Social Security Insurance Trust (NaSSIT) also had programs supporting persons with disabilities, namely the War Victims Reparations Program, World Bank-financed National Social Action Project (NSAP) and social security scheme to those employed who are disabled.

¹⁹ World Bank (2018), *Sierra Leone: Systematic Country Diagnostics*, Page 65.

²⁰ See Bastagli et al. (2016); De Walque et al. (2017).

²¹ See Banerjee et. al (2015) for a review of programs designed to deliver productive employment opportunities for the poor.



Current PDO

The project development objective is to establish the key building blocks for a basic national safety net system and to provide income support to extremely poor households in Sierra Leone.

Key Results

To reflect the expanded geographic coverage of the SSN, the targets for the indicators in the Results Framework are revised upwards. Given the Government's commitment to ensuring that people with disabilities benefit from economic growth and public investments, and the World Bank's commitment that 75 percent of all World Bank-financed social protection projects should be disability inclusive by 2025, an intermediate level indicator is added on the number of people with disabilities participating in the SSN. Additionally, intermediate outcome indicators will be added to reflect (i) continued investments in the core social protection systems; and (ii) the aim for the SSN to scale-up in response to shocks.

D. Project Description

The proposed second Additional Financing (AF) aims to expand the coverage of the Social Safety Net (SSN) Project to provide income support to extreme poor households in all 16 districts of Sierra Leone, thus providing national coverage to the SSN program, and further strengthening the key building blocks of the country's basic national safety net system. The targeting system will be modified to better ensure the inclusion of extremely poor households with members who are disabled. The provision of behavioral change workshops will be enhanced to better contribute towards building human capital and sub-component is added to finance the expansion of cash transfers to households affected by shocks.

E. Implementation

Institutional and Implementation Arrangements

As with the parent project, this second additional financing will be implemented by the National Commission for Social Action (NaCSA), in partnership with the Anti-Corruption Commission (ACC) and Statistics Sierra Leone.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The proposed AF is aimed at expanding the cash transfer program to several other districts. The project activities do not involve any physical infrastructure that will have adverse environmental impacts or result in land acquisition and displacement. There are no Indigenous Peoples in the project area.

G. Environmental and Social Safeguards Specialists on the Team

Fisseha Tessema Abissa, Environmental Specialist
Gloria Malia Mahama, Social Specialist
Alidu Babatu Adam, Social Specialist
Joseph Amara Kaindaneh, Environmental Specialist



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

As in the original project, none of the safeguards policies are triggered for this AF. The project will not finance any civil works (including dams) or undertake any land related studies or other activities that may result in the involuntary taking of land or involuntary restriction of access to legally designated parks and protected areas. It does not support activities in natural habitats nor does it involve investments in forests or protected areas. The project does not involve the private sector as defined in OP/BP 4.03. It does not involve the procurement, transportation or storage of pesticides. Project activities will not result in any large scale or irreversible impacts, including those on physical cultural resources. The project activities will have no impact on international waterways and the project activities are not within disputed areas.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A



4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

N/A

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

N/A

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

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APPROVAL

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