

Document of
The World Bank

Report No: PAD4676

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF EUR 74.9 MILLION
(US\$83.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CONGO

FOR THE

LISUNGI EMERGENCY COVID-19 RESPONSE PROJECT

April 25, 2022

Social Protection and Jobs Global Practice
Western and Central Africa Region

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CURRENCY EQUIVALENTS

Exchange Rate Effective March 31 2022

Currency Unit = Euro (EUR); CFA Franc (CFAF)

EUR 0.9014 = US\$1

CFAF 591.27 = US\$1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AFD	French Development Agency (<i>Agence française de développement</i>)
CAS	Social Assistance Office (Circonscription d'Action Sociale)
CCT	Conditional Cash Transfer
COS	Steering Committee (Comité d'Orientation Stratégique)
CPF	Country Partnership Framework
DA	Designated Account
E&S	Environmental and Social
ECT	Emergency Cash Transfer
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GRS	Grievance Redress Service
HCI	Human Capital Index
IGA	Income Generating Activities
IMF	International Monetary Fund
IPF	Investment Project Financing
IPPF	Indigenous Peoples Planning Framework
IPV	Intimate Partner Violence
LECRP	Lisungi Emergency COVID-19 Response Project
LMIC	Lower-Middle Income Country
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MASAH	Ministry of Social Affairs and Humanitarian Action (<i>Ministère des affaires sociales et de l'action humanitaire</i>)
MOD	Implementing Partner (<i>Maitre d'Ouvrage Délégué</i>)
MTPE	Ministry of Technical and Professional Education (<i>Ministère de l'enseignement technique et professionnel</i>)
MU	Moderately Unsatisfactory
NDC	Nationally Determined Contributions
ND-GAIN	Notre Dame Global Adaptation Initiative
PDCE	Skills Development for Employability Project (<i>Projet de Développement des Compétences pour l'Employabilité</i>)
PDO	Project Development Objective
PIU	Project Implementation Unit
PNAS	National Policy for Social Action (<i>Politique nationale d'action sociale</i>)
PND	National Development Plan (<i>Plan national de développement</i>)
PPE	Personal Protective Equipment
RoC	Republic of Congo
RSU	Social Registry (<i>Registre social unique</i>)
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment

SSA	Sub-Saharan Africa
SSN	Social Safety Net
SSNP	Social Safety Net Project
SNPRRC	National Strategy for the Prevention and Reduction of Disaster Risks (<i>Stratégie nationale pour la prévention et la réduction des risques de catastrophes</i>)
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
WBG	World Bank Group
WDI	World Development Indicators
WFP	World Food Programme
YOP	The Youth Opportunities Program

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BASIC INFORMATION – PARENT (Republic of Congo Lisungi Emergency COVID-19 Response project - P174178)

Country Congo, Republic of	Product Line IBRD/IDA	Team Leader(s) Erkin Mamadaliev		
Project ID P174178	Financing Instrument Investment Project Financing	Resp CC HAWS3 (9737)	Req CC AWCC1 (6544)	Practice Area (Lead) Social Protection & Jobs

Implementing Agency: Ministry of Social Affairs and Humanitarian Action

Is this a regionally tagged project?	
No	

Bank/IFC Collaboration	
No	

Approval Date	Closing Date	Expected Guarantee Expiration Date	Environmental and Social Risk Classification
24-Jun-2020	31-Dec-2022		Moderate

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)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

**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.

Ratings (from Parent ISR)

	Implementation		Latest ISR
	28-Oct-2020	01-Jun-2021	24-Dec-2021
Progress towards achievement of PDO	S	S	S
Overall Implementation Progress (IP)	S	S	MS
Overall ESS Performance	S	S	MS
Overall Risk	S	M	M
Financial Management	MS	MS	MS
Project Management	MS	MS	MU
Procurement	MS	MU	MU
Monitoring and Evaluation	S	MS	MS

BASIC INFORMATION – ADDITIONAL FINANCING (First Additional Financing for the Lisungi Emergency COVID-19 Response Project - P177453)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P177453	First Additional Financing for the Lisungi Emergency COVID-19 Response Project	Restructuring, Scale Up	No
Financing instrument	Product line	Approval Date	
Investment Project Financing	IBRD/IDA	16-May-2022	
Projected Date of Full	Bank/IFC Collaboration		



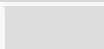


Disbursement			
30-Jun-2027	No		
Is this a regionally tagged project?			
No			

Financing & Implementation Modalities

<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 type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD				 %
IDA	50.00	29.04	22.50	 56 %
Grants				 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (First Additional Financing for the Lisungi Emergency COVID-19 Response Project - P177453)**FINANCING DATA (US\$, Millions)****SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	50.00	83.00	133.00



Total Financing	50.00	83.00	133.00
of which IBRD/IDA	50.00	83.00	133.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	83.00
IDA Credit	83.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Congo, Republic of	83.00	0.00	0.00	83.00
National PBA	83.00	0.00	0.00	83.00
Total	83.00	0.00	0.00	83.00

COMPLIANCE

Policy

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

Yes No

Does the project require any other Policy waiver(s)?

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	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).

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



PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Erkin Mamadaliev	Team Leader (ADM Responsible)	Social Protection	HAWS3
Marie Jacqueline Yvette Sacadura	Team Leader	Education	Hawe3
Lanssina Traore	Procurement Specialist (ADM Responsible)	Procurement	EAWRU
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Maria Virginia Ceretti	Team Member	Social Protection	HSASP
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Extended Team

Name	Title	Organization	Location
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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. **This Project Paper seeks the approval of the World Bank’s Board of Executive Directors to provide an Additional Financing (AF) in the amount of US\$83 million to the Republic of Congo (RoC) for the Lisungi¹ Emergency COVID-19 Response Project - LECRP (parent project, P174178).** This Project Paper also proposes a restructuring of LECRP to accommodate the expanded scope and changes to project components and costs resulting from the proposed AF activities. Specifically, the proposed AF aims to scale up existing activities under LECRP and to expand its scope to support the economic inclusion of youth. The AF will expand access to social safety nets (SSN), improve access to income-earning opportunities for vulnerable youth and women, strengthen the social protection system and the resilience to climate shocks. The restructuring will: (i) align the Project Development Objectives (PDO) and the Results Framework with the revised and newly introduced activities; (ii) introduce changes to LECRP components and costs, and to disbursement arrangements; and (iii) extend the project closing date to June 30, 2027, to allow sufficient time for the implementation of new activities.

2. **This AF responds to a request by the government dated November 11, 2021, to scale up LECRP and to expand its scope to include productive economic inclusion support for youth.** LECRP along with the World Bank-financed Lisungi Safety Nets System Project (Lisungi SSNP, P145263) are among the main instruments of the government to tackle multidimensional poverty and its intergenerational transmission and build human capital.

A. Country Context

3. **RoC is a lower-middle income country (LMIC) which is highly dependent on the oil sector and has a higher poverty rate than comparable countries.** Between 2002 and 2014, the country enjoyed a robust period of economic growth driven by high oil prices and strong oil output. Consequently, the population living below the national poverty line declined from 50.7 percent in 2005 to 36.3 percent in 2015. However, improvements in living standards were not homogenous across the country. Most poverty reduction was observed in the two largest cities, Brazzaville and Pointe-Noire. In rural areas, the poverty headcount rose during this period. As the country is highly dependent on oil, the sharp fall of oil prices commencing at the end of 2014 led to a continued contraction of the economy since 2015. From 2015 to 2019 poverty is estimated to have risen, reversing some of the poverty reduction gains from the previous decade. Poverty remains higher than in comparable middle-income countries today. In absolute terms, most poor people reside along the Brazzaville-Pointe Noire corridor rather than in the poorest areas of the countries.

4. **The COVID-19 pandemic and associated oil price shocks are placing an unprecedented strain on the Congolese economy and striking a particularly severe blow on the poor.** Gross Domestic Product (GDP) is estimated to have contracted by 7.9 percent in 2020. Hydrocarbon production shrank by 7.7 percent due to a contraction in global demand and technical difficulties in some oil fields. The economic crisis and the COVID-19 pandemic have worsened poverty rates and living conditions, exacerbating vulnerabilities. Poverty rates have risen by more than four percentage points in just one year: from 48.5

¹ Lisungi means help in Lingala, one of the main local languages in RoC.



in 2019 to 52.5 in 2020. Recent household surveys also reveal that about 75 percent of households experienced a reduction in their ability to pay rent and 69 percent in their ability to meet food needs². Inflation is estimated to have reached 2.0 percent in 2021, up from 1.4 percent in 2020. Disruptions in global supply chains and high international commodity and agricultural prices exerted inflationary pressures on domestic food prices, which increased by about 3.4 percent, especially affecting the poor. Further increases in the prices of food staples and fuel due to the ongoing conflict in Ukraine are expected to drive inflation higher in 2022. The economy is expected to contract further by 0.1 percent in 2021 before rebounding gradually over 2022- 2023 as the oil sector starts to recover bolstered in part by rising prices due to the conflict in Ukraine. However, the proportion of people living below the international poverty line is set to rise from 52.5 percent in 2020 to 53.2 percent in 2023 despite the gradual recovery.³ Furthermore, the recent floods that started in late 2020 and have continued into early 2021 present an additional challenge that could have long-lasting impacts on the most vulnerable.

5. **The Congolese population is also vulnerable to climate related shocks, in particular due to a high risk of river and urban floods in areas projected to increase in frequency and intensity due to climate change.**⁴ Weather-related crop damage (especially for the cassava subsistence crop) and soil degradation affects incomes of the poorest households relying on agriculture as well as poor households who are net purchasers of food due to increased food prices driven by shortages. Food insecurity rose for instance from 19 percent in 2014 to 48 percent in the Likouala, Cuvette and Plateau region following the 2019–20 floods.^{5,6} Heavy rainfalls have been reported in the departments of Likouala, Sangha, Cuvette, and Plateaux in addition to several neighborhoods in the cities of Pointe-Noire and Brazzaville leading to floods since September 2021. In response to this disaster, the Congolese government declared a state of emergency on November 29, 2021. As of December 2021, floods affected 87,753 households in Likouala, 968 in Sangha, 8,919 in Cuvette, and 4,133 in Plateaux. Climate change will also exacerbate the issue of seawater intrusion into the freshwater aquifer⁷ in densely populated urban areas.⁸ Finally, climate change induced natural disasters, such as landslides or flooding, directly threaten lives of the poor who tend to live in more exposed areas with worse infrastructure, drastically reducing livelihoods and aggravating involuntary migration. Moreover, forest areas of the peri-urban green belts around Brazzaville are largely destroyed due to urban household demand for wood energy.

6. **The country is not well equipped to respond to natural disasters.** The Congolese government considers the prevention, reduction, and more generally the management of disaster risks a major concern. The country developed a National Strategy for the Prevention and Reduction of Disaster Risks (SNPRRC) with its Action Plan for the period 2016-2023. This strategy aims to contribute to the implementation of the framework of Sendai for Disaster Risk Reduction (2015-2030). In addition, Congo's Nationally Determined Contributions (NDC) from 2021 establishes the action plan for greenhouse emissions. However, there is limited institutional capacity to identify and respond to disruptions from various types of shocks, including climate-related and natural disasters. Despite the SNPRRC and the NDC, there is no national disaster risk financing plan. The Ministry of Social Affairs and Humanitarian Action (MASAH, *Ministère des affaires sociales et de l'action humanitaire*) has been mandated to coordinate

² World Bank Macro Poverty Outlook, Spring 2021.

³ <https://www.worldbank.org/en/country/congo/overview#1>

⁴ <https://thinkhazard.org/en/report/59-congo>

⁵ <https://www.elibrary.imf.org/view/journals/002/2021/226/article-A001-en.xml>

⁶ <https://reliefweb.int/sites/reliefweb.int/files/resources/IBCDCG170120.pdf>

⁷ <https://climateknowledgeportal.worldbank.org/country/congo-rep/vulnerability>

⁸ 60 percent of the population lives in Brazzaville and Pointe Noire.



support activities for those affected by the devastating floods. However, fiscal constraints limited the government's response which benefits from the support of international institutions. According to the Notre Dame Global Adaptation Initiative (ND-GAIN) country index⁹, RoC has a high vulnerability score and low readiness to respond to the negative impact of climate change. The country has both a great need for investment and innovations to improve readiness and a great urgency for action. Congo is the 48th most vulnerable country and the 8th least ready country¹⁰ out of 182 in the ND- GAIN ranking.

7. **RoC also lags behind its peers in terms of human capital development.** With a Human Capital Index (HCI) score of 0.42¹¹ (slightly above the Sub-Saharan Africa [SSA] average of 0.40 and well below the average for LMICs of 0.48), a child born in RoC today can expect to be 42 percent as productive as he/she could be if he/she enjoyed complete education and full health. This performance reflects the low quality of education and poor learning outcomes as well as inadequate access to nutrition and health care in the early years. Limited human capital accumulation constrains individuals' earning capacities and reinforces the intergenerational transmission of poverty.

8. **RoC has a youthful and rapidly growing population.** The population stood at 5.4 million in 2019 and is: (i) growing rapidly at 2.6 percent per annum¹²; (ii) young; and (iii) highly urbanized. While the country's urbanization rate of 67 percent is one of the highest in SSA, population density (15.4 people per square kilometer of land area) is one of the lowest in the world. The population is mostly concentrated in the south and particularly in the two largest cities of Brazzaville and Pointe-Noire. The total fertility rate of 4.45 children per woman places RoC into the early stages of the demographic transition. The slow decline in fertility is delaying the demographic transition and the potential for a demographic dividend.

9. **School completion rates are low, and the quality of education remains poor.** Only 74 percent of children complete primary school. The lower secondary school completion rate is low at 52 percent, but similar for girls and boys¹³. Significant inequalities in access to education prevail, and children from poorer families, rural areas, indigenous populations, or with a disability, are less likely to be enrolled in school. Affordability and lack of interest in school are among the main reasons for children not being enrolled in school. A large portion of teenage girls, one-third of total non-attendees, cite marriage or pregnancy as the reason for not enrolling in secondary school. Problems related to access and retention in primary and secondary schooling are compounded by low quality education. Primary learning outcomes are low, with just 33 percent of 6th graders reaching sufficient competency in math and reading assessments.¹⁴ This means that a high proportion of students leaving primary school do not have foundational literacy and numeracy skills.

10. **Large gender gaps in education and economic outcomes prevail in RoC.** The overall score on the Women, Business and the Law Index is 49.4 out of 100, significantly lower than the regional average for SSA (71) and the Central African Economic and Monetary Community (60.3)¹⁵. The country's ranking

⁹ A country's ND-GAIN index score is composed of a Vulnerability score and a Readiness score. Vulnerability measures a country's exposure, sensitivity and ability to adapt to the negative impact of climate change. ND-GAIN measures the overall vulnerability by considering vulnerability in six life-supporting sectors – food, water, health, ecosystem service, human habitat, and infrastructure.

¹⁰ <https://gain.nd.edu/our-work/country-index/>

¹¹ World Bank HCI 2020 Update.

¹² World Development Indicators (WDIs), WDI 2021.

¹³ World Bank (2020). Realizing Demographic Dividends in the Republic of Congo Report (P171614).

¹⁴ *Programme d'Analyse des Systèmes Educatifs de la CONFEMEN* (Educational Systems Analysis Program of the Conference of the Ministers of Education of French speaking countries), 2019.

¹⁵ World Bank (2021). Women, Business, and the Law 2021. Washington, DC.



on the Gender Inequality Index, which measures reproductive health, empowerment, and labor market participation, puts RoC at 149 out of 189 countries in 2019. While there is no longer a gender gap in primary education, girls make up only 45 percent and 39 percent of enrollments in secondary and higher education, respectively. The high adolescent pregnancy rate could explain some of the gender disparities in educational attainment. RoC's adolescent fertility rate (111 births per 1,000 women aged 15–19) is higher than several resource-rich comparator countries such as Mauritania (77), South Sudan (72), and Sudan (80). A clear gender gap also exists in access to services, and ownership and control of economic assets. Women produce approximately 90 percent of food products for household consumption, and while they account for around 60 percent of the agricultural workforce, they own only 25 percent of agricultural land.¹⁶

11. High levels of sexual and gender-based violence (GBV) against women and girls also contribute to the gender gaps in economic outcomes. GBV negatively affects women participation in education, employment, reduces their productivity and drains resources from social services, the justice system and healthcare. Women exposed to GBV lost on average 11 days of work and are also engaged more in casual work with lower earnings compared to women who do not experience such violence¹⁷. According to UN Women, economic costs of violence amount to around two percent of global gross domestic product¹⁸. The latest Demographic and Health Survey (2012) in RoC found that more than half of women aged 15-49 suffer from recurrent GBV, which in three out of four cases is committed by husbands, partners or boyfriends. Almost two out of three women (61 percent) and a comparable share of men believed it was acceptable for a husband to beat his wife if deemed justified. Safety is not assured for girls in schools either, with one in ten girls reporting being assaulted.

12. RoC is exposed to multiple drivers of fragility and violence. The concentration of political power and economic wealth represents an important source of fragility.¹⁹ Two civil wars broke out in the 1990s as a result of political competition among opposing elites. The security situation remains volatile and armed militia groups still operate in the Pool region bordering the capital Brazzaville. About 138,000 people have been internally displaced by violence and insecurity in the Pool region. An important divide exists between residents of the north and the south of the country in terms of access to public services. In recent years, gangs and militias composed of frustrated and marginalized youth have appeared in urban and peri-urban areas. RoC also hosts a relatively sizable population of refugees and asylum seekers from the neighboring Democratic Republic of Congo, Central African Republic, and Rwanda. The project concept is aligned with the World Bank Group (WBG) Strategy for Fragility, Conflict, and Violence 2020-25,²⁰ pillar IV, by supporting the most vulnerable and marginalized communities that are affected by a variety of shocks. The investments outlined in this project will seek to mitigate drivers of fragility by addressing some of its root causes: food insecurity, environmental fragility, and forced displacement.

¹⁶ Organisation for Economic Co-operation and Development - Social Institutions and Gender Index Country Profile
<https://www.genderindex.org/wp-content/uploads/files/datasheets/CG.pdf>

¹⁷ <https://www.cedovip.org/download/economic-cost-of-domestic-violence-in-uganda/>

¹⁸ <https://www.unwomen.org/en/news/stories/2016/9/speech-by-lakshmi-puri-on-economic-costs-of-violence-against-women>

¹⁹ World Bank Country Partnership Framework (CPF) for the Period FY20-FY24.

²⁰ <https://www.worldbank.org/en/topic/fragilityconflictviolence/publication/world-bank-group-strategy-for-fragility-conflict-and-violence-2020-2025>



B. Sectoral and Institutional Context

Social protection

13. **Social protection is at the core of the National Development Plan (*Plan national de développement, PND*) – 2018-2022, which also focuses on improving governance and diversifying the economy.** The Plan’s fifth pillar “social development and inclusion of disadvantaged groups” focuses on health, social affairs, housing, women’s empowerment, and employment. In terms of health, interventions will focus on management of health and population policy, increasing supply and access to health services, control of communicable and non-communicable diseases. The objectives are to improve life expectancy, increase vaccination coverage, reduce infant and child mortality from 68 deaths per 1,000 live births to 50, among others. In the social sector, the focus is on social action and solidarity, humanitarian action, and capacity building. The objectives are to provide noncontributory social protection to the population, reinforce disaster risk management, and build institutional capacity of MASAHA. Social and economic inclusion of women and youth are also central to this pillar with activities to promote women’s empowerment and employment.

14. **Social protection in RoC is governed by the National Policy for Social Action (*Politique nationale d’action sociale, PNAS*) for 2018-2022.** It is in line with the new PND – 2022-2026. Following its objective of increasing the resilience of the poor and vulnerable, the government has identified five constraints, which have guided the Multiannual Program of Priority Actions (*Programme pluriannuel des actions prioritaires*) 2018-2022 for the social protection sector. These are: (i) low coverage of social protection services; (ii) insufficient social worker staff; (iii) poor infrastructure capacity; (iv) weakness of monitoring and evaluation mechanisms and a strong dependence on external funds; and (v) overlapping responsibilities and actions between MASAHA and other ministries. To overcome these challenges, the government’s strategy aims to: (i) increase non-contributory social protection; (ii) reduce poor people’s vulnerability to natural and man-made disasters; and (iii) strengthen institutional capacities through a relevant legal framework and the development of human resources.

15. **Social protection coverage in RoC remains low with only about five percent of the poorest households covered by social safety net programs.** Spending on social assistance to support poor and vulnerable households has fluctuated between 0.3 and 0.5 percent of GDP and is lagging the SSA average of 1.5 percent of GDP. The Lisungi SSNP (P145263), financed by the World Bank and implemented by MASAHA since 2014, delivers the largest cash transfer program in the country, but remains limited in its coverage. As in several other countries of Central and West Africa, social protection in RoC is beginning to shift from an approach essentially based on solidarity and emergency aid towards programs developed with a medium and long-term vision to better meet the needs of the poor and vulnerable population so that they can become more productive and thus contribute further to social and economic development. In 2019, the government committed to allocating CFAF 200 billion (~US\$360 million) for the expansion of the government’s Lisungi social safety net program²¹ in the period 2019-2022, out of which CFAF 6 billion (~US\$11 million) have been disbursed to date. Following the oil price shock and the impact of COVID-19 on the country’s economic and fiscal position, the government has not been able to provide further funding to the Lisungi program.

16. **In the context of the COVID-19 crisis, the Lisungi program has been at the forefront of the**

²¹ Lisungi program, referred here to as MASAHA’s overall SSN program consisting of the Lisungi SSNP and LECRP, financed by the World Bank and complemented with financing from the French Development Agency (*Agence française de développement, AFD*) and the government.



government's response providing emergency assistance to poor and vulnerable households affected by the crisis. The World Bank approved in 2020 the emergency COVID-19 response project (LECRP, P174178; parent project), implemented by MASA and the Lisungi Project Implementation Unit (PIU), to provide emergency cash transfers (ECT) and economic inclusion support to mostly urban populations hit hard by the crisis. To date, more than 206,800 households have received ECTs exceeding the original target. This response is closely aligned with the strategic objectives of the WBG and its response to the COVID-19 pandemic, in line with the approach paper, *Saving Lives, Scaling-up Impact and Getting Back on Track*, discussed by the Board of Executive Directors on June 8, 2020²². However, focus on the crisis has resulted in delays in the government's plans to scale up the Lisungi program to achieve national coverage.

17. **With support from the World Bank, MASA and Lisungi PIU have developed a functional social registry - *Registre Social Unique (RSU)* and a payment system.** The RSU today covers 68 percent of the population and contains information on more than 830,000 households out of the 1.2 million households in the country. It represents the largest national database with information on poor and vulnerable households in RoC. The RSU has been used by other donors (such as the AFD, the World Food Programme [WFP]) and other programs like the World Bank-financed Skills Development for Employability Project [*Projet de Développement des Compétences pour l'Employabilité*, PDCE, P128628]. Lisungi PIU has also started working on the digitalization of cash transfers. These building blocks have the potential to be leveraged for more productive and adaptive social protection, reaching populations in need more quickly and effectively in case of emergencies.

Jobs and labor market

18. **Past episodes of economic growth have not favored job creation. Few jobs were created during the 2005-2014 period characterized by robust economic growth fueled by high oil revenues.** During that period, the pace of job creation lagged behind the growth of the labor force. The total number of Congolese employed increased by almost 783,000 between 2005 and 2019 (about 52,000 per year), while the potentially active population (those aged 15-64) increased by 1,052,000.²³

19. **Most workers in RoC are self-employed in low productivity informal activities either in subsistence agriculture or services.** Around 63 percent of workers in RoC are self-employed, running a business with no employees or involved in subsistence agriculture. The high dependence on activities vulnerable to climate change risks affects the income of the poorest households relying on agriculture. The public sector is the largest provider of formal jobs, employing 14 percent of the population in the public administration or through parastatal firms. The share of formal private sector jobs is relatively modest. Only 13 percent of workers are employed either in large private firms or in small and medium enterprises²⁴. Women and youth are particularly disadvantaged when it comes to labor market outcomes.

20. **Gender gaps in economic outcomes are significant.** Women face difficulties in entering the labor market and obtaining productive jobs. Broadly defined, unemployment affects 30 percent of women compared to 17 percent of men²⁵. Women on average earn less than men and are less likely to be

²² World Bank Group. 2020. *Saving Lives, Scaling-up Impact and Getting Back on Track*. World Bank Group COVID-19 Crisis Response Approach Paper. Washington DC.

²³ World Development Indicators.

²⁴ World Bank (2017). *Republic of Congo Poverty Assessment Report*.

²⁵ World Bank (2020). *Realizing Demographic Dividends in the Republic of Congo Report (P171614)*. Poverty and Equity Global Practice.



employed in the formal sector, particularly in private firms. Women who work in the formal sector are almost exclusively found in the public sector, suggesting a private sector bias towards men. The labor outcomes gap is linked to women's lower education and skills levels, limited access to networks and capital, as well as prevailing social norms. The large average size of households and associated unpaid care burdens constrain women's ability to join the formal labor market.²⁶ Social norms further limit women's ability to access productive resources, such as land and credit.

21. **Unemployment is particularly high among youth.** Including youth discouraged from looking for a job, the unemployment rate affects 32.7 percent of those aged 15 to 29. The corresponding figures for those aged 30–49 and 50–64 are 15.6 percent and 8.3 percent²⁷ respectively. The share of youth that are not in education, employment or training is estimated at 27.7 percent. This share is higher for females than males (31 percent vs 15 percent). Among the 25 to 30 years old, 22.3 percent of young men versus 37.3 percent of young women have not yet entered the labor force²⁸.

22. **Youth employment challenges result from both supply and demand side factors, including demographic pressure and skills mismatches, and insufficient formal job creation.** Tertiary graduates constitute a minor share of the youth population. Most youth have low levels of education and skills, hold jobs that do not match their qualifications, and are underemployed in the informal sector, generally earning lower wages²⁹. Since the growth rate of formal sector jobs lags behind that of the labor force, most young people do not have access to formal employment. The private sector is constrained by patronage, a cumbersome regulatory framework, limited access to finance and productive infrastructure, and poor mechanisms for public-private consultation³⁰. This challenging business environment impedes firm competitiveness and limits employment growth.

C. Current status of the Project and Results

23. **The parent project (LECRP, P174178) was approved on June 24, 2020, and became effective on October 9, 2020.** LECRP is organized around two phases: (i) response to immediate crisis using ECTs following the start of the COVID-19 pandemic; and (ii) support to recovery of mostly urban households using cash transfer and income generating activities (IGA) interventions. The project is financed through an IDA Credit of US\$50 million (Credit No. 6718-CG) and is implemented by MASA and Lisungi PIU. As of April 23, 2022, the project has disbursed 56 percent (US\$29 million). The current closing date is December 31, 2022.

24. **LECRP has five components.** Component 1 (US\$20 million equivalent) finances one-off ECTs to 200,000 households (US\$82 per household) to compensate for income losses due to COVID-19 and a communication campaign on hygiene and sanitation measures. Component 2 (US\$24.5 million) finances the Lisungi regular program and provides IGAs layered on top of the regular Lisungi Conditional Cash Transfer (CCT) program to 23,000 mostly urban and peri-urban households affected by the economic crisis. The CCTs are paid over a period of 12 months and average US\$39 a month per household. The IGA transfer is capped at US\$333 and is provided in three installments. Component 3 (US\$2.5 million) provides support to strengthening the social protection system, and delivery systems in particular.

²⁶ World Bank (2022). L'Inclusion Economique des Femmes et des Jeunes au Congo-Brazzaville (The Economic Inclusion of Women and Youth in Congo-Brazzaville. Perspectives on the Program for Support to Income-Generating Activities).

²⁷ World Bank (2017). Republic of Congo Poverty Assessment Report.

²⁸ World Bank (2018). Systematic Country Diagnostic.

²⁹ World Bank (2017). Republic of Congo Poverty Assessment Report.

³⁰ World Bank (2018). Systematic Country Diagnostic.



Component 4 (US\$3 million) supports project management and monitoring and evaluation (M&E). Contingency Emergency Response Component (CERC, US\$0, Component 5) allows the government to quickly mobilize and reallocate project funds for immediate recovery and reconstruction needs in the event of an emergency.

25. **Progress towards achievement of the PDO and Overall Implementation Progress are rated Satisfactory and Moderately Satisfactory, respectively.** Under Component 1, more than 206,800 households have received ECTs, exceeding the original target of 200,000. This component is considered to have achieved its goals and will not be continued as part of the AF. Component 2 that provides combined CCT and IGA support to 23,000 households, remains on track. Targeting of the beneficiaries has been finalized and cash transfers are expected to begin in February 2022. Under Component 3, Lisungi PIU is implementing activities aimed at strengthening the RSU, digitalization of cash transfers payments, and elaboration of a shock-responsive Social Protection Strategy. As part of Component 1 activities, the number of households registered in the RSU expanded to more than 830,000 and 95 percent of cash transfers were delivered using digital payments. Some of the activities, particularly the RSU and digital payments platform strengthening, have been delayed mostly due to delays in procurement processes and a disruption related to the change in MASAH leadership, following the appointment of a new government in May 2021. Component 4 (project management and M&E) has been implemented as planned and Component 5 (CERC) has not been triggered.

26. **The project has no unresolved environmental and social issues, but its fiduciary performance has raised some concerns.** There are no overdue audits or unaudited quarterly interim financial reports for the project. Nonetheless, the procurement rating is currently Moderately Unsatisfactory due to delays with certain procurement activities and weak utilization of the Systematic Tracking of Exchanges in Procurement (STEP) by the PIU. Measures are being taken to reinforce the project's procurement team, including through hiring additional staff. Financial Management (FM) rating has recently been downgraded to Moderately Unsatisfactory as well due to issues related to reporting of expenses: while the current financing is tax exclusive, the project's statements of expenses did not provide sufficient information to show that taxes were subtracted as required³¹. For this AF, it was agreed with the government that the eligible expenditures would include taxes. The World Bank together with the PIU have identified corrective actions in both Procurement and FM areas, which are detailed in the Appraisal section below.

D. Rationale for Additional Financing

27. **The proposed AF aims to enhance the impact of LECRP by scaling up access to SSN and income earning opportunities for vulnerable youth and women to increase their resilience to shocks, including climate-induced ones, and promoting the adoption of climate smart activities, while further strengthening the adaptive social protection system.** The AF builds on the experience gained by MASAH through the implementation of the Lisungi projects and qualitative research studies on economic inclusion and GBV conducted by the World Bank in RoC in 2021-2022. The AF will extend access to CCT and IGA to new areas of the country. It will provide productive employment opportunities to vulnerable youth (with a strong focus on young women) with a new component aiming to support the economic inclusion of vulnerable youth aged 18-35. The project's original Component 3 focusing on strengthening the social protection system will be extended in duration and will have additional activities to improve

³¹ FM rating was downgraded in the World Bank's FM system in February 2022 following the FM implementation support mission. The Moderately Unsatisfactory rating will be reflected in the next Implementation Status and Results Report.



further the system's performance and shock-responsiveness, including through strengthened social registry and establishment of an early warning system for climate shocks and the promotion of digital payments. The proposed AF thus addresses the vulnerability to climate change through a two-pronged approach: (i) focusing on support to vulnerable households in rural areas exposed to floods threatening their livelihoods and food security; and (ii) support to vulnerable youth through economic inclusion promoting climate sensitive activities such as sustainable agriculture, reforestation, and renewable energy.

28. **The proposed project scale-up is aligned with the WBG Country Partnership Framework (CPF) for the RoC for FY20-24 (Report No. 126962-CG).** The CPF supports the government's efforts to build human capital development and enhance resilience for social Inclusion and sustainable growth (Focus Area 2). It builds on the World Bank's analytical work and other operational engagements to address persistent gaps in the capacity of the national social protection system to reduce poverty, increase poor households' productivity, close gender gaps, and foster youth economic inclusion. The AF is also aligned with the WBG's twin goals of 'ending extreme poverty and boosting shared prosperity in a sustainable manner' and the WBG's COVID-19 Crisis Response Approach Paper "Saving Lives, Scaling-up Impact and Getting Back on Track". The AF particularly supports Pillar 2 (Protecting Poor and Vulnerable People), Pillar 3 (Ensuring Sustainable Business Growth and Job Creation), and Pillar 4 (Strengthening Policies, Institutions, and Investments for Rebuilding Better) of the COVID-19 Crisis Response.

29. **Increasing the human capital stock of the country is essential for all the Congolese to fully participate in the economy and society.** The accumulation of human capital and skills offers a sustainable path out of poverty and allows for skills diversification and access to sectors that are less climate vulnerable. Higher educational attainment and vocational skills facilitate labor market entry and integration. Quality jobs can be transformational as they improve material wellbeing and life satisfaction. Higher income and control over assets can increase investments in education, health, and businesses, with positive feedback loops. The employment of young women can also improve individual welfare through higher productivity, increased agency and lower fertility. Furthermore, targeting young men can address some of the recent drivers of conflict and violence in the country. The economic diversification of the economy in the medium term depends on the availability of a skilled workforce. With the support of the World Bank, the government has been implementing the PDCE project which targets vulnerable young women and men to improve their labor market integration and earnings. Closing in 2023, the project has supported short term technical training and apprenticeship for vulnerable youth, providing life skills, job search and entrepreneurship support as well as capacity building for institutional stakeholders. The AF will build on the knowledge and experience accumulated through PDCE and will continue the partnership with the Ministry of Technical and Professional Education (MTPE), which oversees implementation of the PDCE project.

30. **An AF is considered an appropriate mechanism to provide additional support to the government's efforts to strengthen the social protection system and enhance the impact of the Lisungi program.** This assessment is based on the nature of the new activities proposed and their strong anchoring in the parent project's components, satisfactory performance of LECRP, and the government's request for World Bank support to fund the proposed AF activities in alignment with CPF. It would also contribute to higher cost-effectiveness since new activities would be implemented by an existing PIU, and existing implementation mechanism and institutional memory and expertise would be used.



II. DESCRIPTION OF ADDITIONAL FINANCING

A. Summary of Changes

31. **The proposed AF will introduce the following key changes to the project:** (i) changes to the PDO in line with the expanded scope; (ii) changes to components and costs to reflect the scale-up of Component 2 “Scaling up Lisungi program for recovery” and Component 3 “Strengthening the social protection system”; (iii) include a new Component 6 “Productive economic inclusion of youth”; (iv) changes in the results framework to reflect the expanded scope and scaled-up activities; (v) a change in disbursement arrangements as indicated in the appraisal section below; and (vi) extension of the closing date to June 30, 2027.

B. Project Development objective

32. **The PDO is reformulated to reflect the focus on productive economic inclusion for youth:** *To provide emergency income support to households affected by the COVID-19 health and economic crisis and to increase access to productive safety nets for poor and vulnerable households, and youth in participating areas in the territory of the Recipient.* The revised PDO reflects the expanded scope and the new target group, namely youth in the 18-35 age bracket. Productive safety net is defined as a program that provides immediate income support and simultaneously helps protect and build assets of its beneficiaries. The project also targets populations particularly vulnerable to climate shocks.

33. **Revised PDO level indicators are:**

- Households benefiting from emergency cash transfers (number) (no change)
- Households benefiting from recovery program (number) (change in target value)
- Youths provided with income earning opportunities (number) (of which women [percentage]) (new indicator)

C. Components, Activities and Beneficiaries

34. **Based on the current implementation status of LECRP, this AF will scale up the Component 2 (Scaling up Lisungi Program for Recovery) and Component 3 (Strengthening the Social Protection System) while adding a new, Component 6 (Productive Inclusion for Vulnerable Youth aged 18-35) focused on productive economic inclusion of youth.** Component 4 (Project Management and M&E) will receive additional funds to cover operating, M&E, and other costs through new closing date. Component 1 (Emergency Cash Transfers for COVID-19 Response) and Component 5 (Contingency Emergency Response) will remain unchanged. Proposed changes under the components are described below.

Revised Component 2: Scaling up Lisungi Program for Recovery (additional US\$27.2 million equivalent, new total: US\$51.7 million equivalent)

35. **Based on the results to date, the AF will contribute to extending coverage from 23,000 to 48,000 poor households in geographic areas vulnerable to climate shocks, in particular floods, affecting the livelihoods of the population.** These include Likouala region, where a large number of poor households are waitlisted for coverage under the parent project, as well as urban and peri-urban areas in Ouesso, Djambala, Dolisie, Nkayi and Loango. Rural areas to be covered include districts in Cuvette, Plateaux, Pool, Lékoumou, Niari, and Kouilou. The majority of recipients are already facing floods; (80 percent of households affected by the recent floods are located in the department of Likouala, others



are in Sangha, Cuvette, and Plateaux). The component will finance the provision of technical advisory services, goods, non-consulting services, and contracting of payment agencies to deliver the Lisungi program for recovery.

36. **As under the parent project, the AF will provide CCT, IGA, and accompanying measures to poor households to increase their resilience to shocks, including climate-induced ones.** The cash transfers will allow households to smooth their consumption and avoid negative coping strategies in cases of shocks, while accompanying measures and IGA will promote livelihood diversification as well as the adoption of climate smart techniques, for instance by reducing use of pesticides, increasing use of organic seeds, natural fertilizers and soil conservation methods. The accompanying measures will also include information about connecting to local value chains and price cycles, to enable beneficiaries to maximize profits. Where possible, the transfers will be delivered digitally, and accompanied by training on using mobile wallets and saving, further contributing to resilience. By prioritizing women as the recipients of the cash transfers and income generating activities, the component aims to improve women's control over resources and intra-household bargaining power, narrowing gender gaps in financial inclusion and access to productive assets, while also engaging men in support of more equal gender roles.

37. **Eligibility criteria under the AF will be expanded to include households with older children** (up to the age of 20) to incentivize adolescents to complete secondary school, given low completion rates and the increased risk of permanent drop-out post COVID-19 pandemic, especially for adolescent girls. To reduce complexity, the benefit structure will be simplified to provide a flat benefit of CFAF 20,000 (~US\$36) per month over a period of 24 months to all eligible households, instead of the previously applied variable benefit tied to the number of children and/or elderly. Poor elderly living alone will continue receiving CFAF 10,000 (~US\$18) per month. Eligibility criteria will also be expanded to include poor persons with disabilities living alone, who will receive the same benefit as the poor elderly living alone. As in the parent project, cash transfers will be made using digital payments to the extent possible, in order to empower women and promote their financial inclusion and to improve the rapid response capacity of the program in case of shocks, including climate-induced ones. Households will receive payments every other month for a total duration of two years. Beneficiary households will be identified on the basis of the social registry and eligibility will be determined following the processes established under the parent project. TA will support the development of protocols to identify and enroll people with disabilities. In Plateaux, coverage will also be extended to refugees in partnership with the United Nations High Commissioner for Refugees building on Lisungi experience.

38. **The project will continue to encourage school attendance and the use of health-care services.** Compliance with conditions will not be enforced, but households will be encouraged to use available health care services, such as age-relevant check-ups and vaccination to improve children's health and pre- and postnatal exams to improve maternal health; as well as school attendance will be encouraged through information and communication, as described below.

39. **Accompanying measures for beneficiary households will be reinforced in line with lessons learned under the parent project.** Accompanying measures will continue to provide information, communication activities, training, workshops and mentoring on access to services (e.g. how to obtain birth certificates), positive parenting practices, life skills and financial literacy. They will also build climate resilience by promoting livelihood diversification, the adoption of climate-smart techniques, and information about markets. Based on an assessment of the parent project, the accompanying measures will be strengthened to leverage their potential to empower women, engage men, and reduce gender-



based violence. Results of qualitative research studies on gender-based violence and economic inclusion in Congo conducted by the World Bank have shown that women and youth have been disproportionately affected by the COVID-19 related lockdowns and restrictions. Government measures aiming to prevent the spread of the virus, have not only led to income losses for women (given their higher presence in the informal sector) and higher school drop-out for girls, but have also increased dependency on husbands and fathers, significantly increasing gender-based violence linked to financial stress. Therefore, accompanying measures will include dedicated sessions to encourage joint planning and shared aspirations between husbands and wives, as well as communication and conflict resolution skills. To ensure the effectiveness of these accompanying measures and promote behavior change, their frequency will be increased.

40. **As under the parent project, targeted households will be eligible for IGA to support livelihoods through climate-smart activities.** The IGA grant will be increased from CFAF 200,000 (~US\$364) to CFAF 250,000 (~US\$455) per household to enable a larger productive investment and disbursed in two installments. The payment intervals will be reviewed and reduced in line with lessons learned from the Lisungi projects. The IGA grants will continue to support small scale activities such as agriculture and animal husbandry, retail, and services to diversify livelihoods and build resilience. Households will be supported to use climate-smart techniques, for instance by reducing their use of pesticides, promoting use of organic seeds, natural fertilizers, and soil conservation methods. A pest and pesticide management plan will be developed by the project. Specialized Non-Governmental Organizations (NGOs) will provide support to households to identify profitable, sustainable livelihoods and connect to local value chains, prioritizing sectors that offer promising economic opportunities while also contributing to climate change mitigation and adaptation. The accompanying measures will also provide information on access to markets and prices, to enable beneficiaries to maximize profits and savings, helping them build resilience to climate change. Women will make up at least 50 percent of IGA grant recipients to help narrow the gender gap in access to productive assets. A recent World Bank's assessment of the IGA component under the parent project highlighted lessons learned which are integrated as part of the AF.³² These include the need to: (i) invest in and leverage women's groups, in particular savings groups, to improve women's social capital and support networks; (ii) provide quality training tailored to the needs of women in general and of refugee and indigenous women in particular; (iii) strengthen follow-up and coaching of beneficiaries; (iv) engage men and boys in support of women's economic activities; and (v) increase youth participation by encouraging heads of households during the communication campaign and enrollment to assign younger household members as IGA project holders. In terms of sequencing, the IGA will be made available at least three months after the regular cash transfer has begun, to ensure that basic needs are being met and that accompanying measures and training have begun. This component will include capacity development for the NGOs delivering accompanying measures and training to incorporate these lessons.

Revised Component 3: Strengthening the Social Protection System (additional US\$3.6 million equivalent, new total: US\$6.1 million equivalent)

41. **The AF will continue to provide support to improve the performance and shock-responsiveness of the social safety net by investing in the development of social protection delivery systems.** Leveraging investments made under Lisungi SSNP and LECRP, this sub-component will focus on: (i)

³² World Bank (2022). *L'Inclusion Economique des Femmes et des Jeunes au Congo-Brazzaville. Perspectives sur le Programme d'Appui aux Activités Génératrices de Revenus* (The Economic Inclusion of Women and Youth in Congo-Brazzaville. Perspectives on the Program for Support to Income-Generating Activities).



scaling-up the digital government-to-person payment system piloted during the COVID-19 ECT to promote financial inclusion among the majority-women cash transfer recipients and promote efficient shock response; (ii) strengthening further the social registry by enhancing interoperability with other administrative databases to improve coordination of social assistance interventions across government institutions, civil society, and development partners; (iii) support the strengthening of the safety nets system to respond to future shocks and crisis through related studies and technical assistance; (iv) supporting the development of a non-contributory social protection system architecture through relevant studies and the elaboration of charters and legislative acts and regulations necessary to establish specialized agencies or funds; and (v) reinforcing the implementation capacity of MASAH at the central and local levels and, in particular, of the social assistance offices (*Circonscription d'Action Sociale*, CAS), to improve the network for client interface including the intake and registration of poor households with people with disabilities. Developing a digital payment ecosystem for the safety net is crucial to ensure the resilience and efficacy of the delivery chain, in particular when facing climate shocks such as floods. Digital transfers can allow for the beneficiaries to receive their payments despite limited access to their area and their potential relocation following a disaster. They also can be leveraged very rapidly in case of shock, allowing for increased effectiveness in comparison with other payment mechanisms. The component will also strengthen the existing grievance mechanism to make the handling of GBV cases more survivor centric. The component will finance consultant services, goods, and small scale works where needed to renovate existing social protection offices in the regions covered by the project.

42. **The component will finance the following:** (i) Technical Assistance (TA) to MASAH for preparing and implementing a social protection strategy to plan and coordinate the social safety net system through technical advisory services and workshops; (ii) TA, assessments, and training in order to expand the coverage and increase the use of the Social Registry, including through combining the registry with other data sources for future scale-up of social safety nets programs; (iii) gradual adoption and transition to electronic payments through analyses and audits of the current payment systems and development of mobile payment modules (including through bank accounts, digital wallets, and mobile money); (iv) TA to design and implement adaptations to existing SSN delivery mechanisms to respond to new and urgent needs, including early warning systems; (v) studies of legislative and regulatory acts necessary to create specialized agencies or funds in the social protection system; (vi) strengthening the network for client interface at central and local levels, including for social assistance offices, including through small scale renovation works for selected social protection offices.

Revised Component 4: Project management, monitoring and evaluation (additional US\$8 million equivalent; new total: US\$11 million equivalent)

43. Under Component 4, the AF will continue financing costs related to project management, audits, communication, training, and M&E. The allocation to the component is being increased to reflect the extended project duration. The project's overall management costs remain capped at 15 percent of the financing.

New Component 6: Productive Inclusion for Vulnerable Youth (US\$44.2 million equivalent)

44. **This component will provide financial support and technical assistance to develop and strengthen skills development, self-employment, entrepreneurship of selected vulnerable youth aged 18-35 in urban and peri-urban areas, with a specific focus on young women.** Two categories of youth will be targeted: (i) vulnerable youth who are un- or underemployed in the informal sector and interested in receiving support to start or expand IGAs; and (ii) vulnerable youth who wish to learn a trade and



subsequently to pursue either self- or wage employment. The activities will contribute to providing a short-term solution to RoC's persistent underemployment challenge by improving the productivity and revenues of self-employment activities in the informal sector and providing linkages to complementary services. Beneficiaries will receive a comprehensive economic inclusion support package, including climate adaptation awareness-raising activities, based on international best practice as well as lessons learned from the Lisungi and PDCE projects, to increase their productivity and earnings.

45. **Building on growing evidence that a bundled package of support is effective at improving earnings and economic resilience among poor households, Component 6 will provide a comprehensive economic inclusion support package tailored to specific urban and peri-urban youth challenges and opportunities.** It will target vulnerable youth and aim to leverage the more dynamic urban markets to connect beneficiaries to promising value chains, prioritizing sectors that offer promising economic opportunities while also contributing to climate change mitigation and adaptation. The productive inclusion package would prioritize climate resilient sectors and value chains to help reduce vulnerability to climate shocks, in particular floods, affecting the livelihoods of the targeted population. While the package is streamlined relative to the original 'graduation approach' model, it includes linkages to financial services and potential referrals to complementary services that can extend beyond the duration of the intervention.

46. **The bundled package will include two distinct sub-components:**

(a) Sub-component 6.1 – Self-employment training: Selected youth will receive life and micro-entrepreneurship training for a period of up to a month, during which a transportation allowance will be provided to offset the additional costs related to their participation in the training. At the end of the training, youth will be encouraged to identify an IGA in pre-identified promising sectors or value chains for self-employment. Beneficiaries will receive a productive grant to implement their IGA, conditional on drafting an IGA business plan and satisfactory performance in implementing IGAs. Mentoring sessions will be provided over the course of six months following the delivery of the productive grant.

(b) Sub-component 6.2 – Apprenticeship training: A subset of beneficiaries who are not involved in a specific activity will be provided with apprenticeship in specific trades over a period of 6 to 9 months depending on the trade, during which they will receive a transportation allowance to offset the additional costs related to their participation in the program. They will receive technical training and on-the-job training activities in selected sectors, basic literacy, numeracy and life skills training, and materials, toolkits, and small equipment necessary for apprenticeship. Graduates of the apprenticeship program will receive a start-up grant to acquire equipment to start businesses in selected trades.

47. **The new component will focus on vulnerable youths who are out of school, unemployed, or involved in an activity in the informal sector, and residing in urban and peri-urban areas of Brazzaville, Pointe-Noire, Dolisie and Ouesso.** The component will primarily target young informal sector workers who are "subsistence entrepreneurs" (that is, self-employed due to lack of other opportunities or skills) and youth, especially young women, who are out of the labor force or unemployed, and who are vulnerable to climate shocks. This group is very distinct from the extremely poor households, which are concentrated in rural areas and supported through Component 2. The number of direct beneficiaries for sub-component 6.1 is estimated at 40,000 youths based on a unit cost of US\$820. And approximately 5,000 youths will be provided with the apprenticeship package under sub-component 6.2 with estimated



total unit cost of approximately US\$1,600 (excluding the productive grant). It is expected that female beneficiaries will make up 60 percent of the total.

48. **By improving earnings, economic resilience, and food security for vulnerable youth and their households in urban and peri-urban areas, the component will make a direct contribution to climate change adaptation.** The livelihoods for vulnerable youths are threatened by increasingly frequent and more intense environmental risks and climate-induced natural disasters (e.g., flooding, erosion and landslides, and groundwater pollution). The integrated package of support thus tackles two challenges by: (i) increasing income, building assets and promoting the resilience to shocks of poor and marginalized urban and peri-urban youth; and (ii) promoting the adoption of climate sensitive and mitigation activities such as reforestation, renewable energy (in particular solar), and sustainable agriculture. In addition, awareness to climate risks will be raised during the skills training and mentoring activities. The productive inclusion package will contribute, through both sub-components, to building community resilience to climate shocks by promoting livelihood diversification, the adoption of climate-smart techniques, and providing climate awareness raising and information about markets.

49. **The component activities will be implemented based on LECRP and PDCE best practices through local NGOs and/or service providers (including those with a successful performance track record in similar activities) based on geographical reach and specialization, and closely supervised by the PIU.** Through a competitive bidding process, one or more NGOs/service providers with experience in the design and implementation of economic inclusion interventions for youth will be contracted to finalize the design of the interventions including developing training curriculum, build the capacity of the PIU and local NGO staff for the implementation of the interventions, and offer coordination support across interventions and implementing partners to ensure timely and standardized rollout. Sub-component 6.2 will be implemented in partnership with the MTPE through a delegated implementation agreement or another modality, that will be specified in more detail in the Project Implementation Manual (PIM). Accredited payment agencies will be contracted by the PIU to administer payment of productive grants to eligible beneficiaries using digital payments. The project will draw on existing life skills and micro-entrepreneurship training materials from LECRP and PDCE taking stock and adapting them to the specific needs of beneficiaries in line with the labor market. The procurement process, including responsibilities, selection criteria, and sequencing of the different service providers, will be described in more detail in the PIM based on the current implementation modalities of LECRP and PDCE. PIU staff structure will be reinforced with additional staff to support implementation of the component. Staff currently working in PDCE PIU could potentially be hired to support implementation of sub-component 6.2.

50. More details on each sub-component training package, beneficiary identification, flow of funds, market linkages, and implementation arrangements are provided in Annex 1.

Project beneficiaries:

51. The changes in the categories and number of beneficiaries as a result of the AF are presented in Table 1 below. Component 2 beneficiaries will continue to be poor households and their members in urban and rural areas vulnerable to negative impacts of climate change. Women will make up at least 60 percent of the direct beneficiaries of the IGA grants to contribute to close the gender gap in access to



productive assets. The cash transfers will also support persons with disabilities, elderly people, and refugees.

52. The beneficiaries of Component 6 will be youth aged 18 to 35 in urban and peri-urban areas vulnerable to negative impacts of climate change. Two categories of youth will be targeted by the project: (i) vulnerable youth who are un- or underemployed in the informal sector and interested in receiving support to start or expand IGAs (self-employment package); and (ii) vulnerable youth who wish to learn a trade and subsequently to pursue either self- or wage employment (apprenticeship package). The number of beneficiaries will be disaggregated by sex in the project monitoring. Women will make up at least 60 percent of beneficiaries.

Table 1. Revised Project Beneficiaries by Component

	# direct beneficiaries in parent project	# direct beneficiaries in parent project + AF	# total beneficiaries (including indirect beneficiaries ³³)
<i>Component 1</i>			
Households benefiting from ECTs	200,000	200,000	1,000,000
<i>Component 2</i>			
Households benefiting from recovery program	20,000	40,000	200,000
Elderly beneficiaries living alone provided with cash transfers	3,000	8,000	8,000
<i>Component 6</i>			
Youth provided with income earning opportunities (both self-employment and apprenticeship packages)	NA	45,000	225,000

53. Climate vulnerability has been considered as part of the projects’ targeting strategy, aiming at promoting climate smart activities of those populations most affected by environmental risks and climate-induced natural disasters, such as floods.

54. The Results Framework is revised to reflect: (i) the expected increase in some indicator targets related to activities financed by this AF; (ii) adjustment in activities supported by the Parent Project; and (iii) the project timeline. Main changes to the Results Framework are described in Table 2, it does not include indicators with revised date for end target.

³³ Benefits are expected to exceed those to direct beneficiaries by improving living standards and well-being for the entire household. Number of total beneficiaries is based on average household size of 5 members.



Table 1. Proposed Changes to the Results Framework

	Revised Indicator	Original Target	Revised Target	Comments
PDO Indicators				
Households benefiting from recovery program (number)	(Change in target value)	20,000	40,000	The AF will extend the coverage of CCT/IGA from 20,000 to 40,000 vulnerable households in the country.
Youths provided with income earning opportunities (number)	New indicator	n.a.	45,000	This change reflects the new component aiming to provide training and a productive grant to 45,000 youths aged 18 -35.
Intermediate Results Indicators				
Beneficiaries of social safety net programs (number- Corporate Result Indicator [CRI])	(Change in target value)	800,000	1,200,000	The project exceeded the initial target of 800,000 beneficiaries. As of December 2021, 976,648 persons benefited from the project. The target is revised upwards.
Beneficiaries of social safety net programs – Female (number-CRI)	(Change in target value)	400,000	600,000	Same as above, disaggregated by sex.
Beneficiary households living with at least one individual with a disability (number)	New indicator	n.a.	1,000	The AF extends the eligibility criteria of CCT to include poor households with persons with disabilities.
Beneficiaries of the pension program (cash transfers) (number)	New indicator	0	7,000	The indicator is introduced for the category of the vulnerable elderly receiving cash transfers.
Beneficiaries of cash transfers satisfied with the program (percentage)	New indicator	n.a.	60	This indicator tracks beneficiary satisfaction with the recovery program
Households reporting increased resilience to shocks (percentage)	New indicator	n.a.	45	This indicator assesses the proportion of beneficiary households who avoid negative coping strategies in case of shocks.
Households registered in the social registry (number)	(Change in target value)	300,000	857,000	Under the ECT, the RSU registered two thirds of the population reaching 831,376 households. The target is revised to reflect the current status of the RSU and additional households to be surveyed with the AF.
Timely payment of cash transfers (percentage)	Yes	80	60	Revised target based on project context and experience to date.
Grievances documented, processed and addressed within 30 days (percentage)	Yes	80	80	The number of days to manage grievances increases from 20 to 30 to reflect current PIU capacity.



	Revised Indicator	Original Target	Revised Target	Comments
A roadmap for implementation of an early warning system is available (yes/no)	New indicator	n.a.	Yes	The AF will continue to support the development of an adaptive SP system through support for an early warning system in RoC.
MASAH deconcentrated staff who have benefited from capacity building (number)	New indicator	n.a.	850	The AF will finance training to reinforce MASAH staff, like CAS workers.
Beneficiaries of labor market programs (number-CRI)	New indicator	n.a.	45,000	This is related to the new component 6 on productive inclusion for youths and is a CRI to track the number of beneficiaries of Labor Market programs.
Beneficiaries of labor market programs – Female (number - CRI)	New indicator	n.a.	27,000	Same as above, disaggregated by sex
Youths benefiting from the self-employment package (number)	New indicator	n.a.	40,000	This change reflects the new component aiming to provide training and a productive grant to 40,000 youths aged 18-35 for self-employment.
Youths benefiting from the self-employment package - of which women (percentage)	New indicator	n.a.	60	It is related to the above and captures the objective to target more women given their higher vulnerability.
Youths benefiting from the apprenticeship package (number)	New indicator	n.a.	5,000	Like the previous, this indicator tracks the youths aged 18 -35 who will attend the apprenticeship program and benefit from a seed grant under the productive inclusion package.
Youths benefiting from the apprenticeship package - of which women (percentage)	New indicator	n.a.	60	Same as above, to capture the share of women
Young people who completed the training for the apprenticeship program (percentage)	New indicator	n.a.	80	This indicator measures the proportion of youth who will complete the training for the self-employment track.
Young people who completed the training for the self-employment track (percentage)	New indicator	n.a.	80	This indicator tracks the proportion of youth who will complete the training for the self-employment track.
Youth beneficiaries satisfied with the training program (percentage)	New indicator	n.a.	80	This indicator tracks beneficiary satisfaction under Component 6.
Trained beneficiaries who received the productive grant (percentage)	New indicator	n.a.	90	This indicator tracks the proportion of beneficiaries who will complete the training program and benefit from the productive grant.



	Revised Indicator	Original Target	Revised Target	Comments
Beneficiaries with active IGAs at least six months after the end of the program (percentage)	New indicator	n.a.	80	This indicator tracks the sustainability of IGAs six months after their implementation.

D. Budget and Financing

55. **Total cost of the proposed additional activities is US\$83 million equivalent.** Table 3 presents revised costing of the project by component.

Table 3. Revised Project Costs by Component (US\$, millions)

Component Name	Current Allocation (Parent Project)	Proposed AF	Proposed Total Project Cost (Cumulative)
Component 1: Emergency Cash Transfers for COVID-19 Response	20.0	0	20.0
Component 2: Scaling up Lisungi Program for Recovery	24.5	27.2	51.7
Component 3: Strengthening the Social Protection System	2.5	3.6	6.1
Component 4: Project Management, Monitoring and Evaluation	3.0	8.0	11.0
Component 5: Contingency Emergency Response	0	0	0
New Component 6: Productive Inclusion for Vulnerable Youth aged 18-35		44.2	44.2
TOTAL	50.0	83.0	133.0

56. **The closing date of the project will be extended from December 31, 2022, to June 30, 2027.**

E. Implementation arrangements

57. The implementation arrangements will overall remain the same as in the parent project, with some adjustments. MASAHA will have the overall responsibility for the implementation of the project and Lisungi PIU 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 Ministry of Vocational and Technical Education, and the Ministry of Youth, Sport, Civil Education, Skills Training, and Labor. 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.



58. During the project implementation period, the PIU together with MASAH will hold the responsibility for defining project implementation strategies, developing annual workplans and budgets, procurement plans, and progress reports for the project.

59. MTPE will be responsible for technical implementation of all activities under sub-component 6.2 (including the administration of start-up grants), under a delegated implementation agreement or another modality, that will be specified in more detail in the PIM. Regardless of modality chosen, Lisungi PIU will retain responsibility for fiduciary and safeguards aspects of activities carried out under sub-component 6.2.

60. Fiduciary management (FM, disbursement, and procurement) will be implemented by Lisungi PIU. To carry out the fiduciary responsibility, the PIU will: (i) work together with 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 PIU 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 World Bank 45 days after the end of each quarter. The Lisungi PIM will be updated with annexes with detailed implementation arrangements for Component 6. The PIM Annexes related to Component 6 (Productive Grant Manual and Start Up Grant Manual) will be developed and adopted before disbursements can happen under this component.

61. Lisungi PIU, consisting of the following core staff: (i) a project coordinator; (ii) an administrative and financial specialist; (iii) a procurement specialist; (iv) an environmental specialist; (v) an accountant; (vi) a social specialist; and (vii) a GBV expert, will be strengthened with additional staff to support the implementation of the project with specific focus on the fiduciary management and the new component. The additional personnel to be hired by the PIU within three months of project effectiveness include: (i) one technical specialist to work on productive inclusion activities under Part 6.1 of the project; (ii) a financial management specialist; and (iii) an M&E specialist, all with terms of reference, experience and qualifications satisfactory to the World Bank and to help with the increased volume of project activities. Additional staff for sub-component 6.2 could potentially be hired from among the current staff of PDCE PIU.

III. KEY RISKS

62. Overall risk rating for the project has been increased from Moderate to **Substantial**. Key risks that are rated Substantial and their mitigation measures are discussed below.

(a) **Political and governance risk (Substantial)**. Political risk is related to insufficient understanding of the role of the SSN agenda among policy makers, which could result in insufficient support to project activities and to SSN agenda in general. Governance risk is related to unclear and overlapping mandates among government agencies as well as poor coordination of safety net, youth employment, and entrepreneurship support interventions at both central and local levels. The political risk will be mitigated through an outreach and media strategy engaging key policy makers and showcasing positive impacts of the project activities. The governance risks will be mitigated



partly through an expanded Steering Committee and deliberate coordination efforts to bring the various project stakeholders together around a shared vision. To address elite capture and corruption risks, the World Bank will provide technical assistance to the PIU to develop procedures minimizing such risks in the PIM at the preparation stage. In addition, the function of internal and external audits, including special audits and random spot checks will be reinforced.

- (b) **Technical design of project (Substantial).** The project includes a mix of interventions to promote economic inclusion and micro-entrepreneurship that have proven effective in similar contexts. However, expanding the menu of interventions adds implementation and coordination complexity. To mitigate this risk, the project will rely on technical and operational assistance from specialized NGOs or firms for the implementation of Component 6. The PIU will continue to oversee all aspects of the implementation of the core safety nets activities under Component 2. The hired NGOs or firms will further be tasked with capacity building and knowledge transfer to government structures to enable a gradual handover of implementation during the project lifetime or following project closure to ensure sustainability.
- (c) **Institutional Capacity for Implementation and Sustainability (Substantial).** The project includes multi-sectoral activities that may pose implementation capacity challenges. Risk will be mitigated by leveraging existing investments in delivery systems and capacity building under the MASAH-based PIU as well as reliance on specialized NGOs or firms for the implementation of new activities. During the project implementation period, the resources under Component 4 will help strengthen coordination and supervision across all implementing partners and other stakeholders. In addition to capacity and systems building, the project will enable continued policy dialogue on the institutionalization of safety nets programs to contribute to their sustainability. Discussions have been held with MASAH and the PIU on hiring additional fiduciary and safeguards staff to reinforce the PIU (as detailed in the implementation arrangements section). Short-term consultants will also be hired to provide support 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.
- (d) **Fiduciary (Substantial).** RoC's portfolio is characterized by high fiduciary risks and fragility. There have also been frequent cases of procedural non-compliance in the portfolio. Payments for cash transfers which will make up at least 70 percent of the project's activities have high fiduciary risks, and the PIM will include details on the management of cash transfers activities. The PIU will be strengthened with additional procurement and FM staff and will continue to benefit from trainings and technical assistance from the World Bank staff on fiduciary issues.
- (e) **Environment and Social (Substantial).** Potential key risks include: (i) non-compliance with the World Bank's Environmental and Social Framework's (ESF) provisions on labor and working conditions, in particular within implementing partners, PIU teams and Consultants (for example during field surveys, ESS2 applies to these activities); (ii) community health and safety risks (HIV/AIDS, COVID-19, Sexual Exploitation and Abuse/Sexual Harassment [SEA/SH]) related to the interaction with local populations; and (iii) road safety risks. These risks and impacts will be mitigated through the Labor Management Procedure (LMP) that has been developed by the project. The main social risks and impacts include: (i) the risks of exclusion and exacerbating existing inequalities for marginalized and vulnerable social groups within targeted communities (including the indigenous peoples, disabled,



poor women and girls, minorities, and displaced persons and/or refugees); and (ii) potential conflicts may occur between community members and within households following cash transfers to beneficiaries; those conflicts could contribute to exacerbate risks of GBV and Intimate Partner Violence (IPV). These risks will be mitigated through the ESF instruments, such as the Indigenous Peoples Planning Framework and GBV action plan, that have been developed by the project and will be updated four months after effectiveness.

- (f) **Stakeholders (Substantial).** As mentioned above, potential political interference and opposition to the program of activities may hinder project implementation. The risk is being mitigated through proactive engagement of MASAHA with key stakeholders such as the parliament and political parties represented therein, religious and other civil society organizations. The Lisungi program enjoys support at the highest political levels, as reiterated recently by the presidency. Scaling up of the SSN is also backed under the framework of the country's engagement with the International Monetary Fund (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.
- (g) **Other: Exposure to COVID-19 (Substantial).** Field workers who will be deployed in urban neighborhoods and activities involving contact with the population, particularly in Component 6, may be exposed to infection. To minimize the risk, they will receive adequate training. They will also be provided with personal protective equipment. The project will also sensitize beneficiaries to vaccinate as a way to mitigate the risk of spreading infection among them and among the staff of implementing partners, and in compliance with country policy.

IV. APPRAISAL SUMMARY

A. Economic Analysis

63. **The project will contribute to further reducing poverty, building human capital, enhancing productivity, and creating jobs**, all of which are critical pre-requisites for sustained economic growth, achieving the goals of the 2022-2026 PND and transforming RoC into a competitive middle-income economy.

64. **The design of each component follows international best practices and findings from impact evaluations of programs that have proven to reduce poverty, encourage more productive income generating activities, promote human capital accumulation and women's empowerment.** The project's comprehensive approach addressing both the demand and supply sides of the labor market, as well as its efforts to improve the capacity of the Government of Congo to design and implement effective social protection and employment programs, are expected to generate social and private benefits.

65. **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-being³⁴.** Productive inclusion is at the heart of Component 2 which combines regular cash transfers, intended to act as consumption support, with the transfer of a productive asset, trainings,

³⁴ 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



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 IGA grants to purchase productive assets, skills development, and financial services. An evaluation of this approach in six countries including Ethiopia and Ghana showed statistically significant impacts on all 10 key outcomes or indices, including consumption, food security, assets, and mental health³⁵. 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 years³⁶. 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 Taffesse (2009)³⁷ 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. More recent evaluations also demonstrate that economic inclusion programs can deliver on a range of women's empowerment outcomes.³⁸

66. Cash transfers are further proven to generate multiplier effects on local economies and reduce the intragenerational transmission of poverty. In projects across the region,³⁹ it was observed that safety nets programs affect not only beneficiary households but, through local economy effects and spillovers, can improve outcomes for other households in the community as well. Income gains among non-beneficiaries are typically mediated through increased demand for goods and services in the retail and agriculture sectors in local markets. Overall, the local economy multipliers are estimated to range from 1.08 to 1.84.⁴⁰ Each dollar transferred to a poor household is, therefore, projected to add more than a dollar to the local economy.

67. The benefits of the economic inclusion also apply to vulnerable youth. International evidence on the effects of training and economic inclusion programs for disadvantaged youth suggest that participants will increase their probability of being employed and experience labor income gains. A randomized evaluation of a graduation program across six countries conducted a thorough cost-benefit analysis: using total consumption as the measure for benefits, the total benefit-cost ratios, ranging from 133 percent in Ghana to 410 percent in India, indicate that (with the exception of Honduras), the programs all had benefits greater than their cost.⁴¹ In Uganda, the Youth Opportunities Program (YOP) increased earnings for poor and uneducated beneficiaries in remote areas by 41 percent, with 65 percent

³⁵ 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

³⁶ Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., & Sulaiman, M. (2013). Can basic entrepreneurship transform the economic lives of the poor?

³⁷ 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.

³⁸ Bossuroy, Thomas; Goldstein, Markus; Karlan, Dean; Kazianga, Harounan; Pariente, William; Premand, Patrick; Thomas, Catherine; Udry, Christopher; Vaillant, Julia; Wright, Kelsey. 2021. Pathways Out of Extreme Poverty: Tackling Psychosocial and Capital Constraints with a Multifaceted Social Protection Program in Niger. Policy Research Working Paper; No. 9562. World Bank.

³⁹ Ethiopia Social Cash Transfer Pilot Program, in LEAP in Ghana, in the OVC program in Kenya, in the Lesotho Child Grants Program, in the Zambia Child Grant Program, and in the Zimbabwe Harmonized Social Cash Transfer Program

⁴⁰ Ralston, Laura; Andrews, Colin; Hsiao, Allan. 2017. The Impacts of Safety Nets in Africa: What Are We Learning? Policy Research Working Paper No. 8255. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/28916> License: CC BY 3.0 IGO

⁴¹ Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. "A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries." *Science* 348, no. 6236 (May 14, 2015): 1260799–1260799



of beneficiaries more likely to practice a skilled trade and 17 percent to work more hours. YOP beneficiaries were also 40 percent more likely to keep records, register a business, and pay taxes.⁴² Similarly, the Women's Income Generating Support program in Uganda, enabled beneficiaries to double the monthly cash earnings and tripled cash savings as compared to a control group, one year after the intervention⁴³.

68. Impact evaluations of productive inclusion programs which include socio-emotional skills and psychosocial interventions showed promising results. For example, in Niger, beneficiaries who received cash transfer, psychosocial interventions and a productive lump sum or "capital package" showed large positive effect on consumption and food security of 126 percent for the six and 18 months after the intervention. The benefit to cost ratio of the full package which included psychosocial interventions plus cash grants was 95 percent compared to the intervention with the cash grant only at 58 percent. This emphasizes the importance of addressing capital constraints as well as psychosocial constraints. Similarly, in Togo, personal initiative training had positive and significant effects on sales and profits of male and female-led micro-enterprises and generated a 91 percent return on investment. Preliminary results in Benin also highlighted the strong impacts of business and life skills trainings on skills, profits and earnings over time despite capital constraints and limited investments in productive assets. Moreover, providing information on earnings in traditionally male-dominated sectors and early exposure through apprenticeships and female role models can also encourage female entrepreneurs to enter these sectors.

69. A simple model to calculate the net present value of this component finds that the component is cost-effective. The per beneficiary cost of component 2.1 in urban areas is estimated at CFAF 423,750 (US\$820). A review of economic inclusion programs⁴⁴ documents large variation in the cost per beneficiary, which ranges from US\$41 to US\$2,253 (in 2011 purchasing power parity, PPP) depending on context, package of interventions, and delivery modality. With an estimated unit cost of US\$820, sub-component 6.1 falls in the lower half of the range. Using estimates from a comparable project in Afghanistan (23 percent income gain) and Uganda (41 percent income gain) as the lower and upper bounds, the net discounted present value per beneficiary is estimated between US\$-22 and US\$740.

70. Several lessons have been learned from the assessments of the apprenticeship, technical training, and internships programs of PDCE to improve the design of this project. The Youth Training Satisfaction Survey undertaken with the project's first cohort highlighted: (i) the lack of training in technical and professional skills related to their areas of work; and (ii) the lack of access to microcredit needed to strengthen their businesses and improve their earnings. Thus, there is a strong demand from youth for these programs and more than 20,000 eligible youth who applied for the training programs of PDCE are still on a waiting list. In addition, 97 percent of apprentices were satisfied with the program with a completion rate of 90 percent and are currently being trained to pursue self-employment. Under the skills training and internship track, a total of 1,841 youth has been trained. Of the 1,517 youth who completed their training as part of the second cohort in February 2020, 118 (seven percent) of youth were employed by a firm at the end of the internship and 67 percent of youth said they were moving toward self-employment, compared to 22 percent for salaried employment. As stated earlier, one of the

⁴² Christopher Blattman, Nathan Fiala, Sebastian Martinez, Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda, *The Quarterly Journal of Economics*, Volume 129, Issue 2, May 2014, Pages 697–752, <https://doi.org/10.1093/qje/qjt057>

⁴³ Blattman, Christopher, Eric P. Green, Julian Jamison, M. Christian Lehmann, and Jeannie Annan. 2016. "The Returns to Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda." *American Economic Journal: Applied Economics*, 8 (2): 35-64

⁴⁴ The State of Economic Inclusion Report 2021



main issues is lack of access to microcredit for vulnerable youth, and this operation aims to address this issue by providing start up cash grant to finance income generation.

71. **Evidence from the Lisungi SSNP is in line with the literature on the positive effects of targeted cash transfers.** Midterm evaluations of Lisungi SSNP show that the CCTs have increased expenditure per adult equivalent in beneficiary households by 30.5 points compared to non-beneficiaries and that beneficiary households score higher on a resilience index. Social safety nets also play an important effect in long-term growth through nutritional and productivity pathways. Hill, Skoufias, and Maher (2019) show that the costs of weakened nutrition resulting from disasters represents 3.9 percent of initial income per capita.⁴⁵ This also includes positive effects on local economies and investments toward productive activities. These impacts are well-documented in the literature that includes a growing number of studies in Africa.

B. Technical

72. **Component 2: CCT and IGA.** To further strengthen human capital, coverage under the AF will be expanded to include households with older children (up to the age of 20) to incentivize adolescents to complete secondary school, given low completion rates and the increased risk of permanent drop-out post pandemic, especially for girls. Coverage will also be expanded to include poor households with people with disabilities. TA will support the development of protocols to identify and enroll poor households with people with disabilities. Based on an assessment of the parent project and recent evidence, the accompanying measures will be strengthened to leverage their potential to empower women, engage men, and reduce gender-based violence.⁴⁶ This will include dedicated, behaviorally informed sessions to encourage joint planning and shared aspirations between husbands and wives, as well as communication and conflict resolution skills. TA will be brought in to build the capacity of NGOs delivering the accompanying measures. This TA will also include measures to strengthen the implementation of the IGA activities in line with recent evidence on women's economic empowerment.⁴⁷ This will include leveraging existing women's groups such as savings groups to strengthen women's social capital and support systems. TA will also include livelihood analysis to support households to identify profitable and sustainable livelihoods and connect to local value chains.

73. **Component 6: Productive inclusion for youth.** This component builds on lessons learned from the experiences of the Lisungi projects, PDCE, and global evidence. Under the Lisungi SSNP, youth are underrepresented among beneficiaries of IGA intervention, while young beneficiaries of PDCE have limited job opportunities after the project. In addition, lack of access to finance is one the major constraints of beneficiaries across both projects, according to project evaluations⁴⁸. For instance, the Youth Training Satisfaction Survey undertaken with the PDCE's first cohort on the "training of micro-entrepreneurs in the management of a micro-enterprise" highlighted: (i) the lack of training in technical and professional skills related to their areas of work; and (ii) the lack of access to microcredit needed to strengthen their businesses and improve their earnings. Thus, this component will target vulnerable

⁴⁵ Hill, Ruth; Skoufias, Emmanuel; Maher, Barry. 2019. The Chronology of a Disaster: A Review and Assessment of the Value of Acting Early on Household Welfare. World Bank

⁴⁶ World Bank (2021), Safety First: How to leverage safety nets to prevent gender-based violence.

⁴⁷ World Bank (forthcoming): PEI entry points for women's economic inclusion

⁴⁸ Assessment of the Lisungi program financed by the RSR grant and Assessment of the first two cohorts of PDCE program.



youth aged 18-35 and will integrate activities combining training on specific trades, productive grants, financial services, coaching, mentoring, and linkages to market access. As mentioned in the economic analysis, these activities can improve employment, productivity, and earnings for disadvantaged youth. The project focuses on self-employment given the lack of opportunities in the formal sector. For instance, of the 1,517 youth who completed their training as part of the second cohort of PDCE in February 2020, only 118 (seven percent) were employed by a firm at the end of the internship and 67 percent of youth said they were moving toward self-employment, compared to 22 percent for salaried employment.

74. **Component 6 will target vulnerable youth in urban and peri-urban areas of Brazzaville, Pointe Noire, Dolisie and Ouesso.** The focus is on urban and peri-urban areas since a higher share of youth are employed in rural areas than in urban areas, by over 20 percent⁴⁹. In addition, frustrated youth living in poverty, fuel dynamics of insecurity such as the gangs (*bébés noirs*) operating in peri-urban areas.⁵⁰ In Brazzaville and Pointe Noire which are covered by PDCE, the project will draw on the pool of surveyed vulnerable youth which have not been covered due to limited project budget. In other cities, a new call for applications will be launched. The project will target a total of 45,000 youth with the integrated package of productive inclusion services. Around 40,000 youth will receive the self-employment training (sub-component 6.1). In addition, around 5,000 youth will be provided with on-the-job training or apprenticeship (sub-component 6.2). The training curriculum for each sub-component will be aligned with the government priorities and the research on promising trades carried over by PDCE "Study of growth sectors and an analysis of labor force development". One or more firms will work with the Vocational Training Engineering Unit (*l'Unité d'ingénierie de formation professionnelle*) of the MTPE and Lisungi PIU to assess existing training materials, to enhance and to develop a certified training curriculum with a focus on climate smart and digital technologies. Beneficiaries of the self-employment sub-component will receive a productive grant of US\$500 to start their business in line with the regional practice. Graduates of the apprenticeship program sub-component may receive larger grants (between US\$800 and US\$1,000) to account for more expensive equipment that they may need to launch their micro-enterprises. Productive/ seed grants will be based on business plan proposals. Across Components 2 and 6, combining training with productive grants aims to increase beneficiaries' human and financial capital.

Gender

75. **The project aims to close gender gaps and empower women through the provision of cash transfers, income generating activities, and by promoting employment for girls and young women.** The project's training components will be designed and delivered to ensure high uptake and participation by women (e.g., making adjustments regarding time and location). The training will deliver modules tailored to women's needs such as negotiation skills or confidence building, and cover topics related to gender bias and sexual harassment to ensure a safe and comfortable working environment for both women and men. The project will aim for parity between men and women for the youth employment component. To incentivize uptake by women, they will be paid a higher stipend. Component 2 aims to close gender gaps related to access to finance and asset ownership by making women the beneficiaries of the asset grant for IGA. While cash transfers for poverty reduction and economic inclusion contribute to reducing the incidence of GBV by alleviating financial stress in beneficiary households, the project team is aware that, if poorly implemented, there can be a backlash against women's economic empowerment. A study

⁴⁹ Youth Profiling study for RoC 2021

⁵⁰ WBG CPF 2020-2024



on GBV in RoC conducted by the World Bank in 2021/22 showed that cash transfers for women may create, in some cases, jealousy and conflicts between husbands and wives and even lead to an increase of GBV cases or the confiscation of the transfers by the husbands/fathers or other family members if they are not accompanied by information campaigns. As awareness raising campaigns on the purpose of the transfers (prior to payment) have proven to be very effective in preventing such cases, they will play a key role in the AF, in particular seminars emphasizing how the whole family (also husbands, fathers, sons, and brothers) benefit from empowered wives, daughters etc. (see also section on accompanying measures). In line with this, the project will further aim to leverage the complementary measures to prevent GBV by engaging men in support of women's economic activities, and promoting shared planning, aspirations and better communication between couples. Where possible, payments will be delivered digitally to enhance women's financial inclusion and autonomy. Under the delivery systems component, the project will strengthen its grievance mechanism to be more survivor-centric for GBV related grievances.

76. While bundled economic inclusion interventions have been proven to improve consumption, employment, earnings, and asset accumulation for poor female beneficiaries, their impacts on non-economic empowerment domains (for example, autonomy, agency, political participation, and mental health) have been modest. Following the recommendations of a recent study on the gender transformative potential of this type of interventions, **the 'self-employment' sub-component under Component 6** will incorporate three key elements: (i) the provision of life skills training, including support to strengthen women's self-esteem and awareness of legal rights; (ii) reliance on a group-based model for the delivery of the skills training and subsequent mentorship support, which allows women a safe space to build social capital and elevate their voice and influence in the community; and (iii) broad sensitization to redistribute care and income-generation responsibilities, reduce the risk of GBV, and challenge accepted gender roles.

Climate co-benefits

77. **The project is aligned with the government's objective to promote economic diversification outside the oil sector.** It supports poor and vulnerable people to invest in productive activities while considering environmental issues. Cash transfers and IGA grants have proven to foster resilience against climate change. They can enhance the households' ability to prepare and protect themselves from shocks and mitigate the adverse effects of climate change. By focusing on poor and vulnerable populations who tend to be the most affected by climate change, the project aims to generate important climate adaptation and mitigation benefits across its components. Particularly, in addition to Brazzaville and Pointe Noire which is home for 60 percent of the population affected by environmental and climate shocks, the project also covers Likouala region where 80 per cent of affected households of the recent floods are located.

78. **Component 2 and Component 6 are expected to improve household resilience to climate-related shocks by enabling them to build savings and assets, diversify livelihoods, and avoid negative coping strategies such as reduced food consumption or school dropout for children.**⁵¹ Under Component 2, household will receive both CCTs and support to IGAs. Thereby, in case of shocks, affected

⁵¹ Premand, Patrick, and Quentin Stoeffler. 2020. "Do Cash Transfers Foster Resilience? Evidence from Rural Niger." Policy Research Working Paper No. 9473, World Bank, Washington, DC. There is also evidence from impact evaluations on Kenya's Hunger Safety Net Program, Zambia's Child Grant Program, and Niger Safety Net Program.



households benefiting from cash transfers will not have to deplete the capital invested in their IGAs. In addition, households will be supported to use climate smart techniques, for instance by reducing their use of pesticides, improving the use of organic seeds, natural fertilizers, and soil conservation methods for those in agriculture. Under Component 6, the project will support technical training and apprenticeships for youths in sectors with the potential to reduce the impact of climate change such as forestry, sustainable agriculture, and clean energy (solar energy in particular) in partnership with the PDCE project and the MTPE. For both components, the project will hire an NGO / firm to develop training materials which are climate sensitive. Across project components, community sensitization and training activities will build awareness on climate risks and adaptation measures.

79. **Under Component 3, the project will support: (i) the development of an early warning system to enable adaptive response to natural disasters and other shocks and linking it with the RSU; and (ii) the digitalization of cash transfers.** The RSU already covers two thirds of the population and is used by other institutions like WFP and AFD to target beneficiaries. It also includes data on geographic vulnerability and coupled with an early warning system, it will improve government preparedness to shocks with a better identification of affected households. Combined with an early warning system and digital payments, it can be used to target and pay households more quickly in case of natural disasters. In fact, MASAH has been mandated to coordinate support activities for those affected during the recent floods, but fiscal constraints limited the government response. According to the ND-GAIN country index⁵², RoC has a high vulnerability score and low readiness to respond to the negative impact of climate change. It has both a great need for investment and innovations to improve readiness and a great urgency for action. Congo is the 48th most vulnerable country and the 8th least ready country⁵³. Thus, all these elements aim to support the government to reduce the risk of climate and geophysical hazards.

C. Financial Management

80. The implementation arrangements of the ongoing parent project will be maintained. The current arrangements provide for Lisungi PIU to be the main implementing unit. To this end, the FM aspects have been reviewed, and the FM arrangements currently in place will remain unchanged. The overall project FM risk is assessed as **Substantial**. The key FM risks relate to: (i) potential ineligible expenditures from expenses not directly linked to the PDO; and (ii) the risk of undue influence of the line ministry in project activities. Following the latest FM implementation support mission in February 2022, the FM performance was rated Moderately Unsatisfactory largely due to inadequate budget monitoring and planning, and noncompliance with the tax exclusive nature of the original financing. Corrective actions identified jointly with the PIU include the development of cost tables for each component, of a chronogram of activities, and of associated disbursement schedule to enable effective management and close monitoring of expenses.

81. In line with the guidelines as stated in the Bank Directive Financial Management Manual for World Bank Investment Project Financing (IPF) Operations issued February 10, 2017, and effective on March 1, 2010, the financial management arrangements of Lisungi PIU have been assessed to determine

⁵² A country's ND-GAIN index score is composed of a Vulnerability score and a Readiness score. Vulnerability measures a country's exposure, sensitivity and ability to adapt to the negative impact of climate change. ND-GAIN measures the overall vulnerability by considering vulnerability in six life-supporting sectors – food, water, health, ecosystem service, human habitat and infrastructure

⁵³ <https://gain.nd.edu/our-work/country-index/>



if the entity has acceptable financial management arrangements in place that satisfy the World Bank’s minimum requirements. These arrangements would ensure that the implementing entity: (i) uses project funds only for the intended purposes in an efficient and economical way; (ii) prepares accurate and reliable accounts as well as timely periodic financial reports; (iii) safeguards assets of the project; and (iv) has acceptable auditing arrangements.

82. The World Bank determined that FM arrangements at Lisungi PIU are adequate for project implementation subject to meeting the following requirements: (i) opening a designated account (DA) for the AF in a financial institution acceptable to the World Bank; (ii) updating the manual of procedures in order to take into account the AF specificities; and (iii) agreeing on the terms of reference for the recruitment of an independent external auditor, acceptable to the World Bank, and completing the recruitment.

83. Disbursement arrangements and flow of funds. For this AF, it was agreed with the government that the eligible expenditures would include taxes. Furthermore, the original financing is being restructured to become inclusive of taxes. The flow of funds will remain as in the original financing, but a separate DA will be opened for the AF in the Congolese Housing Bank (*Banque Congolaise de l’Habitat*) and will be managed by Lisungi PIU.

84. The following table specifies categories of eligible expenditures for the AF.

Table 4. AF Eligible Expenditure

Category	Amount of the Credit Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Training, and Operating Costs for Parts 2, 3, 4 and 6 the project	29,600,000	100%
(2) Emergency Cash Transfers under Part 1 of the project	0	0%
(3) Conditional Cash Transfers under Part 2.1(a) of the project	16,870,000	100%
(4) IGA Cash Transfers under Part 2.1(b) of the project	6,320,000	100%
(5) Emergency Expenditures for Part 5 of the project	0	100%
(6) Productive Grants under Part 6.1(b) of the project	18,050,000	100%
(7) Start up Grants under Part 6.2(d) of the Project	4,060,000	100%
TOTAL AMOUNT	74,900,000	

D. Procurement

85. Procurement will be carried out in accordance with the procedures specified in the World Bank’s Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated November 2020, and the World Bank’s Anti-Corruption Guidelines: Guidelines on Preventing and



Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016. The Project Procurement Strategy for Development (PPSD) was updated to include the procurement activities under the AF. The project’s procurement plan has been updated to reflect the AF procurement activities.

86. Based on the current performance, procurement is rated Moderately Unsatisfactory due to the fact that: (i) despite the emergency nature of this project, many procurement activities are still experiencing delays in their implementation; and (ii) STEP is not yet used as a daily tool to manage procurement activities. Given the additional workload that this AF will cause, the procurement risk before mitigation measures is considered High. This high risk is also due to: (i) the country context and associated risk; and (ii) the PIU’s limited knowledge of the World Bank’s Procurement Framework including the weak contract management capacity. The prevailing risk is considered Substantial provided that the following mitigation measures contained in the action plan below are implemented.

Table 5. Procurement action plan

Risks	Mitigation Measures
Country context and associated risk (fraud and corruption and procurement non-compliance)	(i) Post review of contracts will be scheduled once a year for contracts subject to post review. (ii) Mandatory use of STEP as daily tool to manage procurement activities. (iii) Implementation of the PPSD that includes AF procurement activities.
Weak procurement capacity and workload caused by the AF	Recruit as soon as possible a procurement consultant who will periodically assist the Procurement team in dealing with the procurement activities and strengthen the capacity of the PIU in procurement with a focus on contract management.

E. Legal Operational Policies

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

F. Environmental and Social

87. The combined environmental and social (E&S) risk for the AF is rated Substantial. The environmental risk of the project is considered Moderate. The activities under Components 2 and 6 do not entail major works that have the potential to cause environmental degradation. The activities under the new Component 6 will entail IGAs which are generally small-scale subsistence activities like gardening, rearing of ruminants in peri-urban areas, and petty trade in urban areas. The potential for these activities to generate adverse impacts remain low to moderate magnitude, temporally and localized impacts. The potential key adverse risks that might be associated with these activities might include: (i) risk of labor



and working conditions that do not comply with the ESF provisions, in particular in activities of the PIU, their consultants and implementing partners; (ii) risks related to community health and safety (HIV/AIDS, COVID-19, SEA/SH); and (iii) road safety risks related to traffic accidents. The project's social risk is considered Substantial. The AF is expected to have mostly positive social effects as it will contribute positively to employment and economic inclusion of vulnerable groups, namely youth, women, refugees and Internally Displaced Persons (IDPs) through Components 2 and 6. The anticipated key social risks include: (i) exclusion and exacerbating existing inequalities for marginalized and vulnerable social groups within communities (including the indigenous peoples, disabled, poor women and girls, minorities, and refugees) being unable to access benefits from the project; (ii) potential conflicts may occur between community members and within households following cash transfers to beneficiaries; those conflicts could contribute to exacerbate risks of GBV and IPV; (iii) health and safety risks to beneficiaries and the local workforce that may result from IGAs; and (iv) security risk when project activities are implemented in the Pool department. In addition to these risks, there is a risk that indigenous people are excluded from participating in consultations carried out by the project and/or receiving project benefits.

88. The parent project's E&S management performance is rated Moderately Satisfactory. In compliance with the Environmental and Social Commitment Plan (ESCP), the parent project has prepared: (i) an Environmental and Social Management Framework (ESMF); (ii) a Stakeholders Engagement Plan (SEP); (iii) an LMP; (iv) a Grievance Redress Mechanism (GRM⁵⁴); and (v) a GBV action plan. All these instruments have been updated for the AF⁵⁵, but further work is required to improve their operational reach and quality as described in the AF ESCP. More specifically, the SEP and the GBV action plan will be updated and redisclosed within four months of AF effectiveness. In addition, a draft Indigenous Peoples Planning Framework (IPPF) has been prepared to mitigate the risk of exclusion of indigenous people. It will also be updated and redisclosed within four months of effectiveness. To mitigate the risk of transmission of COVID-19, the PIU will develop COVID-19 guidelines to reduce risks for PIU staff and beneficiary communities, which will include requirements on physical distancing, utilization of Personal Protective Equipment (PPE), and limitation of the size of the group gatherings reflective of the global good practice. To mitigate potential security risks when implementing activities in the Pool department, a security risk assessment would be developed, followed by a security management plan, prior to commencement of the activities.

89. Lisungi PIU has relatively little experience in implementing the ESF due to the fact that the parent project has been effective for less than two years. The PIU currently has five E&S specialists (two social safeguards specialists, two environmental safeguards specialists, and one gender-based violence specialist). A process to recruit another environmental specialist (to replace one that recently left) is underway. To support the management of environmental, social, health and safety risks and impacts of the project, the six-person E&S team will be maintained throughout project implementation. The current E&S team benefited from two capacity building sessions on the ESF delivered by the World Bank. Additional ESF capacity building will be provided throughout implementation of the AF.

90. Project interventions have the potential to generate climate co-benefits. Productive inclusion grants will help household to build their resilience to shocks among not just beneficiaries but also their

⁵⁴ The project has developed GRM arrangements, which are yet to be strengthened in accordance with the project's ESCP. The bank team reviewed the draft GRM document and the PIU is working to update it to include the management of complaints related to SEA/SH including that of the project workers. The GRM will be updated and disclosed no later than two months after effectiveness of the AF.

⁵⁵ SEP, ESMF, LMP, and draft IPPF have been disclosed on the MASA website on March 18, 2022, followed by the disclosure on the World Bank's website.



communities through financing of income generating activities for poor and vulnerable youth. The RSU will be further strengthened 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 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 RoC'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.

91. **Citizen engagement.** The project sees citizens as key partners for implementation and will emphasize approaches that maximize outreach and participation of communities and broader public awareness of project activities such as consultations. Particular attention will be paid to the inclusion of women, youth, and people with disabilities. Specifically, the project plans to conduct consultations, and mobilization campaigns. The feedback will inform the design and implementation of the accompanying measures in different regions. Citizens will be involved in all project activities by participating periodically in yearly public consultations). They will also be able to provide feedback during periodic spot checks. Beneficiaries will be represented on the project's local community targeting committees and monitoring committees. Feedback from citizens will be discussed between PIU, committees and the World Bank for course correction during project implementation. Furthermore, the AF will strengthen the existing GRM to improve the handling of grievances related to GBV, making it more survivor-centric. The Results Framework will track beneficiaries' satisfaction with project activities, with a satisfaction survey to be conducted in midterm, as well as the functioning of the GRM.

V. WORLD BANK GRIEVANCE REDRESS

92. Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank'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 World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank 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 World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate 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 SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Implementing Agency		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

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.

Proposed New PDO

To provide emergency income support to households affected by the COVID-19 health and economic crisis and to increase access to productive safety nets for poor and vulnerable households and youth in participating areas in the territory of the Recipient.



COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Emergency cash transfers for COVID-19 response	20.00	No Change	Emergency cash transfers for COVID-19 response	20.00
Scaling up Lisungi program for recovery	24.50	Revised	Scaling up Lisungi program for recovery	51.70
Strengthening the social protection system	2.50	Revised	Strengthening the social protection system	6.10
Project management, monitoring and evaluation	3.00	Revised	Project management, monitoring and evaluation	11.00
Contingency Emergency Response Component - CERC	0.00		Contingency Emergency Response Component - CERC	0.00
	0.00	New	Productive inclusion for vulnerable youth aged 18-35 years old	44.20
TOTAL	50.00			133.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-67180	Effective	31-Dec-2022	31-Dec-2022	30-Jun-2027	30-Oct-2027

DISBURSEMENT ARRANGEMENTS

Change in Disbursement Arrangements

Yes

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2020	0.00	0.00
2021	0.00	0.00
2022	2,210,000.00	2,210,000.00



2023	6,830,000.00	9,040,000.00
2024	23,870,000.00	32,910,000.00
2025	40,000,000.00	72,910,000.00
2026	31,500,000.00	104,410,000.00
2027	28,590,000.00	133,000,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Substantial
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Substantial
Stakeholders	● Moderate	● Substantial
Other	● Moderate	● Substantial
Overall	● Moderate	● Substantial

LEGAL COVENANTS – First Additional Financing for the Lisungi Emergency COVID-19 Response Project (P177453)**Sections and Description**

Financing Agreement: Schedule 2. Section I. A. 3(d): no later than three (3) months after the Effective Date, the Recipient shall recruit and thereafter retain: (i) one (1) technical specialist to work on productive inclusion activities under Part 6.1 of the Project; (ii) a financial and management specialist; and (iii) a monitoring and evaluation specialist, all with terms of reference, experience and qualifications satisfactory to the Association.

Financing Agreement: Schedule 2. Section I. G. 2: no later than four (4) months after the Effective Date, the Recipient shall (i) update, consult upon, redisclose and adopt the GBV Action Plan of the Original Project; (ii) update to reflect consultations, finalize, and disclose the IPPF; and (iii) further update, consult upon, adopt and redisclose the SEP of the Original Project.

Financing Agreement: Schedule 2. Section I. E. 5: not later than two (2) months after the Effective Date, revise, update, publicize, maintain and operate the accessible grievance mechanism established under the Lisungi Project, to receive and facilitate resolution of concerns and grievances of Project-affected people (including by ECT



activities), and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

ESCP: Workers GRM shall be operational prior to engaging any Project workers and be maintained throughout Project implementation.

ESCP: A security management plan shall be developed where needed prior to the commencement of the activities and measures relating to the management of any security personnel shall be in place prior to engaging such security personnel.

Conditions

Type	Financing source	Description
Disbursement		Under Category (6) of the Eligible Expenditures, unless and until: (i) at least one Service Agreement has been executed in form and substance satisfactory to the Association in order to recruit a Service Provider in accordance with Section I.H.2 of Schedule 2 of the Financing Agreement; and (ii) the Recipient has adopted the Productive Grant Manual, to be attached to the updated Project Implementation Manual of the Lisungi Project, in form and substance satisfactory to the Association.
Disbursement		Under Category (7), unless and until the Recipient has adopted the Start-up Grant Manual, to be attached to the updated PIM, in form and substance satisfactory to the Association.



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Congo, Republic of

First Additional Financing for the Lisungi Emergency COVID-19 Response Project

Project Development Objective(s)

To provide emergency income support to households affected by the COVID-19 health and economic crisis and to increase access to productive safety nets for poor and vulnerable households and youth in participating areas in the territory of the Recipient.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
Provide emergency income support to households affected by the COVID-19 health and economic crisis (Action: This Objective has been Revised)			
Households benefiting from emergency cash transfers (Number)		0.00	200,000.00
<i>Action: This indicator has been Revised</i>			
Increase access to productive safety nets for poor and vulnerable households, and youth (Action: This Objective has been Revised)			
Households benefiting from recovery program (Number)		0.00	40,000.00
<i>Action: This indicator has been Revised</i>			
Youths provided with income earning opportunities (Number)		0.00	45,000.00



Indicator Name	PBC	Baseline	End Target
<i>Action: This indicator is New</i>			
Of which women (Percentage)		0.00	60.00
<i>Action: This indicator is New</i>			

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Emergency cash transfers for COVID-19 response			
Beneficiaries of social safety net programs (CRI, Number)		0.00	1,200,000.00
<i>Action: This indicator has been Revised</i>			
Beneficiaries of social safety net programs - Female (CRI, Number)		0.00	600,000.00
<i>Action: This indicator has been Revised</i>			
Scaling up Lisungi Program for Recovery (Action: This Component has been Revised)			
Beneficiary households participating in income-generating activities (Percentage)		0.00	80.00
Women participating in income generating activites (Percentage)		0.00	70.00



Indicator Name	PBC	Baseline	End Target
Beneficiary households living with at least one individual with a disability (Number)		0.00	1,000.00
<i>Action: This indicator is New</i>			
Beneficiaries of the pension program (cash transfers) (Number)		0.00	7,000.00
<i>Action: This indicator is New</i>			
Beneficiaries of cash transfers satisfied with the program (Percentage)		0.00	60.00
<i>Action: This indicator is New</i>			
Households reporting increased resilience to shocks (Percentage)		0.00	45.00
<i>Action: This indicator is New</i>			
Strengthening the social protection system			
Households registered in the social registry (Number)		120,417.00	857,000.00
<i>Action: This indicator has been Revised</i>			
Timely payment of cash transfers (Percentage)		0.00	60.00
<i>Action: This indicator has been Revised</i>			
Transfers delivered through digital payments (Percentage)		0.00	60.00
<i>Action: This indicator has been Revised</i>			



Indicator Name	PBC	Baseline	End Target
Grievances documented, processed and addressed within 30 days (Percentage)		0.00	80.00
Action: This indicator has been Revised			
Elaboration and adoption of a Social Protection Strategy responsive to shocks (Yes/No)		No	Yes
Action: This indicator has been Revised			
A roadmap for implementation of an early warning system is available (Yes/No)		No	Yes
Action: This indicator is New			
MASAH deconcentrated staff who have benefited from capacity building (Number)		0.00	850.00
Action: This indicator is New			
Productive inclusion for vulnerable youth aged 18-35 (Action: This Component is New)			
Beneficiaries of labor market programs (CRI, Number)		0.00	45,000.00
Action: This indicator is New			
Beneficiaries of labor market programs - Female (CRI, Number)		0.00	27,000.00
Action: This indicator is New			
Youths benefiting from the self-employment package (Number)		0.00	40,000.00
Action: This indicator is New			



Indicator Name	PBC	Baseline	End Target
Of which women (Percentage)		0.00	60.00
Action: This indicator is New			
Youths benefiting from the apprenticeship package (Number)		0.00	5,000.00
Action: This indicator is New			
Of which women (Percentage)		0.00	60.00
Action: This indicator is New			
Young people who completed the training for the apprenticeship program (Percentage)		0.00	80.00
Action: This indicator is New			
Young people who completed the training for the self-employment program (Percentage)		0.00	80.00
Action: This indicator is New			
Youth beneficiaries satisfied with the training program (Percentage)		0.00	80.00
Action: This indicator is New			
Trained beneficiaries who received the productive grant (Percentage)		0.00	90.00
Action: This indicator is New			
Beneficiaries with active IGAs at least six months after the end of the program (Percentage)		0.00	80.00



Indicator Name	PBC	Baseline	End Target
<i>Action: This indicator is New</i>			

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Households benefiting from emergency cash transfers	Emergency cash transfers: number of beneficiary households	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Households benefiting from recovery program	Number of households benefiting from TMC and AGR	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Youths provided with income earning opportunities	Number of youths aged 18-35 years provided with the productive inclusion package.	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Of which women	Proportion of women	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU

**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 PIU
Beneficiaries of social safety net programs - Female		Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Beneficiary households participating in income-generating activities	Information on this indicator will become available once cash transfers and support to income-generating activities commence under Component 2 of the project.	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Women participating in income generating activities	Information on this indicator will become available once cash transfers and support to income-generating activities commence under Component 2 of the project.	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Beneficiary households living with at least one individual with a disability	Beneficiary households living with at least one	Quarterly	Lisungi Information	Extraction from Lisungi Information System	Lisungi PIU



	individual with a disability		System		
Beneficiaries of the pension program (cash transfers)	Number of beneficiaries of the pension program (cash transfers)	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Beneficiaries of cash transfers satisfied with the program	Beneficiary satisfaction with the program	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Households reporting increased resilience to shocks	Non-reliance of certain survival strategies that the household would have adopted in the absence of the allocation from the Lisungi project.	Annual	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
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 PIU
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
Transfers delivered through digital payments	Transfers delivered through digital payments / total transfers	Quarterly	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU



Grievances documented, processed and addressed within 30 days	Percentage of grievances documented, processed and addressed within 30 days by the GRM	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Elaboration and adoption of a Social Protection Strategy responsive to shocks	The indicator will track the elaboration and adoption of a Social Protection Strategy responsive to shocks	Yearly	MASAH and PIU progress reports	MASAH and the PIU will monitor progress through frequent consultations.	Lisungi PIU
A roadmap for implementation of an early warning system is available	Adoption of a roadmap for implementation of an early warning system	Yearly	MASAH and PIU progress reports	MASAH and the PIU will monitor progress through frequent consultations	Lisungi PIU
MASAH deconcentrated staff who have benefited from capacity building	Social workers trained under the project	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Beneficiaries of labor market programs		Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Beneficiaries of labor market programs - Female		Women beneficiaries of the productive inclusion package	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Youths benefiting from the self-employment package	Number of youths aged 18-35 years provided with the productive inclusion package for self	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU



	employment				
Of which women	Proportion of women	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Youths benefiting from the apprenticeship package	Number of youths benefiting from the apprenticeship package	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Of which women	Proportion of women	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Young people who completed the training for the apprenticeship program	This indicator measures the proportion of youth who will complete the training for the apprenticeship track.	Every 6 months	Lisungi information system	Extracted from Lisungi information system	Lisungi PIU
Young people who completed the training for the self-employment program	This indicator tracks the proportion of youth who will complete the training for the self-employment track.	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Youth beneficiaries satisfied with the training program	Youth satisfied with the training program	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU
Trained beneficiaries who received the productive grant	Youth benefiting from the productive and seed grants	Every 6 months	Lisungi Information System	Extraction from Lisungi Information System	Lisungi PIU



Beneficiaries with active IGAs at least six months after the end of the program	Percentage of beneficiaries with IGAs generating more revenues than needed to cover costs in the previous month.	Every 2 years	Random sample surveys	Survey	Lisungi PIU
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ANNEX 1: Design and Implementation Arrangements of Component 6

1. As described in Section C above, Component 6 will provide a bundled economic inclusion package comprising of two sub-components: (i) self-employment training and (ii) apprenticeship training tailored to specific youth employment challenges and opportunities in the labor market. This annex provides details on each sub-component, including beneficiary identification, flow of funds, market linkages, and implementation arrangements.

2. Sub-component 6.1: Self-employment training

- (a) **Beneficiary selection** will follow a three-step process: (i) communication campaign in project areas to encourage vulnerable youth, and particularly young women, to apply; (ii) socio-economic assessment to determine poverty and vulnerability status of eligible youth; and (iii) if demand exceeds the number of places available, first a comprehension and motivation test will be delivered and if needed a public lottery will take place to select beneficiaries among those eligible. It is expected that youth from vulnerable households benefiting from other activities of the project, as well as youth trained under PDCE, would be part of the pool of potential beneficiaries.
- (b) **Life and micro-entrepreneurship skills training.** The training will be delivered by trained mentors to groups of around 20 beneficiaries – group formation criteria will be described in more detail in the PIM. The training will combine basic micro-entrepreneurship skills (for example, money management, identifying business ideas, price setting, and use of digital technology) with life skills (for example, self-esteem, communication, goal setting, and negotiation). It will be based on established curricula for low-skilled learners, such as the International Labour Organization GERME (*Gérez Mieux Votre Entreprise*) Level 1 and/or the Personal Initiative Training,⁵⁶ and further adapted for the particular needs of urban youth in RoC. A number of training methods will be used, including ‘open’ brainstorming, group discussions, individual and group exercises, case studies, role play and presentations. Training duration will follow international best practices and can vary between two to four weeks depending on curricula selected. At the end of the training, beneficiaries will be supported to use a basic tool to plan which activities to invest in and prepare for the productive grant. Beneficiaries will be encouraged to identify and implement IGAs in the preidentified promising sectors or value chains, including non-traditional ones and climate smart activities as discussed in more detail below.
- (c) **Productive grant.** The productive grant will be delivered directly to beneficiaries through the digital payment system. The amount of the grant will be equivalent to US\$500 for all beneficiaries, in accordance with regional practice. The project will deliver cash instead of purchasing equipment for beneficiaries to allow for a greater variety of IGA ideas as well as to facilitate scale-up (e.g., lower operational costs and reduced logistical burden). The project will deliver the grant via contracted accredited payment agencies in two

⁵⁶ Campos, Francisco, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hilary Johnson, David McKenzie, and Mona Mensmann. 2018. “Personal Initiative Training Leads to Remarkable Growth of Women-Owned Small Businesses in Togo.” Gender Innovation Lab Policy Brief No. 22, World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/29168>.



installments to facilitate money management and increase beneficiaries' interaction with formal financial services. Delivery of first installment would be conditional on drafting an IGA business plan, and second installment would be conditional on satisfactory performance in implementing IGAs. The PIU will be responsible for the supervision of the use of productive grant.

- (d) **Group mentoring/coaching sessions.** Beneficiary groups formed for the skills training will continue to meet with their mentors on a weekly basis for six months following the delivery of the productive grant. The follow-up sessions will serve a dual objective: to offer refreshers on the content of the training and to provide a forum to discuss and receive feedback on challenges encountered while running the IGA. The project will explore using a digital platform to complement face-to-face mentoring.
- (e) **Studies and financial training targeting women to enter male-dominated sectors.** The package will link beneficiaries to value chains and markets, with a focus on innovative, climate-smart sectors. An assessment will be conducted to identify high-potential sectors that could offer sustainable income-generating opportunities for urban youth and explore gendered sectoral segregation that may disadvantage women sectors, while also contributing to climate change mitigation and adaptation by promoting livelihood diversification, the adoption of climate-smart techniques, and providing climate awareness raising and information about markets during project implementation. The assessment will be conducted prior to development/adaptation and implementation of training material (item b above). The project will encourage women to enter more profitable, male-dominated sectors. Based on experimental evidence from Uganda and Ethiopia⁵⁷, as well as early evidence from an impact evaluation by the Africa Gender Innovation Lab (2021) in RoC, the project will provide information on earnings in traditionally male-dominated sectors and link interested beneficiaries with role models operating in these sectors to provide additional mentorship and support.
- (f) **Post-training support activities on savings and complementary financial services.** Leveraging the digital payment system, the project will support beneficiaries to access complementary financial services and encourage them to utilize digital wallets and savings accounts. The project will consider providing mobile phones and sim cards to female beneficiaries to strengthen women's empowerment and financial inclusion. Savings, combined with improved money management skills, are expected to build economic resilience and better enable beneficiaries to manage shocks. In addition to promoting behavioral change, this approach is intended to help formerly financially excluded beneficiaries to establish a track record with formal financial institutions and eventually be able to access (micro)loans to further expand their IGAs following participation in the project.
- (g) **Transportation allowance.** Based on lessons from implementation of the Lisungi projects and PDCE, selected beneficiaries will receive a lump sum amount to cover transportation costs and ensure their effective participation. It will be equal to CFAF 1,500 (~US\$3) per

⁵⁷ Campos, Francisco Moraes Leitao, Markus P. Goldstein, Laura McGorman, Ana Maria Munoz Boudet, and Obert Pimhidzai. 2014. "Breaking the Metal Ceiling: Female Entrepreneurs who Succeed in Male-dominated Sectors in Uganda." Africa Region Gender Practice Policy Brief No. 9, World Bank Group, Washington, DC; Alibhai, Salman, Niklas Buehren, Sreelakshmi Papineni, and Rachael Pierotti. 2017. "Crossovers: Female Entrepreneurs who Enter Male Sectors - Evidence from Ethiopia." World Bank Policy Research Working Paper Series.



day for young men, payable on a monthly basis and based on evidence of attendance. Young women will instead be paid CFAF 2,000 per day (~US\$4), also payable on a monthly basis and based on evidence of attendance. The differentiated amount is intended to help women cover specific needs (e.g., childcare and menstrual hygiene products) and encourage their participation.

- (h) **Implementation arrangements.** The ‘self-employment’ sub-component will be implemented through local NGOs and/or training providers based on geographical reach and specialization, and will be supervised by the PIU. Through a competitive bidding, one or more NGOs/service providers with experience in the design and implementation of economic inclusion interventions for youth will be contracted to: (i) finalize the design of the intervention, including the selection, development, and adaptation of the training curriculum (ii) conduct the market links assessment, and (iii) promote access to financial services for digital payments. It is also expected for the contracted firm(s) to build the capacity of PIU and local NGO staff for the implementation of the interventions, and to offer coordination support across interventions and implementing partners to ensure timely and standardized rollout. Payment agencies will be competitively contracted to deliver productive grants and transportation allowances to eligible beneficiaries using digital payments. The procurement process, including responsibilities, selection criteria, and sequencing of the different service providers, will be described in more detail in the PIM.

Table 1.1. Unit cost breakdown of self-employment training sub-component (including grant)

Types of expenses	Cost (US\$)
Beneficiary selection	60
Training and coaching	140
Productive grant	500
Transfer fees (4%)	20
Transport allowance	100
Total	US\$820

3. Sub-component 6.2: Apprenticeship training

A subset of beneficiaries (approximately 5,000) who are not involved in a specific activity will be provided with apprenticeship in specific trades over a period of six to nine months.

- (a) **Areas of apprenticeship training.** The rationale for providing apprenticeship is based on the understanding that some trades (for example, mechanic, plumbing, electrician) may require acquisition of additional skills through ‘on the job’ training, referred here to as ‘apprenticeship’. In selecting areas for apprenticeship, the project will prioritize sectors identified in the 2022-2026 PND such as agriculture and processing of agricultural products, tourism, and digital development, in order to support the



diversification outside of the oil sector. In addition, the project will also rely on the study of promising trades finalized in September 2021 by the PDCE project. This report identified 20 professions with high potential for youth employment in the sectors of wood processing, agriculture, food processing, textiles, and logistics. The project will also identify climate sensitive activities and promote climate awareness-raising through skills and apprenticeship training. Given the realities of the labor market in RoC and lagging job creation in the formal sector, it is expected that most trainees would eventually engage in self- rather than wage employment. For instance, a recent assessment by the PDCE project showed that around 70 percent of beneficiaries of the vocational training and apprenticeship program turned to self-employment. This will be factored in when selecting sectors and trades for training. The project will also rely on curricula developed under the PDCE project as much as possible to realize efficiency gains. Graduates of the apprenticeship track may receive a higher amount as productive start-up grant (between US\$800 and US\$1,000) based on the estimates from the PDCE project showing that higher amounts may be necessary to acquire equipment to start businesses in trades such as mechanics, locksmith, etc. Standard grant amounts for typical and additional trades will be developed by the project.

- (b) **Target group.** The target group is youth aged 18-35 with completed secondary schooling who are not enrolled in formal schooling and are or have been out of school for at least one year, have necessary numeracy and literacy skills, and they are also not in a wage job. Basic numeracy, literacy and life skills training will be provided in case there is a need.
- (c) **Identification and selection of beneficiaries.** The beneficiary identification process will follow a three-step process: (i) communication campaign in project areas to encourage vulnerable youth, and particularly young women, to apply; (ii) socio-economic assessment to determine poverty and vulnerability status of eligible youth; and (iii) if demand exceeds the number of places available, first a comprehension and motivation test will be delivered and if needed a public lottery will take place to select beneficiaries among those eligible. It is expected that youth from vulnerable households benefiting from other activities of the project as well as former PDCE applicants (approximately 22,500 individuals who were not enrolled due to limited placement), would be part of the pool of potential beneficiaries. The communication campaign will be conducted by the NGOs working with vulnerable youth, through the Ministry of Social Affairs, or through general information campaigns. Information meetings will be organized for youth interested in watching the videos where information will be provided on employment opportunities and remuneration in the different skill areas for which apprenticeship training will be offered. This will help youth to choose for themselves the skill area or trade of their interest.
- (d) **Implementation mechanism.** MTPE will be responsible for technical implementation of all activities under sub-component 6.2 (including the administration of start-up grants), under a delegated implementation agreement or another modality, that will be specified in more detail in the PIM. Regardless of modality chosen, Lisungi PIU will



retain responsibility for fiduciary and safeguards aspects of activities carried out under sub-component 6.2.

- (e) Activities under this package will be conducted by NGO and Craftsmen organizations competitively recruited by the MTPE to serve as Implementing Partners (*Maitres d'Ouvrages Délégés*, MOD). The AF will take advantage of the existing pool of MOD with track record under the PDCE project. The MOD will be responsible for assessing, selecting and contracting master craftsmen to train beneficiaries for a period of six to nine months depending on the trade. Each craftsman will train at most five youths. This ratio could be adjusted to fit the training environment (availability of working stations, and surface of the training room, etc.) offered by the craftsmen. The placement of youth in apprenticeship should consider the distance between their place of residence and the workshops of master craftsmen, to reduce the time and cost of transportation. The MTPE will be responsible for providing PPE to trainees as well as monthly transport allowance. Payment agencies will be competitively contracted to deliver start-up grants and transportation allowances to eligible beneficiaries. The project will build on the network of the CAS workers to supervise the quality of the training delivered by craftsmen and collect information on trainees' attendance. They will also serve as focal points to whom trainees could bring any training-related issue as well as social and environmental issues.
- (f) **Selection of master craftsmen.** Craftsmen organizations and MOD will be directly involved in the selection of master craftsmen. Based on the lessons learnt from the training program implemented under PDCE, MTPE, jointly with the craftsmen organizations, will take into account the following selection criteria: training capacity, relevance of the trade, and technical skills of the craftsmen, among others.
- (g) **Transportation allowance.** To motivate participation and attendance, and to offset the costs of transportation and lunch, the training will be of relatively short duration and selected participants will be paid an incentive of approximately CFAF 1,500 (~US\$3) per day of the job training, payable on a monthly basis and based on evidence of attendance. Young women who have children prior to entering the program will instead be paid CFAF 2,000 (~US\$4) per day to help offset their costs of childcare. Women who enter programs that are non-traditional for women may also be paid CFAF 2,000 (~US\$4) per day.
- (h) **Savings and access to other financial services.** This intervention will also leverage the digital payment system, and support apprenticeship beneficiaries to access complementary financial services and encourage them to utilize digital wallets and savings accounts.



Table 1.2. Unit cost breakdown of apprenticeship sub-component (based on actual cost calculations from PDCE and excluding grant)

Types of expenses	Cost (US\$)
Training/apprenticeship costs	279
Work materials (<i>matière d'œuvre</i>)	162
Transportation allowance during the apprenticeship and post-training support	865
MOD Fees	45
PPE	162
PTSP Fees	72
Functional literacy and life skills training	56
Learning/apprenticeship booklets	18
Civil responsibility insurance	6
Total	US\$1,665