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The World Bank

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Report No: PAD750

PROJECT PAPER

ON A

PROPOSED RESTRUCTURING AND ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 7.9 MILLION
(US\$ 12.1 MILLION EQUIVALENT)

TO THE

REPUBLIC OF TOGO

FOR THE

COMMUNITY DEVELOPMENT AND SAFETY NETS PROJECT

FEBRUARY 11, 2014

Social Protection (West)
Country Department AF2CF2
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2013)

Currency Unit = CFA Franc
CFA Franc 479 = US\$1
US\$ 1 = SDR 0.649

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing	MTEF	Medium-Term Expenditure Framework
AFCF2	Africa Region Francophone Country Unit 2	NGO	Non-Governmental Organization
AFTCS	Africa Region Post Conflict and Social Development Practice Group	OP	Operational Policy
AFTSW	Africa Social Protection - West/Central	ORAF	Operational Risk Assessment Framework
AGAIB	Agences d'appui aux initiatives de développement à la Base	PAD	Project Appraisal Document
CDD	Community-Driven Development	PDC	Projet de Développement Communautaire
CPIA	Country Policy and Institutional Assessment	PDCplus	Projet de Développement Communautaire et des Filets Sociaux
CVD	Comités Villageois de Développement	PDO	Project Development Objective
DA	Designated Account	PERI	Projet Education et Renforcement Institutionnel
EA	Environmental Analysis	PRSP	Poverty Reduction Strategy Paper
FCFA	Franc de la Communauté Financière Africaine	PSD	Private Sector Development
FM	Financial Management	PTA	Parent Teacher Association
GDP	Gross Domestic Product	QUIBB	Questionnaire des Indicateurs de Base du Bien-être
HIPC	Heavily Indebted Poor Countries	SCAPE	Stratégie de croissance accélérée et de promotion de l'emploi
IA	Implementing Agency	SDR	Special Drawing Right
IDA	International Development Association	TS	Technical Secretariat
ILO	International Labor Organization	UNDP	United Nations Development Program
IMF	International Monetary Fund	UNICEF	United Nations Children's Fund
M&E	Monitoring and Evaluation	WFP	World Food Program
MDRI	Multilateral Debt Relief Initiative	XDR	Special Drawing Right
MICS	Multiple Indicator Cluster Surveys		

Vice President	Makhtar Diop
Country Director	Ousmane Diagana
Country Manager	Herve Assah
Sector Manager	Stefano Paternostro
Task Leader	John Van Dyck / Thomas Bossuroy

REPUBLIC OF TOGO
COMMUNITY DEVELOPMENT AND SAFETY NETS PROJECT
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ADDITIONAL FINANCING DATA SHEET

Togo

Community Development and Safety Nets Project Additional Financing (P146598)

AFRICA

AFTSW

Basic Information – Parent									
Parent Project ID:	P127200	Original EA Category:	B - Partial Assessment						
Current Closing Date:	31-Jul-2015								
Basic Information – Additional Financing (AF)									
Project ID:	P146598	Additional Financing Type (from AUS):	Scale Up						
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment						
Country Director:	Ousmane Diagana	Expected Effectiveness Date:	31-May-2014						
Sector Director:	Tawhid Nawaz	Expected Closing Date:	30-Sep-2016						
Sector Manager:	Stefano Paternostro	Report No:	PAD750						
Team Leader:	John Van Dyck								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Republic of Togo	H.E. Adjil Otéth Ayassor	Minister of Economy and Finance	+228 22 21 35 54/ +228 22 21 01 38	minifintogo@yahoo.fr					
Project Financing Data – Parent (TOGO Community Development and Safety Nets Project-P127200)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P127200	IDA-H7670	Effective	22-Mar-2012	12-Apr-2012	10-Jul-2012	31-Jul-2015	31-Jul-2015		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P127200	IDA-H7670	Effective	XDR	9.20	9.20	0.00	4.88	4.32	53.06

Project Financing Data – Additional Financing Community Development and Safety Nets Project Additional Financing (P146598)			
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant
<input type="checkbox"/>		<input type="checkbox"/>	IDA Grant
<input checked="" type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee
<input type="checkbox"/>		<input type="checkbox"/>	Other
Total Project Cost:	14.20	Total Bank Financing:	12.10
Financing Gap:	0.00		
Financing Source – Additional Financing (AF)			Amount
BORROWER/RECIPIENT ¹			2.10
International Development Association (IDA)			12.10
Total			14.20
Policy Waivers			
Does the project depart from the CAS in content or in other significant respects?			No
Explanation			
Does the project require any policy waiver(s)?			No
Explanation			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
John Van Dyck	Sr Social Protection Specialist	Team Lead	AFTSW
Itchi Gnon Ayindo	Senior Procurement Specialist	Senior Procurement Specialist	AFTPW
Aissatou Diallo	Senior Finance Officer	Senior Finance Officer	CTRLA
Esinam Hlomador-Lawson	Program Assistant	Program Assistant	AFMTG
Paivi Koskinen-Lewis	Social Development Specialist	Social Development Specialist	AFTCS
Alain Hinkati	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTMW
Gbetoho Joachim Boko	E T Consultant	Social Protection Specialist	AFTSW

¹ This figure refers only to activities supported under the additional financing and does not include expected counterpart funds of FCFA 750 million (\$1.5 million) for cash transfers.

Thomas Bossuroy	Young Professional	Economist	AFTSW		
Nneoma Veronica Nwogu	Counsel	Legal	LEGAM		
Mariam Denise Brain	E T Temporary	Program Assistant	AFTSE		
Faly Diallo	Financial Officer	Financial Officer	CTRLA		
Non Bank Staff					
Name	Title	Office Phone	City		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Togo	Region des Savanes	Region des Savanes	X	X	
Togo	Region des Plateaux	Region des Plateaux	X	X	
Togo	Region Maritime	Region Maritime	X	X	
Togo	Region Centrale	Region Centrale	X	X	
Togo	Region de la Kara	Region de la Kara	X	X	
Institutional Data					
Parent (TOGO Community Development and Safety Nets Project-P127200)					
Sector Board					
Social Protection					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Health and other social services	Other social services	70			
Health and other social services	Health	10			
Education	General education sector	10			
Water, sanitation and flood protection	General water, sanitation and flood protection sector	10			
Total			100		

Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social safety nets	46		
Rural development	Rural services and infrastructure	25		
Social protection and risk management	Other social protection and risk management	22		
Human development	Nutrition and food security	5		
Rural development	Rural non-farm income generation	2		
Total		100		
Additional Financing Community Development and Safety Nets Project Additional Financing (P146598)				
Sector Board				
Social Protection				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	70		
Health and other social services	Health	10		
Education	General education sector	10		
Water, sanitation and flood protection	General water, sanitation and flood protection sector	10		
Total		100		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social safety nets	58		
Human development	Other human development	42		
Total		100		

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) credit in the amount of US\$12.1 million for the Togo Community Development and Safety Nets Project (PDCplus) (P127200).
2. The proposed additional financing would help finance the costs associated with: (a) scaling up the PDCplus by increasing support for community infrastructure sub-projects; and (b) providing financing for a new community-based school feeding sub-component, which was supported under the Community Development Project (PDC) (P110943) until it closed on September 30, 2013. An incremental increase will be made available for project management to manage the additional activities. This Project Paper also seeks approval for restructuring the PDCplus in order to extend the closing date, reallocate funds, and revise outcome indicator targets in line with the expanded activities.

II. Background and Rationale for Additional Financing

3. **Country background.** Togo is one of the smaller countries in Africa, with an estimated land surface area of 56 600 square km and, according to the 2010 census, a population of 6.2 million with an annual population growth of about 2.7%. Togo is one of the poorest countries in the world and ranks 162nd out of 187 countries in the 2011 UNDP Human Development Index. With a CPIA score of 3.0 in 2012 the country is classified as fragile. Poverty has started to fall but remains high. In 2006 poverty was 62 percent; in 2011 it had come down to 59 percent. However this decline in poverty has largely been achieved by consumption growth in the upper six consumption deciles, while the depth and severity of poverty increased since 2006. Also in other aspects of welfare, progress has been limited. According to the 2010 Multiple Indicator Cluster Surveys (MICS) survey, infant mortality increased in urban areas from 49 per 1,000 live births in 2006 to 66 in 2010 while it declined in rural areas (from 89 per 1,000 live births in 2006 to 83 in 2010). Access to education improved, but not for the poorest wealth quintile in urban areas. The same holds for access to drinking water which increased on average but not for the poorest wealth quintiles in rural and urban areas. Access to health services deteriorated across the board but mostly for the poorest wealth quintile.

4. **Sector background.** Government capacity to deliver basic social services to the majority of its population has been hampered by the socio-political crisis that affected Togo for more than a decade. Needs in the social sectors remain high compared to the financial and administrative capacity of the Government, with the situation being especially dire in the social protection sector. In particular, social safety nets are very limited in size and scope, costing less than 0.5 percent of GDP and covering less than 10 percent of the population. According to a recent review conducted by the Bank, the majority of the safety net mechanisms in place is poorly targeted and suffers from significant inefficiencies, with over 70 percent of the programs consisting mainly of emergency food distribution. This situation leaves both poor and not-so-poor highly vulnerable to shocks. Nevertheless, important progress has been made in the social protection sector during the past two years. In response to the crises that affected the country between 2007 and 2010, the Government decided to rely increasingly on social safety nets as a

mechanism to manage social risk, improve the resilience of the population to economic shocks and address chronic poverty. With World Bank support, social safety nets were piloted as part of the Community Development Project (*Projet de Développement Communautaire – PDC*) and constitute the first blocks of a national safety nets system, which is an integral part of the social protection policy that the Government has been elaborating with the technical and financial support of donors (especially the World Bank, UNICEF, UNDP and ILO).

5. **Project background.** The US\$14 million IDA grant for PDCplus was approved on March 22, 2012 and became effective on July 10, 2012, with a closing date of July 31, 2015. To date, the grant is 53% disbursed. The PDCplus represents the second phase of the successful US\$32.9 million PDC, which was approved on June 26, 2008 and closed on September 30, 2013. The PDCplus aims to provide poor communities in Togo with greater access to basic socio-economic infrastructures and social safety nets. It consists of three components:

1. Community subprojects (US\$7 million).
 - Subcomponent 1.1 - Infrastructure construction and rehabilitation (US\$6 million).
 - Subcomponent 1.2 - Income generating activities (US\$1 million).
2. Social Safety Nets (US\$4.2 million).
 - Subcomponent 2.1 - Labor Intensive Public Works (US\$2.2 million).
 - Subcomponent 2.2 – Pilot Cash Transfers (US\$2 million).
3. Management and Operating Costs (US\$2.8 million).

6. **Current project performance.** Project performance is currently rated Satisfactory for likelihood of meeting development objectives and Moderately Satisfactory for implementation progress. As of the beginning of December 2013, the project has launched 90 community infrastructure sub-projects, of which 38 are completed (the PAD for the original project has an intermediate target of 50 completed by December 2013, and 170 by project closing). Ninety-seven income generating activity sub-projects had been launched by end-September 2013, of which 57 are completed (PAD intermediate target of 50 by December 2013 and 150 by project closing). Fifty-two labor-intensive works sub-project have been launched, of which 42 are completed. The progress would be greater except that the Moderately Satisfactory rating for implementation progress reflects delays in launching the cash transfer component due to protracted negotiations with La Poste Togolaise over a contract for payment of beneficiaries. This contract has since been signed, and implementation progress may be raised to Satisfactory once cash transfers commence in early 2014 as expected.

7. **Rationale for the AF.** The Republic of Togo has requested the World Bank's support to scale up the PDCplus by financing for community-based school feeding, and increasing the funds available to support community infrastructure projects. The Government's commitment and ownership of the project is demonstrated by its commitment of FCFA 1.75 billion (about US\$3.6 million) in counterpart funding to the activities financed by the original grant (cash transfers) and the additional credit (school feeding). The additional financing is warranted because the remaining undisbursed funds are already allocated to expenditures and expected to be used rapidly. Moreover, the implementing agency has already demonstrated under the PDC that it has the absorptive capacity to deliver a greater volume of activities than what is currently financed under the PDCplus.

8. Support for school feeding was not included in the PDCplus due to lack of resources, leaving a financing gap for school feeding when the PDC closed on September 30, 2013. The PDC supported school feeding beginning in the 2008-2009 school year up to the recently ended school year (2012-2013). In 2008-2009, the program launched with support for 16,800 children in 84 schools. The program was subsequently scaled up to benefit 42,000 children for the whole of the 2012-2013 school year, and 60,934 children in the last 3 months of the 2012-2013 school year in 256 beneficiary schools.

9. By providing one diversified meal daily for primary school children across the five regions of the country, the school-feeding program aims to improve the nutritional well-being of children during times of food insecurity; improve school enrolment, attendance, and performance; transfer resources to households under stress. A 2011 evaluation found that the cost of the school feeding program under PDC was low compared to other sub-Saharan African countries and that it was effective in attracting and retaining beneficiary children in school, in providing access to school to children who are older and have not yet enrolled, and in increasingly attracting girls.

10. The focus on community infrastructure reflects the Government's desire to scale up the impact of the well-performing "Infrastructure construction and rehabilitation" component of the PDCplus. The community infrastructure activities supported by the PDC and PDCplus have led to significant increases in access to improved schools, health facilities, and water supply. For example, the PDC has supported the construction of 621 primary school classrooms, 76 water supply points, and 16 health facilities. However, the needs for such infrastructure in Togo remain vast.

11. **Sustainability.** The proposed AF is aligned with the focus on "Addressing Urgent Poverty Reduction and Social Needs" of the current Interim Strategy Note for Togo, and the focus on basic service delivery and social protection outlined in the Government's Strategy for Accelerated Growth and Employment Promotion (SCAPE). It also reflects an ongoing debate about reorienting Togo's fiscal policy to create space for higher social sector spending with domestic resources. The Government's recent commitment to provide counterpart funding of FCFA 2.0 billion (about US\$4.0 million) to expand the school feeding programs as well as scale up the cash transfers piloted as part of the PDCplus points to a growing commitment by the Government to social protection.

12. **Safeguards.** Following exactly the principles of the original operation, the proposed AF is classified as environmental category B in recognition of the fact that the potential negative environmental impacts are expected to be limited and manageable. The AF triggers the same safeguards policies as the parent project; OP 4.01 on Environmental Assessment and OP 4.12 on Involuntary Resettlement. The AF will continue to apply the safeguards instruments; Environmental and Social Management Framework and Resettlement Policy Framework, which were prepared, consulted upon and disclosed in-country and at InfoShop for the parent project and have been re-disclosed on October 17 and 29, 2013 for the AF.

13. **Alternatives to AF considered.** At present, following the end of the PDC, there is no financing for large scale public school feeding programs in Togo. The IDA additional financing and Government counterpart funds will permit school feeding in Togo to restart. The current project performance, continued government support, and the Bank's preference for consolidating portfolios in small economies are key factors for choosing an AF rather than a new project.

III. Proposed Changes

14. The PDO, which already aims to support greater access to basic socio-economic infrastructures and social safety nets, will remain unchanged. A summary of the main proposed changes is presented in the table below.

Summary of Proposed Changes	
The proposed additional credit would help finance the costs associated with: (a) scaling up the PDCplus by increasing support for community infrastructure sub-projects; and (b) providing financing for a new community-based school feeding sub-component, which was supported under the Community Development Project (PDC) (P110943) until it closed on September 30, 2013. An incremental increase will be made available for project management to manage the scaled-up activities. This Project Paper also seeks approval for restructuring the PDCplus in order to extend the closing date, reallocate funds, and revise outcome indicator targets in line with the expanded activities.	
Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Implementation Schedule	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Development Objective/Results						
Project's Development Objectives						
Original PDO						
The proposed Project Development Objective is to provide poor communities with greater access to basic socio-economic infrastructures and social safety nets.						
Change in Results Framework						
Explanation:						
Revision of the results framework is necessary to: (i) add new indicators to measure the results of the new financing for school feeding; (ii) revise target values for existing indicators to reflect the scaled-up activities; and (iii) specify certain target values that were missing in the original PAD and align indicators to the Bank's core indicators.						
Compliance						
Covenants - Additional Financing (Community Development and Safety Nets Project Additional Financing - P146598)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
				<input type="checkbox"/>		
Finance						
Loan Closing Date - Additional Financing (Community Development and Safety Nets Project Additional Financing - P146598)						
Source of Funds			Proposed Additional Financing Loan Closing Date			
International Development Association (IDA)			30-Sep-2016			
Loan Closing Date(s) - Parent (TOGO Community Development and Safety Nets Project - P127200)						
Explanation:						
Extension of the closing date is requested to allow for completion of the scaled up activities, and to allow ample time for completion and impact evaluation of the pilot cash transfer component under the original financing.						
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)	
IDA-H7670	Effective	31-Jul-2015	31-Jul-2015	30-Sep-2016		
Change in Disbursement Estimates (including all sources of Financing)						
Explanation:						
Disbursement estimates require revision to take account of the additional IDA resources.						

Expected Disbursements (in USD Million) (including all Sources of Financing)									
Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Annual	2.00	7.00	7.00	7.00	3.10	0.00	0.00	0.00	0.00
Cumulative	2.00	9.00	16.00	23.00	26.10	0.00	0.00	0.00	0.00
Allocations - Additional Financing (Community Development and Safety Nets Project Additional Financing - P146598)									
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement % (Type Total)				
			Proposed		Proposed				
IDA	XDR	1 GDS,CS,NCS,TR&OC PRTS A,C	1,000,000.00		100.00				
IDA	XDR	2 GDS,CS,NCS,TR&OC PRT B	3,300,000.00		100.00				
IDA	XDR	3 GRANTS PRT A	3,600,000.00		100.00				
		Total:	7,900,000.00						
Reallocation between Disbursement Categories									
Explanation:									
It is proposed to reallocate SDR 700,000 of the original credit from categories 2 (a) and (b) (covering the first and subsequent rounds of cash transfers, respectively) to category 1. This is to make more resources available for project management in light of the availability of counterpart funds and parallel financing of \$2.55 million from the Japanese Social Development Fund for the pilot cash transfer component.									
Ln/Cr/TF	Currency	Current Category of Expenditure	Allocation		Disbursement % (Type Total)				
			Current	Proposed	Current	Proposed			
IDA-H7670	XDR	GDS,WK,CS,TR&OC PRTS A,B.1,B.2(b),C	8,100,000.00	8,800,000.00	100.00	100.00			
IDA-H7670		1st Cash Trf installmt prt B.2(a)	200,000.00	200,000.00	100.00	100.00			
IDA-H7670		2nd Cash trf instlmt part B.2(a)	900,000.00	200,000.00	100.00	100.00			
IDA-H7670		Designated Account	0.00	0.00	0.00	0.00			
		Total:	9,200,000.00	9,200,000.00					

Components

Change to Components and Cost

Explanation:

Component 1: Community subprojects. The component will be scaled up as follows:

- Subcomponent 1.1 - Infrastructure construction and rehabilitation. The subcomponent will be scaled-up from US\$6 million to US\$11.5 million to support additional community infrastructure sub-projects.
- Subcomponent 1.2 - Income generating activities (US\$1 million). No change.

Component 2. Social Safety Nets. The component will be scaled up as follows:

- Subcomponent 2.1 - Labor Intensive Public Works (US 2.2 million). No change.
- Subcomponent 2.2 – Pilot Cash Transfers. The subcomponent will be increased from US\$2 million to US\$3.3 million as a result of Government's commitment to provide FCFA 750 million (US\$1.5 million) in counterpart funds, and after a reallocation of US\$0.2 million of IDA resources to Component 3 to cover management and operating costs related to this scale up.
- Subcomponent 2.3 – School feeding (new). A new \$7.1 million sub-component (consisting of IDA US\$5.0 million and FCFA 1.0 billion (US\$2.1 million) in counterpart funds) will be added to renew support for the school feeding model developed under PDC, and to finance school feeding programs for at least 35,000 students in targeted schools for the 2014-2015 and 2015-2016 school years.

Component 3. Management and Operating Costs. The component, which had an initial allocation of US\$2.8 million, will be increased by \$1.8 million to US\$ 4.6 million to support the administrative costs of the Technical Secretariat of the PDCplus related to the scale up.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M) ²	Action
Infrastructure construction and rehabilitation	Infrastructure construction and rehabilitation	6.00	11.50	Revised
Income Generating Activities	Income Generating Activities	1.00	1.00	No Change
Labor Intensive Public Works	Labor Intensive Public Works	2.20	2.20	No Change
Pilot Cash Transfers	Pilot Cash Transfers	2.00	3.30	Revised
Management and Operating Costs	Management and Operating Costs	2.80	4.60	Revised
	School feeding	0.00	7.10	New
	Total:	14.00	29.70	

² Includes expected counterpart funds of FCFA 750 million (\$1.5 million) for cash transfers and FCFA 1 billion (\$2.1 million) for school feeding.

Other Change(s)

Change in Implementation Schedule

Explanation:

In order to allow sufficient time for the implementation of the scaled up activities and for the implementation and impact evaluation of the pilot cash transfer component, the closing date of the project will be extended to September 30, 2016.

Appraisal Summary

Economic and Financial Analysis

Explanation:

Investments under the Community Infrastructure Sub-component are not pre-identified given their demand-driven nature, and for this reason an ex-ante cost-benefit analysis is not applicable. However, a comparison of the cost of infrastructure financed by the CDP with that of similar infrastructure built with other approaches suggests that the former was quite cost-effective, e.g., CDP schools were about 15 percent cheaper than schools financed by the EU and UNDP, and CDP latrines were at least 30 percent cheaper than others. Thus, it is reasonable to expect that infrastructure investments under the proposed project will continue to compare favorably to similar infrastructure investments. The economic benefits that will accrue from the project will include improved access to -among others – education, health and IGAs for poor rural communities.

The design of the selection process for Infrastructure Subprojects incorporates measures to maximize economic benefits including: (a) a participatory community planning mechanism to select investments, which ensures that investments address the real needs of the population and will therefore be put to good use; (b) direct implication of local representatives of sectoral ministries, which ensures that investments are in line with national priorities and implemented according to sectoral guidelines; and (c) a comprehensive subproject screening process including a technical and feasibility review.

The Additional Financing for the School Feeding Sub-component will use the same implementation approach as the PDC project. The approach is based on the existing informal system of village women who will prepare and distribute meals via the PTA and the support of well trained and experienced local NGOs. This system is well-tested and reasonably efficient, is far less expensive than building and running formal canteens, and generates additional income that remains in the community.

The School Feeding Sub-component under the PDC has had a positive and significant impact on poor households. The economic benefits of the School Feeding Project go well beyond the immediate substitution effect in the expenditures of households of providing meals to children. A 2011 assessment of the PDC school feeding program showed a significant impact on poor families, school enrollment and overall health conditions. In particular: i) the net transfer of the project through meals was estimated at about 20 percent of households' yearly food consumption (based on the 2006 QUIBB survey); ii) the enrollment of new students in beneficiary schools in 2009-2010 increased by 9 percent, well above the average increase experienced in non-beneficiary schools; and (iii) it was estimated that more than US\$1,500 a month has been injected in communities as a result of the project approach to meal preparation, which relies on the local community, local food products and the work of village women.

Technical Analysis
<p>Explanation:</p> <p>The proposed technical design, both for the community infrastructure projects and the school-feeding program, has been successfully implemented in two previous Bank-supported projects. It was seen as the most appropriate to support the borrower objectives of alleviating poverty in rural areas and promoting community development. In fact, in a country with limited administrative and human capacity at the central level, a community-based delivery mechanism that relies on a decentralized institutional framework is the most suitable approach to reach disadvantaged rural communities and provide basic social infrastructures, employment opportunities and some form of social protection. The proposed design also promotes local decision making, community involvement and ownership.</p>
Social Analysis
<p>Explanation:</p> <p>No change</p>
Environmental Analysis
<p>Explanation:</p> <p>No change</p>
Risk
<p>Explanation:</p> <p>In terms of the preparation of the additional financing, risks are limited because of Government's commitment and the pre-existing, well tested implementation arrangements.</p> <p>The level of implementation risk is attenuated by the satisfactory results produced by the same arrangements in the past. Staff in the implementing agencies is familiar with Bank procedures and has shown reasonable technical competence. Still, substantial country level risks and significant risk of fraud and corruption remain which will be mitigated at the project level by community participation and monitoring combined with technical and financial audits. Given the risks described above, overall risk is rated moderate (the same level as the parent project).</p>

Annex 1: Results Framework

Project Name: Community Development and Safety Nets Project Additional Financing (P146598)		Project Stage: Additional Financing	Status: DRAFT
Team Leader: John Van Dyck	Requesting Unit: AFCE2	Created by: John Van Dyck on 29-Aug-2013	
Product Line: IBRD/IDA	Responsible Unit: AFTSW	Modified by: John Van Dyck on 04-Feb-2014	
Country: Togo	Approval FY: 2014		
Region: AFRICA	Lending Instrument: Investment Project Financing		
Parent Project ID: P127200	Parent Project Name: TOGO Community Development and Safety Nets Project (P127200)		

Project Development Objectives

Original Project Development Objective - Parent:

The proposed Project Development Objective is to provide poor communities with greater access to basic socio-economic infrastructures and social safety nets.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Program Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	16180.00	125250.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			

No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	50.00
Revised	Students enrolled in rehabilitated/constructed schools		Number Sub Type Breakdown	Value	0.00	4450.00	30000.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Calculated on the basis of the following assumptions: 320 infrastructures built of which 50% are schools, 3 classrooms per school and 50 students per classroom, 33% student turnover in classrooms built per year
Revised	Beneficiaries with access to an improved water source	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	6750.00	40000.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Calculated on the basis of the following assumptions: 320 infrastructures built of which 50 are water, and about 800 beneficiaries per water source
Marked for Deletion	Beneficiaries receiving cash transfers	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	8000.00
				Date	15-Jul-2012	10-Aug-2012	31-Dec-2015
				Comment			replaced with core indicator

Marked for Deletion	Beneficiaries from LIPW	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	100000.00
				Date	15-Jul-2012	10-Aug-2012	31-Dec-2015
				Comment			
New	Beneficiaries of Safety Nets programs (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	3474.00	53000.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to align original indicator with the Bank's core indicator
New	Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	8000.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Includes JSDF financing. Indicator revised to align original indicator with the Bank's core indicator
New	Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	3474.00	10000.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to align original indicator with the Bank's core indicator
New	Beneficiaries of Safety Nets programs – School feeding programs (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	35000.00
				Date	20-Nov-2013	01-Dec-2013	30-Sep-2016
				Comment			new component under Additional Financing
New	Beneficiaries of Labor Market programs (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	1506.00	2250.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016

				Comment			to align original indicator with the Bank's core indicator
New	Beneficiaries of Labor Market programs - Supporting entrepreneurship (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	1506.00	2250.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to align original indicators with the Bank's core indicators
Revised	Community subprojects operating one year after completion	<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to reflect new closing date
Revised	Households receiving cash transfers on schedule	<input type="checkbox"/>	Percentage	Value	0.00	0.00	70.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to reflect new closing date

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Basic socio economic infrastructure built/rehabilitated/maintained	<input type="checkbox"/>	Number	Value	0.00	38.00	320.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Estimated based on assumptions of average cost of sub-projects
Marked for Deletion	Classrooms built or rehabilitated	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	0.00
				Date	15-Jul-2012	10-Aug-2012	31-Dec-2015
				Comment			replaced with core indicator

Marked for Deletion	health facilities constructed/renovated and/or equiped	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	0.00
				Date	15-Jul-2012	10-Aug-2012	31-Dec-2015
				Comment			replaced with core indicator
Marked for Deletion	Improved community water points constructed or rehabilitated	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	0.00
				Date	15-Jul-2012	10-Aug-2012	31-Dec-2015
				Comment			replaced with core indicator
New	Number of additional classrooms built or rehabilitated at the primary level resulting from project interventions.	<input checked="" type="checkbox"/>	Number	Value	0.00	89.00	500.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Revised to align original indicator with the Bank's core indicator and to provide target value which was missing from original PAD. Calculated on the basis of the following assumptions: 320 infrastructures built of which 52% are schools, 3 classrooms per school
New	Health facilities constructed, renovated, and/or equipped (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	3.00	20.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Revised to align original indicator with the Bank's core indicator and to

							provide target value which was missing from original PAD. Calculated on the basis of the following assumptions: 320 subprojects, of which about 6% are health facilities
New	Improved community water points constructed or rehabilitated under the project	<input checked="" type="checkbox"/>	Number	Value	0.00	9.00	50.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			Revised to align original indicator with the Bank's core indicator and to provide target value which was missing from original PAD. Calculated on the basis of the following assumptions: 320 subprojects of which 16% are water points
Revised	Basic socio economic infrastructure assessed as having satisfactory technical quality	<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to reflect new closing date
No Change	Income generating activities subprojects	<input type="checkbox"/>	Number	Value	0.00	57.00	150.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			

No Change	Person days of work provided through this project	<input type="checkbox"/>	Number	Value	0.00	138960.00	400000.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			
Revised	Female participation in labor intensive public works	<input type="checkbox"/>	Percentage	Value	0.00	4985.00	40.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			Revised to clarify that this indicator refers to female participation in labor intensive public works
No Change	Young people (aged less than 35) employed	<input type="checkbox"/>	Percentage	Value	0.00	59.81	70.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			
No Change	Public works schemes completed with satisfactory technical quality	<input type="checkbox"/>	Percentage	Value	80.00	0.00	85.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			
Revised	Communal infrastructures rehabilitated through the public works	<input type="checkbox"/>	Number	Value	0.00	42.00	125.00
				Date	15-Jul-2012	01-Dec-2013	31-Dec-2015
				Comment			To provide target which was missing from PAD
Revised	Registered households who are receiving the cash transfers	<input type="checkbox"/>	Percentage	Value	0.00	0.00	100.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to reflect new closing date

Revised	Beneficiaries complying with the requirements to participate in soft conditions	<input type="checkbox"/>	Percentage	Value	0.00	0.00	95.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			to reflect new closing date
New	Meals provided to students in schools targeted for school feeding	<input type="checkbox"/>	Number	Value	0.00	0.00	12000000.00
				Date	01-Dec-2013	01-Dec-2013	30-Sep-2016
				Comment			
New	Schools benefitting from school feeding program	<input type="checkbox"/>	Number	Value	0.00	0.00	150.00
				Date	01-Dec-2013	01-Dec-2013	30-Sep-2016
				Comment			
New	Percent of schools benefitting from school feeding that are in the poorest 20% of cantons in their region (excluding schools in villages targeted by the Impact Evaluation)	<input type="checkbox"/>	Percentage	Value	0.00	0.00	90.00
				Date	01-Dec-2013	01-Dec-2013	30-Sep-2016
				Comment			
Revised	Maximum percentage of project funds used for project management	<input type="checkbox"/>	Percentage	Value	17.00	0.00	17.00
				Date	15-Jul-2012	01-Dec-2013	30-Sep-2016
				Comment			reduced in light of economies of scale due to additional financing

Annex 2: Operational Risk Assessment Framework (ORAF)

Togo: Community Development and Safety Nets Project Additional Financing (P146598)

Project Stakeholder Risks						
Stakeholder Risk	Rating	Low				
Risk Description: Other donors could raise objections to AF design and implementation. The government does not endorse the AF, causing lack of ownership from the onset.	Risk Management:					
	The WFP and UNICEF have already been consulted during bilateral meetings on this AF and support the operation.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Bank	Completed	Preparation	<input type="checkbox"/>	02-Aug-2013	
Risk Management:						
The team has ensured that the project responds to Government priorities. This project enjoys strong government commitment, and is in line with its key priorities. The Minister of Community Development has expressed her support for the additional financing and the activities to be supported.						
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	
Client	Completed	Preparation	<input type="checkbox"/>	16-Aug-2013		
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	Low				
Risk Description: The Technical Secretariat and regional AGAIBs have developed a strong capacity for CDD and safety nets projects (including FM capacity) during the implementation of Community Development Project (PDC) and Community Development and Safety Nets Project (PDCplus) with the World Bank. Their performance was rated satisfactory during the last evaluation.	Risk Management:					
	The project will continue to provide support to the implementing agency and AGAIBs to build capacity to manage safety nets programs and to perform key project functions such as M&E.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	Not Yet Due	Both	<input checked="" type="checkbox"/>		Yearly

Governance	Rating	Moderate				
<p>Risk Description:</p> <p>The implementing agency, the Technical Secretariat of the PDCplus, operates under the authority of the Ministry of Community Development, Handicraft, Youth, and Youth Employment. There is a clear delineation of responsibilities between the Ministry, Technical Secretariat, the NGO service providers, and the communities. There are, however, many Government actors implicated in the area of school feeding in addition to the Ministry of Community Development, including the Ministries in charge of Education, Social Action, Agriculture, Finance, and Plan.</p>	Risk Management:					
	The Government should ensure strong coordination of the different actors involved in community development and safety nets to enhance the project's complementarity and synergies with the actions of other ministries and agencies.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	In Progress	Both	<input checked="" type="checkbox"/>		Monthly
	Risk Management:					
	Nine NGOs supervised implementation of the school feeding program in various areas of the country under the PDC. Despite generally good performance by these NGOs, all NGO contracts will be competitively re-bid to ensure that the best qualified NGOs are retained in each geographic area.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	In Progress	Both	<input type="checkbox"/>		
	Risk Management:					
	Beneficiary schools will be selected on the basis of a targeting formula taking into account food insecurity, poverty, and education statistics. This will protect the implementing agency from political pressures regarding selection of communities.					
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	
Client	In Progress	Preparation	<input type="checkbox"/>			
Risk Management:						
An independent evaluation of the delivery of school feeding, covering a representative sample of schools, will be undertaken in addition to the annual audits of the program to verify compliance with program guidelines.						
Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:	
Client	Not Yet Due	Implementation	<input type="checkbox"/>	20-Mar-2015		

Project Risks						
Design	Rating	Low				
Risk Description: Design risk is low because the additional activities will follow the well-tested implementation mechanisms of the IDA-supported school feeding program under the PDC.	Risk Management:					
	The project implementation manual will be updated as needed to reflect the addition of the school feeding sub-component prior to the approval of the AF. The section on school feeding will be borrowed largely from the PDC which also supported school feeding.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	Not Yet Due	Preparation	<input type="checkbox"/>	15-Jan-2014	
Social and Environmental	Rating	Low				
Risk Description: Overall the project is rated environmental category B to reflect the limited negative impact that it may have on the environment compared to the benefits that it will provide. The existing safeguards documents will also apply to the activities supported by the additional financing.	Risk Management:					
	The safeguards documents have been redisclosed.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	Completed	Preparation	<input type="checkbox"/>		
Program and Donor	Rating	Moderate				
Risk Description: Discussions between the Ministry of Finance, Ministry of Community Development, the Bank, and the IMF about the possibility of creating fiscal space for school feeding and other social programs through the reduction of fuel subsidies have been successful in mobilizing FCFA 1.75 billion (US\$3.6 million) in Government counterpart funds. The WFP is also planning to begin support for school feeding.	Risk Management:					
	The new counterpart funds are a strong signal of the ownership of the program from the Government. Delay in the availability of counterpart funds could delay program implementation, but high level support for the project from Government makes this unlikely.					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Client	Not Yet Due	Implementation	<input type="checkbox"/>		

Delivery Monitoring and Sustainability	Rating	Substantial				
<p>Risk Description:</p> <p>Monitoring and evaluation is a challenge in many projects and has been noted as the key area of improvement for the implementing agency. As a result, a new computerized monitoring system has recently been installed in the implementing agency and staff have been trained in its use. A recent mission noted that the system is being updated regularly and will continue to support the implementing agency to continue progress in this area.</p> <p>Sustainability is a point of emphasis as school feeding is a recurrent expenditure by nature and there is a need to secure long-term financing from the Government's own resources to provide the Bank with an exit strategy.</p>	Risk Management:					
	Provision of continuous support for continuing to improve the Technical Secretariat's M&E capacity and performance.					
	Resp: Bank	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Yearly
	Risk Management:					
	Discussions are underway between the Ministry of Finance, Ministry of Community Development, the Bank, and the IMF about the possibility of creating fiscal space for school feeding and other social programs through the reduction of fuel subsidies.					
	Resp: Both	Status: In Progress	Stage: Preparation	Recurrent: <input type="checkbox"/>	Due Date: 06-Mar-2014	Frequency:
Other (Optional)	Rating					
Risk Description:	Risk Management:					
	Resp:	Status:	Stage:	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:
Overall Risk						
Overall Implementation Risk:	Rating	Moderate				
<p>Risk Description:</p> <p>The level of implementation risk is attenuated by the satisfactory results produced by the same arrangements in the past. Staff in the implementing agencies is familiar with Bank procedures and has shown reasonable technical competence. Still, substantial country level risks and significant risk of fraud and corruption remain which will be mitigated at the project level by community participation and monitoring combined with technical and financial audits. Given the risks described above, overall risk is rated moderate (the same level as the parent project).</p>						

Annex 3: Detailed Description of Project Activities

Component 1: Scaling up the sub-component on community infrastructure

This component facilitates access of the rural population to improved health, education, water and sanitation and other socioeconomic infrastructures as well as IGAs. It uses a CDD approach, whereby beneficiaries themselves are in the driver's seat to select, plan and implement subprojects. The implementation of the sub-component will continue to follow the operational manual already established under the PDCplus. Under this approach, the Agencies to Support Community Development (AGAIBs) make sub-grants available to Community Development Committees (Comités Villageois de Développement or CVD) to finance basic infrastructure subprojects from a menu of eligible sub-projects consisting of the following: a) primary schools, literacy centers, and social centers; b) health infrastructure such as primary care centers or community pharmacies; c) water points and water retention infrastructure; d) rehabilitation of secondary roads and construction or rehabilitation of road infrastructure; e) other small community infrastructures such as market stalls and abattoirs; and f) accompanying support to ensure operability and quality of service for the infrastructure mentioned above, for example, to ensure access to education equipment (chairs, desks, etc) and health equipment and supplies.

To train communities during the whole subproject cycle, the AGAIBs have typically recruited intermediaries (primarily NGOs, but also individuals), selected on a competitive basis, paying them 10 percent of the subproject cost. By its end, the project is expected to transition away from primarily using NGOs to use of a cascading training of trainers approach that has been successfully used in the Togo Education and Institutional Strengthening Project (*Projet Education et Renforcement Institutionnel* or PERI). This approach is expected to result in greater capacity building at the community level in the skills required for community mobilization and project management, including financial management, procurement, and monitoring and evaluation, thereby enhancing sustainability.

The sub-projects will continue to be limited to a maximum cost of US\$60,000 each, with an average of US\$35,000 per sub-grant. Beneficiaries will contribute with an additional 5 percent (in cash or kind). Accordingly, in addition to the target of 170 sub-projects under the original financing, the additional financing will aim to support another 150 projects, for a total of 320 community infrastructure sub-projects.

Targeting approach. Thanks to the availability of new and more detailed poverty data, the PDCplus has enhanced the targeting approach previously used under the PDC by making it more precise. Also, given the huge backlog of requests already received by the AGAIBs, it is crucial that the project utilizes a targeting mechanism that is perceived as fair and limits the scope for interference. Beneficiary communities will be selected through geographic targeting done at two levels:

(a) Regional allocation of funds: resources to finance subprojects will be distributed to the five regions of Togo according to criteria based on population size and poverty levels. A new household survey (2011) and a new census (2010) have informed a new poverty profile for the country, which includes estimates of the relative contribution of each region to national poverty.

(b) Identification of poorest communities inside regions: the new data available will also make it possible to develop a national poverty map with reliable estimates down to the canton level. Based on the poverty map, therefore, some priority areas of interventions will be identified, corresponding to the poorest cantons inside each region. Only communities in those cantons will be eligible to submit a proposal and obtain financing.

Subproject cycle. Community subprojects will be implemented by poor rural communities with the support of the AGAIBs. The first step will be to help communities strengthen their CVD, ensuring that women are included in it and that it is reasonably representative of the community. The CVD will:

- be supported throughout the subproject cycle by the AGAIB and, if necessary, by the grassroots management trainers, NGO or other intermediary recruited by the AGAIB;
- identify community needs and priorities through a participatory approach involving the whole community;
- prepare and submit to the AGAIB a request for financing subprojects;
- open a bank account;
- select a construction firm, supplier or service provider using community-based procurement procedures;
- sign a subproject grant agreement with the respective AGAIB and a contract with a construction firm, supplier or service provider;
- mobilize the required community participation, in cash or kind, equivalent to 5 percent of subproject financing to be provided by the AGAIB;
- supervise the implementation of works and disburse payments in tranches (40 percent, 50 percent and 10 percent), according to physical progress of works;
- sign off at subproject completion and sign a handover agreement with both the AGAIB and the contractor; and
- prepare and implement an operation and maintenance plan of the subproject.

Component 2: Additional Sub-component to support the School Feeding program

Component 2 contained two sub-components under the original project: sub-component 2.1 supporting labor intensive public works and sub-component 2.2 supporting a pilot cash transfer program. The additional financing will add a third sub-component to support school feeding programs for an estimated 35,000 students in targeted schools for the 2013-2014 and 2014-2015 school years.

Implementation Arrangements. The new sub-component 2.3 for school feeding will follow the procedures set forth in the operational manual for the PDC. The manual for the PDCplus will be updated subject to the no objection of the Bank to include these procedures and update them as required. The approach of the school feeding program is based on the existing system of village women who will prepare and distribute meals via the Parents-Teachers Association (PTA) and the support of well trained and experienced local NGOs. This system is well-tested and reasonably efficient, is far less expensive than building and running formal canteens, and generates additional income that remains in the community. At central level, a Steering Committee chaired by the Ministry of Primary Education will oversee the implementation of this Sub-component and provide overall strategic direction. The Technical Secretariat (TS) of the PDCplus will retain overall implementation responsibility. The TS selects and recruits NGOs that are responsible for organizing and implementing school feeding in beneficiary schools. Support from NGOs is both technical and financial, as they deliver subsidies to the existing informal system of village women.

Supervision and support at the school level. The local Parents-Teachers Association (PTA) will help ensure that the program is adequately and transparently managed and implemented at the school level. The PTAs will distribute the vouchers to the children before each lunch. The PTAs will also monitor meal quality and quantity. PTAs in Togo are strong and well-established, and are organized in regional associations and a national association. Because of the protracted institutional and governance crisis, PTAs have played a major role in organizing, financing and staffing schools, mostly on a voluntary basis.

Each morning, the school director will know the exact number of children attending classes that day and through members of the PTA it will inform the village women on how many meals will need to be preparing on that day. The women will then buy food, water and firewood and prepare the meals on time for the 12:00 noon lunch break. Food is usually bought by women on a weekly or biweekly basis with a proximate number of students in mind and the majority of food (rice, oil, tomatoes cans, etc.) can be stocked for several days. Women will buy fresh food, daily according to the exact number of students at schools. They will then serve the meals to pupils using a standard bowl. Usually at the end of the week, the village women will present the number of total meals they have prepared and will be paid a fix amount of FCFA 165 by meal per day. The value of this reimbursement will be the same in all participating communities and during the entire school year. Once the school feeding system has been organized (e.g., village

women and PTAs trained, responsibilities clearly identified), the TS will transfer enough funds to the NGOs to cover three months' worth of payments for the schools under their responsibility. Funds will be replenished on the basis of implementation reports prepared by the NGOs and countersigned by PTAs and school representatives. This report will be based on the supervision visits made by the NGOs. Every three months, the Technical Secretariat will carry out a supervision mission to spot-check the implementation of the program.

Administrative costs. Efforts have been made to keep the fees collected by regional level NGOs at a reasonable level, and to cap at 8 percent the profit allowed by the project in order to maintain good quality and quantity of food served. Strengthening monitoring tasks, reinforcing the role and capacity of PTA, setting an explicit ceiling for profit and encouraging the women to spend more resources in good quality meals are among the measures to reduce costs associated with meals preparation. Women will also be encouraged to keep a simplified account sheet tracking their weekly expenses on food.

Nutritional quality and hygiene. Meals served at school provide an adequate caloric intake for children, but they lack vitamins. During the expansion phase of the project all efforts will be made to add a fruit to the menu. Systematic hand washing will take place before eating.

Targeting. The school feeding Sub-component will continue to target schools in poor and remote areas of the country, and the project will use poverty-based targeting criteria to identify new villages. The availability of a new nationwide poverty map at the canton level will enable improved poverty targeting of beneficiary schools.

In order to identify the impact of the school feeding program on the beneficiary schools, a preliminary group of schools two times larger than the number of schools to be supported will be identified using the poverty map. The selection of beneficiary schools from this preliminary group will be done on a random basis. The randomized selection of the beneficiary schools will allow for the creation of a control and a treatment group which will be used at the end of the project to identify the impact on beneficiary schools from the program.

Impact evaluation. With this proposed AF, the PDCplus offers a unique opportunity to rigorously measure and compare the impact of two different social protection interventions, school feeding and cash transfers, as well as examine their interactions. The study will take place in the Kara and Savanes regions where the cash transfers pilot is set to be evaluated through a village-level randomized controlled trial in partnership with UNICEF. The implementation of the school feeding program will follow a cross-randomization design that will allow measuring its impact with the existing evaluation apparatus, thereby ensuring strict comparability of impacts and cost-effectiveness across both interventions. But it will also allow examining complementarity between the two programs in terms of nutritional and educational outcomes.

In the other regions, the selection of beneficiary schools will be made through a random process within a pool of targeted schools. A preliminary group of schools two times larger than the

number of schools to be supported will be identified using the poverty map. The selection of beneficiary schools from this preliminary group will be done on a random basis. The randomized selection of the beneficiary schools will allow for the creation of a control and a treatment group which will be used at the end of the project to identify the impact on beneficiary schools from the program. The analysis may then be carried out based on administrative data or through a full-fledged data collection process for which external partnerships and resources would need to be mobilized.

Component 3: Management and Operating Costs

To support administrative costs of the Technical Secretariat of the PDCplus related to the scale up, an additional \$1.8 million will be allocated to Component 3 (Management and Operating Costs). The activities under component 3 will continue to follow those described in the operational manual of the project.

Annex 4: Disbursements

1. The project will continue to use the report-based disbursement procedures. The existing Designated Account (DA) at *Banque Togolaise pour le Commerce et l'Industrie* will also be used for the additional financing. The designated account will receive an initial advance equivalent to the forecast for two quarters as shown in the quarterly Interim Financial Report upon project effectiveness. In addition to advances to the designated account, other disbursement methods will be available for use under the project, such as the direct payment, reimbursement, and special commitment methods. Further instructions on the withdrawal of proceeds and details of the disbursement arrangement will be outlined in the disbursement letter.

2. The disbursement schedule will be as follows:

Category	Amount of the Grant Allocated (expressed in USD)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, non-consultant services, Training and Operating Costs under Parts A and C (Components 1.1 and 3) of the Project	1,600,000	1,000,000	100%
(2) Goods, consultants' services, non-consultant services, Training and Operating Costs under Part B (Component 2.3) of the Project	5,000,000	3,300,000	100%
(3) Sub-project Grants under Part A (Component 1.1) of the Project	5,500,000	3,600,000	100% of amount disbursed under Sub-project Grants
TOTAL AMOUNT	12,100,000	7,900,000	