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Report No: PAD1469

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 14.3 MILLION
(US\$20.0 MILLION EQUIVALENT)

TO THE

CENTRAL AFRICAN REPUBLIC

FOR A

LONDO (“STAND-UP”) PROJECT

July 30, 2015

Social, Urban, Rural and Resilience (GSURR)
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective on April 30, 2015)

Currency Unit	=	CFA Francs BEAC (XAF)
XAF 586	=	US\$1
SDR 0.711	=	US\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACTED	<i>Agence d'Aide à la Coopération Technique et au Développement</i>
AFD	<i>Agence Française de Développement</i>
AGETIP-CAF	<i>Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique</i>
BP	Bank Procedure
CAR	Central African Republic
CMOD	<i>Convention de Maîtrise d'Ouvrage Déléguée</i>
CSE	<i>Cellule de Suivi-Evaluation</i>
DA	Designated Account
DDR	Disarmament, Demobilization, and Reintegration
ESAP	Environmental and Social Action Plan
ESMF	Environmental and Social Management Framework
EU	European Union
FCS	Fragile and Conflict-Affected Situations
FM	Financial Management
FY	Fiscal Year
GIS	Geographic Information System
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GSURR	Global Practice – Social, Urban, Rural, Resilience
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IFR	Interim Financial Report
IOM	International Organization for Migration
LIPW	Labor-Intensive Public Works
M&E	Monitoring and Evaluation
MEPCI	Ministry of Economy, Planning, and International Cooperation
MINUSCA	Multidimensional Integrated Stabilization Mission in the CAR
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
OP	Operational Policy
PDO	Project Development Objective
PPA	Project Preparation Advance
PURD	<i>Programme d'Urgence et de Relèvement Durable</i>

SOE	Statement of Expenditures
SORT	Systematic Operations Risk-Rating Tool
UN	United Nations
UNDP	UN Development Programme
UNDSS	UN Department for Safety and Security
WA	Withdrawal Application
WDR	World Development Report

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Country Director:	Paul Noumba Um
Global Practice Senior Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager:	Jan Weetjens
Task Team Leader:	Paul Bance

CENTRAL AFRICAN REPUBLIC

LONDO ('Stand-Up') Project

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PAD DATA SHEET
CENTRAL AFRICAN REPUBLIC
LONDO ('Stand-Up') Project (P152512)

PROJECT APPRAISAL DOCUMENT

AFRICA

Report No.: PAD1469

Basic Information			
Project ID	Lending Instrument	EA Category	Team Leader
P152512	IPF	B	Paul Bance
Lending Instrument: Investment Project Financing		Fragility or Capacity Constraints [X]	
		<input checked="" type="checkbox"/> Fragile States <input type="checkbox"/> Fragility within a non-fragile country <input type="checkbox"/> Small States <input checked="" type="checkbox"/> Post-Conflict <input type="checkbox"/> Natural or man-made disaster	
		Financial Intermediary []	
		Series of Projects []	
Project Implementation Start Date		Project Implementation End Date	
September 1, 2015		August 31, 2018	
Expected Effectiveness Date		Expected Closing Date	
September 30, 2015		December 31, 2018	
Joint IFC			
No			
Practice Manager	Global Practice Senior Director	Country Director	Regional Vice President
Jan Weetjens	Ede Jorge Ijjasz-Vasquez	Paul Numba Um	Makhtar Diop
Borrower: Ministry of Economy, Planning, and International Cooperation (MEPCI)			
Responsible Agency: Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique (AGETIP-CAF)			
Contact:	Marcel Nganassem	Title:	Director General
Telephone:	(+236) 75 50 40 42	Email:	mnganassem@yahoo.fr
Project Financing Data(in USD Million)			
[]	Loan	[X]	IDA Grant
[]	Credit	[]	Grant
[]		[]	Guarantee
[]		[]	Other

Total Project Cost:	20.00		Total Bank Financing:	20.00	
Financing Gap:	0.00				
Financing Source			Amount		
Borrower			0.00		
IDA			20.00		
Total			20.00		
Expected Disbursements (in USD Million)					
Fiscal Year	2016	2017	2018	2019	
Annual	6.0	6.0	6.0	2.0	
Cumulative	6.0	12.0	18.0	20.0	
Institutional Data					
Practice Area / Cross Cutting Solution Area					
Social, Urban, Rural & Resilience					
Cross Cutting Areas					
<input type="checkbox"/> Climate Change					
<input checked="" type="checkbox"/> Fragile, Conflict & Violence					
<input type="checkbox"/> Gender					
<input type="checkbox"/> Jobs					
<input type="checkbox"/> Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector		%	Adaptation Co-benefits %	Mitigation Co-benefits %
Public Administration, Law, and Justice	Sub-national government administration		20		
Transportation	Rural and Inter-Urban Roads and Highways		20		
Health and Other Social Services	Other Social Services		60		
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 Development, Gender, and Inclusion	Conflict Prevention and Post-Conflict Reconstruction	100
Total		100
Project Development Objective(s)		
To provide temporary employment to vulnerable people throughout the entire territory of the country.		
Components		
Component Name		Cost (USD Millions)
Component 1: Local governance		3.4
Component 2: Public infrastructure		8.0
Component 3: Socio-economic integration		5.0
Component 4: Project management		3.0
Contingency (3%): to be allocated to Components 1, 2, and 3		0.6
Systematic Operations Risk-Rating Tool (SORT)		
Risk Category		
1. Political and Governance		High
2. Macroeconomic		Substantial
3. Sector Strategies and Policies		Moderate
4. Technical Design of Project or Program		Substantial
5. Institutional Capacity for Implementation and Sustainability		High
6. Fiduciary		High
7. Environment and Social		Moderate
8. Stakeholders		Substantial
9. Other		
OVERALL		High
Compliance		
Policy		
Does the project depart from the CPF in content or in other significant respects?	Yes []	No [X]
Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No []

Is approval for any policy waiver sought from the Board?		Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?		Yes [X]	No []
Safeguards Policies Triggered by the Project		Yes	No
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04			X
Forests OP/BP 4.36			X
Pest Management OP/BP 4.36			X
Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10			X
Involuntary Resettlement OP/BP 4.12			X
Safety of Dams OP/BP 4.37			X
Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP.BP 7.60			X
Legal Covenants			
Name: Safeguards	Recurrent: No	Due Date: 3 months after effectiveness	Frequency: N/A
Description of Covenant: An Environmental and Social Management Framework, in form and substance satisfactory to IDA, is adopted by MEPCI.			
Name: M&E Unit	Recurrent: No	Due Date: 6 months after effectiveness (<i>complied with – May 22, 2015</i>)	Frequency: N/A
Description of Covenant: A Project M&E Unit with terms of reference and resources acceptable to IDA is established in MEPCI.			
Conditions			
Name: Service Agreement between MEPCI and AGETIP-CAF		Type: Effectiveness	
Description of Condition: A Service Agreement (<i>Convention de maîtrise d'ouvrage déléguée</i>), in form and substance satisfactory to IDA, has been signed between MEPCI (grant recipient) and AGETIP-CAF (implementing agency).			
Name: Project Implementation Manual		Type: Effectiveness	
Description of Condition: The Project Implementation Manual, in form and substance satisfactory to IDA, has been adopted by MEPCI.			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Eric Adda	Sr. Financial Management Specialist	Financial Management	GGODR
Paul Bance	Sr. Operations Officer	Reconstruction and Team Lead	GSURR

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Sophie Grumelard	E T Consultant	Social Cohesion and Operations	GSURR		
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Medou Lo	Consultant	Environmental Safeguards	GENDR		
Evelyne Madozein	Team Assistant	Procurement and Financial Management	AFMCF		
Siobhan McInerney-Lankford	Sr. Counsel	Legal	LEGAM		
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Celicius Okeke	Security Specialist	Security	GSDRS		
Jean Owino	Finance Analyst	Finance and Accounting	WFALA		
Haoussia Tchaoussala	Procurement Specialist	Procurement	GGODR		
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Selwyn Heaton	Road Rehabilitation Coordinator, MINUSCA	(+236) 75 38 80 60 heatons@un.org	Bangui, CAR		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Central African Republic	All 16 <i>préfectures</i>	All 71 <i>sous-préfectures</i>	71	5	The project is national; it will cover the entire territory (71 <i>sous-préfectures</i>), except the capital Bangui. Five <i>sous-préfectures</i> are already covered under the Project Preparation Advance.

I. STRATEGIC CONTEXT

A. Country Context

1. ***A prime development challenge.*** With about a quarter of its population displaced, over half in need of humanitarian assistance, and a high level of losses and damages, the Central African Republic (CAR) is currently home to one of Africa's most serious crises. Over the past two years, violence along ethno-religious lines has dramatically increased and led to a *de facto* partition of the country, while institutions have been weakened to an unprecedented level. The current conflict in CAR is the result of several unresolved and overlooked structural problems including, but not limited to: (a) an uneven geographic distribution of public investment; (b) very limited state presence outside the capital; (c) chronic poverty and high unemployment; and (d) weak institutions, both formal and informal. The prime evidence of this situation has been the proliferation of non-state armed groups able to control large portions of the population and the territory, as well as key economic sectors. For the people of CAR, this situation translates into political instability, decreasing socio-economic indicators, limited or no access to basic services, marginalization of most rural areas, loss of investments and livelihoods, and dramatic violence. Meanwhile, the legitimacy of the Transition Authorities has periodically been contested and social expectations about the new Government remain high. The CAR crisis has also a significant regional dimension with the potential to destabilize fragile neighbor countries.

2. ***An improving political context.*** The Transitional Government's priorities are outlined in the Libreville Roadmap (August 2014) and focus on: (i) local and national reconciliation; (ii) cessation of hostilities and demobilization of armed groups; (iii) restoration of state authority and redeployment to rural areas; and (iv) rebuilding the economy. Building upon the Roadmap, and also drawing from the Poverty Reduction Strategy Paper, the Government has established a two-year emergency strategic plan: the *Programme d'Urgence et de Relèvement Durable* (PURD). The PURD aims at restoring peace, security, constitutional order, and governance in CAR, while putting the country back on track for achieving the Millennium Development Goals. To this end, it outlines a strategy that aims to combine humanitarian assistance and early recovery, in order to reinforce the fight against poverty by restoring the capacities of national institutions and communities. As part of the efforts to resolve the crisis the Transition Authorities has engaged into a process of national dialogue and reconciliation, to be followed by elections in mid-2015.

3. ***Timely action.*** There is currently a rare window of opportunity opened for stabilization and recovery in CAR, as indicated by: (a) the deployment of a 12,000-men strong United Nations (UN) peacekeeping mission since September 2014, the Multidimensional Integrated Stabilization Mission in the CAR (MINUSCA); (b) a fragile but enduring political agreement between all parties (*Accords de Brazzaville*, July 2014 and *Forum National de Bangui*, May 2015); (c) a concerted effort by all development partners and main donors to support the redeployment of the administration in the regions; and (d) a strong demand from the Government, the population, and the international community for the Bank to sustain its engagement by providing additional economic opportunities—our comparative advantage—to vulnerable people.

4. ***A fragile transition.*** As outlined in the 2011 *World Development Report (WDR): Conflict, Security, and Development*, the scope and speed of reforms may increase the risk of resumed conflict. Despite the recent positive political progress that has been achieved by the Transition Authorities, doing “too much, too soon” may indeed carry the risk for relapse into conflict. The prolonged absence of the state apparatus in many regions of the country, combined with considerable governance deficits in virtually all sectors, means that effective transformation will require time. Rebuilding legitimate, capable, and accountable institutions would therefore benefit from incremental but visible changes, e.g. job creation and delivery of basic services, whereby trust can progressively be re-established between the state and citizens. In a context of high social expectations and low confidence in the state, development interventions must first focus on immediate tangible results for the population and avoid exacerbating on-going tensions. A major challenge facing the Government is to design policies that can help to: (i) show that all citizens, in any region, are equal and fairly treated; (ii) restore confidence between the state and citizens as the former redeploys in the provinces; and (iii) improve infrastructure and boost the local economy. A short-term employment program, which goes beyond material benefits by providing a productive role and occupation to vulnerable people, is one of the proposed answers.

B. Situations of Urgent Need of Assistance or Capacity Constraints

5. ***Compliance with the Bank’s Operational Policies.*** The proposed operation—designed to support social and economic recovery as well as facilitating peacebuilding—is in compliance with Operational Policy (OP) 2.30 (*Development Cooperation and Conflict*) and OP 8.00 (*Rapid Response to Crises and Emergencies*), in both spirit and letter. Paragraph 12 (*Situations of Urgent Need of Assistance*) of OP 10.00 (*Investment Project Financing*) is formally triggered for “Conflict” and the proposed operation benefits from condensed procedures, deferral of environmental and social requirements, and streamlined fiduciary procedures. OP 7.30 (*Dealings with De Facto Governments*) was triggered on March 25, 2013 and remains in effect.

6. ***New lending under OP 7.30.*** The provisions of Paragraph 5 (*New Operations*) of OP 7.30 have been reviewed and weighed against the policy’s five criteria. The Region’s assessment is that, fourteen months after the beginning of the second Transition, major developments have occurred that justify the resumption of new financing:

- (a) This grant would not expose the Bank to additional legal or political risks associated with the country’s financial obligations and obligations to carry out the project, as demonstrated by the successful execution of the Bank’s Emergency Response Plan.
- (b) The Government is back in effective control of the country, thanks to the support of the MINUSCA. It also enjoys a reasonable degree of stability and public acceptance as demonstrated by the recent exercise of decentralized consultations leading to the upcoming national forum for reconciliation, as well as the redeployment of the prefects in all provinces.
- (c) The Government recognizes the country’s past obligations, in particular those to the Bank. Past Governments have generally recognized the obligations incurred by the de facto governments that have preceded them.

- (d) The Government has been recognized by all countries, particularly neighboring ones from the Economic Community of Central African States. Both the United Nations (UN) and the African Union are providing strong political backing. The International Contact Group met again in Brazzaville on March 16, 2015 and confirmed its support to the Transition Authorities.
- (e) The position of other international organizations toward the Government is overwhelmingly supportive and virtually all of them have resumed technical and financial assistance to the country.

C. Sectoral and Institutional Context

7. ***International engagement.*** International assistance to CAR mostly focuses on security, political transition, and humanitarian aid. ‘Early recovery’ interventions are attempted by the United Nations Development Programme (UNDP), the European Union (EU), and the *Agence Française de Développement* (AFD) but with limited geographic scope, i.e. the capital Bangui and only a very few targeted centers outside Bangui.

8. ***Overview of the Bank’s response to the crisis.*** The Bank is currently implementing a phased Emergency Response Plan of US\$100 million in CAR, which was presented to the Board in January 2014. Phase 1 of the plan includes three emergency operations: (a) a health response project (P119815); (b) a food crisis and agriculture re-launch project (P149512); and (c) a public services recovery project (P149884). Phase 2 of the response plan supported the restructuring of the existing transport project (P079736) and urban project (P104595) to launch a multi-donor labor-intensive public works (LIPW) program in Bangui, while the community development project (P111679) has remained active in western rural areas.

9. ***Relationship to the Bank’s CAR Emergency Response Plan.*** The proposed LONDO (‘Stand-Up’ in Sango, the official and commonly-used language in CAR) project fits in Phase 3 of the Emergency Response Plan (IDA 17 frontloading) by offering a longer-term development intervention. Its focus on social cohesion directly addresses the country’s drivers of fragility and consequences of the crisis: chronic poverty, communal violence, unbalanced public investment, lagging regions, lack of state presence and services, absence of alternative employment to armed groups, and destruction of public infrastructures. LONDO is a flagship operation included under the “support to the recovery and reconstruction of basic infrastructure and livelihoods” pillar of the Country Engagement Note, which defines the Bank’s engagement strategy in CAR over the next 18 months and outlines priority areas for intervention.

10. ***Relationship to existing operations.*** LONDO will strengthen the Bank’s portfolio by complementing existing operations. The preparation of this operation has benefited from the on-going implementation of the LIPW program in Bangui. Moreover, LONDO will build on the experience of the community development project in rural areas to expand Bangui’s LIPW program throughout the territory and set up the foundations for sustainable development interventions in CAR.

11. ***Continuity of engagement.*** It should also be noted that, out of three community development projects in rural areas, two were closed in Fiscal Year (FY) 2014 and the remaining

one (P111679) closed on May 31, 2015. Therefore, there is a risk of not ‘passing the baton’ on time in rural areas, which are still largely forgotten in terms of public investment, and losing the technical expertise, operational experience, resources network and solid reputation that the Bank and its project partners have acquired in the hinterlands.

D. Higher Level Objectives to which the Project Contributes

12. **Strategic outcomes.** The proposed LONDO project aims to contribute to the higher-level objectives of the Transition Authorities to promote social cohesion while improving local governance and supporting economic recovery through wage jobs, community engagement, and public infrastructure. Evidence on the contribution of the project to these higher objectives will be gathered wherever feasible throughout project implementation for ex-post evaluation. In turn, the project will also serve as a learning platform for the Bank, external partners, and researchers.

13. **Alternative to DDR.** The project is distinct from the Disarmament, Demobilization, and Reintegration (DDR) process and does not specifically target ex-combatants. However, LONDO will leverage the Bank’s comparative advantage to support livelihoods and early economic recovery throughout the entire country, including areas of origin of ex-combatants. LONDO will also offer the backbone of an original model for ‘peacebuilding and state building’ that can be upgraded into a sustainable civic service for reconstruction and territorial development.

14. **National coverage.** The intent of LONDO is to cover the entire territory, making it the first truly national development intervention for years. By investing in lagging areas, the project will address regional inequalities, which have been at the root of many rebellions, especially in the northeast of the country. At a time when national cohesion is at stake, the project will also support the Government’s commitment to investing equally in all the regions of the country and providing services to all citizens without any discrimination.

15. **Contribution to the World Bank Group’s Strategic Goals.** The proposed LONDO project will contribute to removing the constraints to reducing extreme poverty and boosting shared prosperity in CAR. It targets the 75 percent of CAR’s population that lives outside the capital Bangui and where the extreme poverty rate averages 70 percent. LONDO will also contribute to boosting shared prosperity and improving the living standards of the bottom 40 percent by revitalizing the local economy, increasing access to markets and social services, lowering transportation costs, (re-)connecting people, and providing savings/investments opportunities to CAR’s most vulnerable.

II. PROJECT DEVELOPMENT OBJECTIVE

A. PDO

16. The proposed Project Development Objective (PDO) is to *provide temporary employment to vulnerable people throughout the entire territory of the country.*

B. Project Beneficiaries

17. The project will target 35,500 vulnerable people in all the districts (*sous-préfectures*) of CAR, with the exception of the capital Bangui. Hence, 71 local reconstruction teams of 500 individuals will be set-up. Indirect beneficiaries are: (a) the Transition Authorities, whose legitimacy the project will help to strengthen; (b) the overall rural population that will benefit from improved access to markets and basic social services; and (c) the international community, whose effort to support state redeployment will be complemented by the project.

C. PDO Level Results Indicators

18. The project would be considered a success if local reconstruction teams have been at work in all 71 districts of the country. The achievement of the PDO will be measured against the following Key Performance Indicators:

- a. Number of direct beneficiaries, percentage of which are women
- b. Number of worked days
- c. Number of benefitting districts (*sous-préfectures*)

III. PROJECT DESCRIPTION

A. Project Components

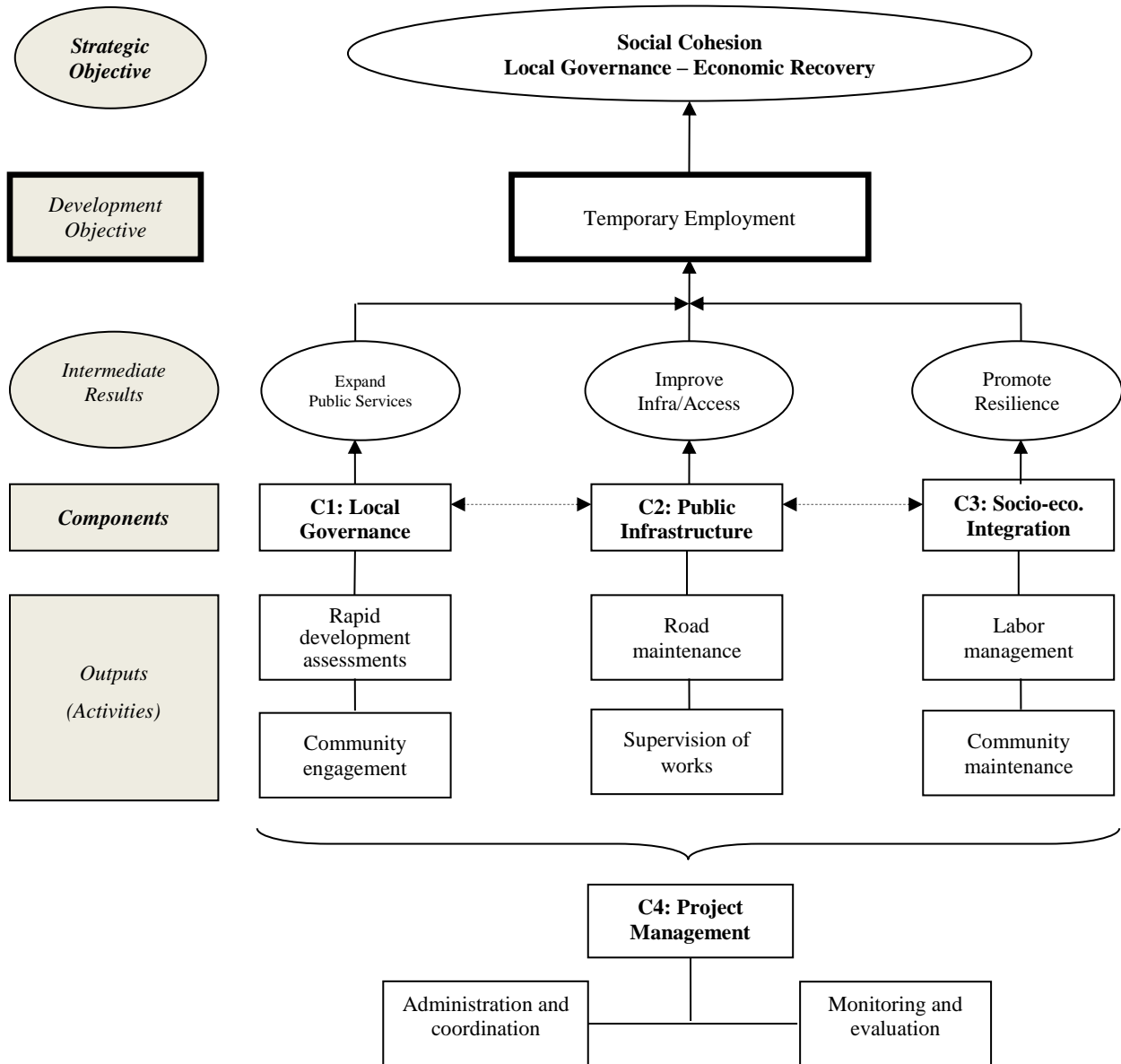
19. **Overview.** The proposed LONDO project is divided into three substantive components, each with two subcomponents, and a fourth integrated administrative component, as outlined below and presented in Figure 1.

20. **Component 1: Local Governance (US\$3.4 million).** This component will first finance rapid development assessments at the level of *sous-préfectures* across the country to gather necessary data for successful development interventions: governance, security, social dynamics, economy, and logistics. These development assessments will complement the ‘Rapid Response Mechanism’ diagnostics of the humanitarian community and can be shared with other public agencies and development partners. This component will also support inclusive engagement with local stakeholders to support the selection of beneficiaries (through transparent public lottery) and agreement on work sites in the *sous-préfectures*. Citizen engagement activities also include the implementation of the Grievance Redress Mechanism (GRM), which will take the form of a secured toll-free number for collecting feedback (praises and complaints) about the project implementation and results (cell phone is the most feasible technology in the context of CAR today). Finally, this component will finance the regional redeployment of the *Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique* (AGETIP-CAF), the national public agency for civil works and the project’s implementing agency.

21. **Component 2: Public Infrastructure (US\$8.0 million).** This component will finance all works-related expenses except stipends to beneficiaries for the preparation, execution, and supervision of the works selected under Component 1. It includes the costs of (i) the preliminary conditions surveys, environmental checklists, bills of quantities, cost calculations, and work schedules; (ii) the supply of materials, tools, and equipment; and (iii) the management of works, stores, and sites, as well as quality control. The works will consist in the maintenance of roads,

e.g. vegetation clearing, debris removal, side drains cleaning, or minor surface repairs. They will be performed using a labor-based methodology, i.e. a public works technology that maximizes opportunities for the employment of labor (vs. machines) and local resources.

Figure 1: Project Schematic – LONDO (‘Stand-Up’) Project



22. **Component 3: Socio-Economic Integration (US\$5.0 million).** Since road works will be executed using the LIPW method, labor will account for about 40% (US\$4.2 million in stipends) of the total cost of works, based on the project’s budget estimate. About 1.42 million worked days will be paid: 35,500 contracts of 40 working days each. Seventy-one local reconstruction teams of 500 workers (20 brigades of 25 beneficiaries per *sous-préfecture*) will be set up,

managed, and paid. The deployment of the teams will be phased following an adaptive schedule taking into account the geography, logistics and security. In addition, this component will sponsor the development of a community maintenance system (*cantonnage communal*) to promote the sustainability of the investment, in terms of both jobs and roads. Tools and equipment (signage, wheelbarrows, etc.) will be transferred to local authorities (*mairies*), which will also benefit from technical assistance; protective equipment (gloves, boots, etc.) is kept by beneficiaries at the end of their assignment, including the bicycles provided to workers as a means of transportation to and from work sites. Beneficiaries may also benefit, during working hours, from short trainings and consultation, e.g. HIV/AIDS, when locally available, to maximize opportunities for a better socio-economic integration.

23. **Component 4: Project Management (US\$3.0 million).** This component will cover all costs related to the management and coordination of the project, in particular the creation and maintenance of a comprehensive monitoring and evaluation (M&E) system. This will also include communication at the national level with beneficiaries and all other stakeholders involved in the project, including line ministries, international partners like MINUSCA, and civil society organizations.

B. Project Financing

24. **Lending instrument.** The total cost of the proposed Investment Project Financing is estimated at US\$20.0 million, to be fully financed through a standard IDA grant. Table 1 below presents the project cost by component. Project management costs are 15 percent of the total cost of the project. A contingency fund (three percent of the total financing) will be available to allow the project the flexibility needed to respond to unexpected situations and emergencies.

Table 1: Project Cost and Financing

Project Components	Project cost (in US\$ million)	Source of Financing	% Financing
Component 1: Local Governance	3.4	IDA	100
Component 2: Public Infrastructure	8.0	IDA	100
Component 3: Socio-Economic Integration	5.0	IDA	100
Component 4: Project Management	3.0	IDA	100
Contingency (3%)	0.6	IDA	100
Total Costs	20		
Interest during Implementation	N/A		
Front-End Fees	N/A		

25. **Project Preparation Advance.** The Bank's Project Preparation Facility has made available to the Government a US\$3.0 million Project Preparation Advance (PPA). The PPA was declared effective on January 07, 2015 with a Refinancing Date on September 30, 2015 or earlier if the proposed LONDO project is effective before such a date. The PPA has been used to

finance: (a) technical assistance; (b) pilot operations (2,500 beneficiaries); and (c) the set-up of the project team, including two regional offices.

26. **Scale-up.** Additional funding may be leveraged from other sources as the project shows results. The design of the project is such that it can easily be scaled-up: more local reconstruction teams; longer assignments; other types of LIPW such as garbage collection, reforestation, farmland clearing, and house reconstruction; and/or extra benefits for beneficiaries such as professional training and assistance to income-generating activities.

C. Lessons Learned and Reflected in the Project Design

27. **Building on previous experiences.** The preparation of the LONDO project benefits from the experience of the LIPW program in Bangui, as well as the lessons learned from other cash-for-work programs in fragile and conflict-affected situations (FCS), e.g. Afghanistan, Cote d'Ivoire, the Democratic Republic of Congo, Yemen, and Liberia. In that spirit, and with funding from the Korea Trust Fund for Economic and Peace-building Transitions (KTF), a delegation from AGETIP-CAF visited Cote d'Ivoire in March 2014 to exchange on post-conflict LIPW with the implementing partners of successful projects in that country. The project further draws from the recommendations outlined in the *2011 World Development Report: Conflict, Security, and Development*. Additionally, a cross-sector/cross-region brainstorming workshop of experienced task team leaders was convened by the Social, Urban, Rural and Resilience Global Practice (GSURR) to discuss key design challenges of the project, e.g. selection of beneficiaries and cash distribution. Finally, the pilot operations implemented under the PPA are providing critical lessons to fine-tune the design of the project and demonstrate proof of concept.

28. **Designed-to-deliver.** Five key lessons have been incorporated into the project design: (i) the execution of LIPW in FCS calls for a simple design, i.e. one type of public works; (ii) the selection of large number of beneficiaries must be efficient and transparent, i.e. public lotteries are quick and the most adapted in contexts where tensions are high and confidence in the government low; (iii) strategic communication at the local level is essential, i.e. broad outreach campaigns must be carried out on each project site and local authorities should be engaged throughout implementation; (iv) a local assessment of capacities and resources is imperative, i.e. the "3 Ws" (Who, What, and Where) must be assessed; and (v) coordination is essential, i.e. the project team should engage in ongoing dialogue with relevant partners to identify synergies and mutually-supportive action.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

29. **Grant recipient.** The project will be sponsored by the Minister of Economy, Planning, and International Cooperation (MEPCI), IDA Governor of the Bank for CAR, to ensure government ownership and sustainability of the project. MECPI was preferred to a line ministry given the transversal nature of the project. MEPCI, therefore the grant recipient, will implement the project through a service agreement (*Convention de Maîtrise d'Ouvrage Déléguée*, CMOD) with AGETIP-CAF.

30. **Implementing agency.** AGETIP-CAF is technically competent, sound in terms of fiduciary requirements, and has significant experience with the implementation of Bank-funded operations, as well as operations funded by other international donors such as AFD, the EU or the African Development Bank (AfDB). Selecting MEPCI as the grant recipient and AGETIP-CAF as the implementing agency is therefore both a logical and tactical choice.

31. **Regional teams.** Five regional teams from AGETIP-CAF will be set-up and deployed to cover the entire territory; two teams have already been deployed to the southwest and the northeast, thanks to the PPA. Two project bases will be turned into regional AGETIP-CAF offices and are expected to remain opened and be self-sustaining after the project.

32. **State redeployment.** Working through AGETIP-CAF also offers an opportunity for a non-threatening re-deployment of the State, i.e. a focus on public services (jobs and infrastructures) with a technical public agency, rather than classic state-building with an administrative authority. Moreover, an expanded field presence of AGETIP-CAF would support economic regeneration at the local level by revitalizing networks of local companies and attracting additional international aid assistance to remote areas.

33. **Force account.** A unique delivery framework has been developed and tested, under which AGETIP-CAF executes road works itself rather than procuring them to third parties (private companies or non-governmental organizations (NGOs)). Force account (*régie*) is justified by the following circumstances: (a) the objective of the project does not define quantities of works to be included in a contract, i.e. LONDO is a social—not an infrastructure—project; (b) the works are small and scattered, and in remote or unsecured locations, for which qualified third-parties are unlikely to bid at reasonable prices, if at all; and (c) the risks of unavoidable work interruption, for instance because of insecurity, are better borne by the Government than by a contractor. However, in specific areas, depending on local capacity, access, security, and other operating criteria, AGETIP-CAF will retain the possibility to procure parts of works or related services to third-parties.

34. **Partnership with AFD for training.** AFD is currently restructuring and expanding its professional training project to support the multi-donor LIPW program in Bangui. However, AFD has agreed to extend it to LONDO's supervisors (5) and superintendents (40), who will be trained in worksite technical and fiduciary management.

35. **Timeframe.** The project will be executed over a period of 42 months. The project's schedule factors in the fact that road works cannot be executed in certain parts of the country during the four-month rainy season (June-September). This period will be used to negotiate access, select sites and beneficiaries, carry out development assessments, and train local management staff.

B. Results Monitoring and Evaluation

36. **Approach.** Resources have been ring-fenced in the budget for monitoring and evaluation (M&E) and related training. MEPCI will set-up a *Cellule de Suivi-Evaluation* (CSE) to ensure

appropriate oversight of AGETIP-CAF and maintain checks-and-balances. This M&E unit will be responsible for gathering, analyzing, and transferring information on the execution of the project to MEPCI and the Bank. A technical assistant, competitively recruited by the Project, will serve as the CSE secretariat and be responsible for reinforcing the MEPCI's M&E's capacities and developing a protocol for collecting, storing, reporting, and analyzing data.

37. ***Use of innovative technologies.*** The main challenge for data collection is the number of project sites (71), which are scattered all over the country. Information and Communication Technology (ICT) solutions such as applications for mobile phones and tablets will be explored to ensure efficient and timely data collection and reporting of project indicators by AGETIP-CAF and their analysis by MEPCI. Building on experience in similarly difficult environment, e.g., Sierra Leone and Afghanistan, it is possible to adapt M&E technology to the CAR context. Moreover, the use of a Geographic Information System (GIS) will be piloted, which will enable regular data audits to evaluate reports received from the field. GIS will for instance be used to map work sites and visualize progress over time.

38. ***Learning platform.*** In addition to the Results Framework framed around the achievement of the PDO, the rapid development assessments will provide essential data—both quantitative and qualitative—about each project site and will be an integral component of the Project's M&E system. Each assessment will also include a simple survey to collect evidence on topics related to higher-level objectives to which the Project contributes, such as local governance, social cohesion, and economic recovery. The outcomes of these rapid assessments will thus provide baselines for ex-post evaluations, which could help assess how LONDO will have contributed to achieving the client's higher-level objectives beyond the PDO. In addition, the project will collaborate with academic and research institutions, as well as other public agencies, to see how the data collected through the rapid development assessments can be shared, in exchange for analytical insights on the project's results and outcomes. Overall, the project will serve as a learning platform for the Bank, external partners, and researchers.

C. Sustainability

39. ***Sustainable outputs.*** Temporary employment programs in post-conflict settings are not meant to be sustainable but used as a stabilization mechanism. Nevertheless, the level of income to be earned by direct beneficiaries through the project has been calculated so that they can save enough to invest in income-generating activities and/or improve their access to social services, with the goal of improving the socio-economic conditions of the population beyond the life of the project. The distribution of bicycles to beneficiaries will act as a multiplier effect. In addition, the project will revitalize the local economy thanks to better roads, increased purchasing power of beneficiaries, local procurement of goods (as much as possible), and local selection of staff, e.g. 710 team leaders. Furthermore, the community maintenance systems (*cantonnage communal*) set up during the project will continue to reinforce local governance, provide local population with new job opportunities, and maintain the roads in good condition.

40. ***Pushing the development frontier.*** LONDO will also lay the ground for more 'classic' development projects to follow in areas of the country that have been underserved in the past. Beyond security issues, the absence of data and implementing partners have been among the main reasons not to invest in lagging regions. The successful opening and operating of AGETIP-

CAF’s regional offices will remove these constraints and may attract additional financing in the provinces. AGETIP-CAF, a national and public agency, may become the operator of choice for public investments in the provinces. AFD is already planning to rely on the LONDO-supported presence of AGETIP-CAF throughout the country to expand its professional training project outside Bangui.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

41. **High risk operation.** The overall project risk rating is assessed to be ‘high.’ It especially includes high stakeholders risks with elites in Bangui refusing to see resources spent in the hinterlands and rebel leaders resisting state presence in the provinces. Security and logistics are also major concerns for delivery of the program in large parts of the territory. Furthermore, implementation capacity—at every level from central administration to local entrepreneurs—will present a high risk too. Finally, the cash circuit, from its transportation to work sites to its distribution to beneficiaries represents both an important security and fiduciary risk.

Table 2: Risk Rating Summary Table (SORT)

Risk Category	Rating
1. Political and Governance	H
2. Macroeconomic	S
3. Sector Strategies and Policies	M
4. Technical Design of Project or Program	S
5. Institutional Capacity for Implementation and Sustainability	H
6. Fiduciary	H
7. Environment and Social	M
8. Stakeholders	S
OVERALL	H

42. **Risk management and mitigation.** The design of the proposed project has been developed to take into account the challenging environment of the country and its rapidly changing circumstances. In so doing, principles of engagement—rather than a prescriptive blueprint—have been adopted. These principles are summarized below:

- (a) National coverage: The project will deploy to the provinces sequentially, as security permits. A Memorandum of Understanding (MoU) in support of the project (data, logistics, and security) has already been signed with the peacekeeping mission (MINUSCA), which operates in the entire country.
- (b) Dynamic approach to development impact: LONDO is a social cohesion project. However, social cohesion cannot be engineered from the outside. Instead, the

project focuses on tangible *outputs*—payments of stipends and improved rural roads—to lead to the project *outcome*—social cohesion—using LIPW as a *methodology* to link the former to the latter. LIPW go beyond infrastructure-building; they promote collective decision-making, collaborative behaviors, and community ownership.

- (c) Operational flexibility: The project design allows for rapid adaptation, because of (i) largely unknown local capacities and opportunities; (ii) a volatile environment and significant regional differences; and (iii) lack of data for most parts of the territory. Project implementation will thus be modular, iterative, and incremental, learning from successes and failures as the project deploys to new sites (action-research).
- (d) Simple implementation process: The project design is simple, technically and institutionally. The risk of failures and delays in delivery would increase with operational sophistication in today's CAR. A unique type of works with a single delivery framework is being proposed to ensure readiness, quality standards, cost-effectiveness, and economies of scale: road maintenance. Road works is a straightforward public investment, which triggers many positive socio-economic externalities.
- (e) Do no harm: Given the contested areas the project will operate in, the project team must ensure that the project does not inadvertently exacerbate tensions. To this end, the project will ensure AGETIP-CAF organizes consultations with local stakeholders, existing institutions—including informal ones—, and communities.

43. ***Risk of inaction.*** A decisive support to the Transition Authorities by the international community for exiting the cycle of violence and breaking out of the fragility trap in CAR requires both timely action and audacious strategies. This project is a high-risk/high-return investment but a calculated one. The potential rewards of this project largely outweigh the risks of implementation or the risk of inaction.

VI. APPRAISAL SUMMARY

A. Economic Analysis

44. ***Cost-effectiveness.*** No cost-benefit analysis or explicit estimate of economic rate of return was undertaken. The main reasons are the emergency nature of the project preparation process, the general lack of data for most parts of CAR's territory, and the fact that the project's strategic outcomes are largely intangible. In addition, the PDO indicators of this social project are not focused on quantitative targets of physical outputs as it would be the case for an infrastructure project. Thus, the anticipated benefits deriving from the project and the alternatives considered have been assessed but not monetized. The project design is nevertheless based on cost-effectiveness, attempting to maximize the Bank's added value and to minimize costs without forfeiting the quality of outputs. In particular, the project was appraised on the basis of:

- (a) The expected positive impact on livelihoods through increased investment capacity and purchasing power of beneficiaries (more than half of the total stipend can be saved, based on figures from the latest food market surveys);
- (b) The multiplier effect of public sector financing and expected positive impact of road infrastructure investments (a public good) on transportation costs, easier (re)-access to markets and trade routes, and improved security and safety; and
- (c) The efficient technology choice for public works, including (i) the use of a labor-based method, which has proven to be a cost-effective alternative to equipment-based methods for road maintenance (not true for road construction); (ii) the overall low mechanization of the country and weak supply of machines and vehicles; and (iii) the force-account delivery model with AGETIP-CAF tailored to the difficult environment of CAR.

45. References to the literature on the economics of road maintenance, short-term employment programs (a flagship intervention of the Bank in post-conflict settings), and labor-based construction methods are also available in the project files, as well as unit cost approximations derived from the Bank's Road Cost Knowledge System (ROCKS).

B. Technical

46. ***Reconnecting communities.*** The project will focus on the maintenance of the primary (national) and secondary (regional) road networks (*routes nationales* and *pistes d'interface*); the Bank-funded transport project is working on the (international) "main supply road" (*corridor*). These networks are about 10,000 kilometers long combined, only two percent of which was deemed of good or fair condition before the crisis. The project may improve traffic conditions on over a quarter of the combined networks. LONDO will therefore play a role in reconnecting people throughout the country. It will ease access of communities to administrative centers (*chefs-lieux*), economic poles and markets, and basic social services (health facilities, schools, etc.).

47. ***Definition of maintenance works.*** The basic objective of road maintenance is to ensure that the respective roads are kept in or restored to their original condition to the extent possible, and that they are thus fully serviceable. Maintenance requirements for roads depend upon a number of external factors such as traffic, terrain, soil types, and climate, as well as the original technical designs applied during the construction of the road and the quality of the works carried out during construction. Throughout CAR, the original road quality is low and road conditions have significantly suffered from weather, while maintenance has been practically inexistent since the beginning of the current crisis.

48. ***Types of maintenance activities.*** There will be two distinct types of maintenance activities: (a) ditch works will focus on maintaining the drainage system and halting any damage to the road components outside the road surface; (b) road surface repairs will mainly consist in restoring a good running surface on the targeted roads, freeing them from any obstructions and

repairing damage caused by traffic or weather forces. All works will be manually executed. There will be neither road extension nor new road construction.

49. **Coordination.** In order to maximize the impact of the investment on the fluidity of the road network, the project will coordinate works with public agencies (Ministry of Public Works and Equipment) and other international partners (MINUSCA Engineering Section, Humanitarian Logistics Cluster), which concentrate their efforts on the rehabilitation and (re)construction of critical infrastructure, e.g. bridges destroyed during the conflict. Both intervention types will hence be complementary and mutually-supportive.

50. **Best industry practices.** The project technical design follows best practices for post-conflict reconstruction interventions using labor-intensive methods. In particular, the lessons learned from the LIPW multi-donor program in Bangui have been incorporated into the project design to calibrate the execution of works to the specific circumstances of the country (a systematic survey of LIPW projects in CAR was carried out and is summarized in Annex 2).

C. Financial Management

51. **Financial management assessment.** A Financial Management (FM) assessment of AGETIP-CAF was conducted in November 2014 and updated in March 2015. The key conclusions of this assessment are: (i) the FM system is adequate and meets the Bank FM requirements; (ii) the management of several Bank-funded projects in recent years has been satisfactory; and (iii) the financial staff are experienced and familiar with the Bank's FM procedures.

52. **Financial management responsibilities.** AGETIP-CAF will implement the project using its existing fiduciary platform and will be in charge of (i) budgeting; (ii) accounting; (iii) financial reporting; and (iv) auditing. AGETIP-CAF will also prepare the withdrawal applications (WA) to be submitted to the Bank by the MEPCI. The main FM challenge is the management and control of fund flows to make sure stipends are timely paid to beneficiaries, which will be mitigated by a strict payment protocol approved by IDA.

53. **Disbursement.** The project will use the transaction-based disbursement procedures. The four disbursement methods will be available to the Project: advance, direct payment, reimbursement, and special commitment. Funds will flow from the IDA Account through a Designated Account (DA) to be opened in a commercial bank in Bangui acceptable to IDA.

54. **Conclusion of the FM assessment.** The FM residual risk rating of the project is considered "Substantial." However, the conclusion of the assessment is that the proposed FM arrangements for the project meet the Bank's minimum requirements for FM under OP/BP 10.00 (*Investment Project Financing*).

D. Procurement

55. **Procurement capacity assessment.** The Bank procurement team carried out an assessment of AGETIP-CAF's procurement capacity in January 2015. AGETIP-CAF has an in-

house seasoned procurement specialist and its technical staff are familiar with the Bank's procurement procedures. AGETIP-CAF has satisfactorily managed several Bank-funded projects in recent years and most of the project's procurement activities have been carried out under the PPA.

56. **Procurement implementation arrangements.** AGETIP-CAF will be responsible for the coordination and implementation of all procurement activities. A Simplified Procurement Plan to optimize methods of procurement for early and rapid implementation has been approved by IDA.

57. **Procurement strategy.** Procurement under the project will contribute to the achievement of the PDO and higher-level outcomes by encouraging the development of the domestic private sector and the recruitment of national consultants, especially at the local level, in the spirit of the Bank's *Procurement Guidelines* and without forfeiting the other guiding principles of quality, economy and efficiency, equal opportunity, and transparency. "*Procurement Guidelines*" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014). As an emergency operation, this project is entitled to simplified procurement procedures.

58. **Risk mitigation measures.** First, a dedicated procurement specialist will be competitively recruited to strengthen AGETIP-CAF's team. Second, the procurement plan will be updated at least annually and as required to reflect the actual project implementation needs; revisions must be approved by IDA. Third, procurement for the proposed project will be carried out in accordance with the Bank's Guidelines for procurement, consultants, and fraud and corruption.

59. **Conclusion of the procurement assessment.** The procurement residual risk rating of the project is considered "Low." The conclusion of the assessment is that the proposed procurement arrangements for the project meet the Bank's minimum requirements for procurement under OP/BP 10.00 (*Investment Project Financing*).

E. Social (including safeguards)

60. **Due diligence.** No social safeguards policy is triggered as the Project does not involve land acquisition leading to involuntary resettlement or restrictions of access to resources or livelihoods, nor are there Indigenous Peoples at the project sites. A social development specialist will be part of AGETIP's central team in Bangui. In addition, each regional AGETIP-CAF base will have an expert in local mediation, who will regularly monitor the project and go through an appropriate social checklist before works are carried out on each project site. AGETIP-CAF has an operations manual that includes safety guidelines to prevent injuries associated with LIPW.

61. **Socio-economic benefits.** Serviceable rural roads are indispensable for basic economic and social activities. They provide the opportunity to realize the productive potentials of agricultural land, facilitate access to education and social services, and increase food security. In addition, improving traffic on rural roads will ease humanitarian access, reconnect rural communities to urban centers, and support the re-deployment of the State. The proposed project is therefore expected to potentially provide benefits for the entire population.

62. ***Gender-informed project.*** The type of works involved is not gender-discriminatory and the project's communication strategy will ensure women are encouraged to apply to the public lottery. The project is expected to incrementally attract women and reach 50% participation by the third year of the project, for a total target of a third of women participating in the works. Should women's participation remain low after the first year of the project, the beneficiary selection mechanism allows enough flexibility to ensure more women are included, i.e. a separate lottery—reserved for women—could be organized.

F. Environment (including safeguards)

63. ***Environmental screening.*** The proposed LONDO project is a category-B project as defined in OP 4.01 (*Environmental Assessment*). The road works—manual maintenance of existing roads—has minimal impact on the environment. AGETIP-CAF has an in-house environmental specialist and decentralized structures with five regional teams who will regularly monitor the project and ensure that the protective equipment is used in an effective manner. As the Project is being processed under OP 10.00, paragraph 12, the preparation of the environmental safeguards instrument—an Environmental and Social Management Framework (ESMF)—has been deferred until project implementation and shall be prepared no later than three months after effectiveness.

64. ***Climate and disaster risks.*** In accordance with IDA 17 policy on integrating climate and disaster risk considerations into core Bank operations, the Bank-sponsored Climate and Disaster Risk Screening Tools were used to vet the project, and the report is available in the project files. No risk was found and no specific mitigation was therefore included in the design.

G. World Bank Grievance Redress

65. Communities and individuals who believe that they are adversely affected by a Bank-supported project may submit complaints to existing project-level grievance redress mechanisms or the 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 complaints to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, please visit www.worldbank.org/GRS. For information on how to submit complaints to the Bank Inspection Panel, please visit www.inspectionpanel.org

Annex 1: Results Framework and Monitoring

Country: Central African Republic
Project Name: LONDO ('Stand-Up') Project (P152512)

Results Framework

Project Development Objectives

PDO Statement: To provide temporary employment to vulnerable people throughout the entire territory of the country.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Baseline*	Target Values			
		YR1	YR2	YR3	End Target
1. Number of direct beneficiaries	2,500	12,500	15,000	5,500	35,500
• Percentage of which are women	25	25	35	50	33
2. Number of worked days	57,000	543,000	600,000	220,000	1,420,000
3. Number of benefitting districts (<i>sous-préfectures</i>)	5	25	30	11	71

Intermediate Results Indicators

Indicator Name	Baseline	Target Values			
		YR1	YR2	YR3	End Target
4. Number of completed rapid development assessments	5	25	30	11	71

5. Number of regional AGETIP-CAF teams deployed	2	4	5	5	5
6. Number of maintained road (in km)	97	1,103	1,200	440	2,840
7. Percentage of grievances addressed	0	100	100	100	100
8. Number of completed distribution of stipends	12	108	120	44	284
9. Number of supported community maintenance systems	0	30	30	11	71

* Baseline is based on data collected from the pilot operations, as of July 10, 2015.

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Data Collection
1. Direct beneficiaries	A project's <i>direct beneficiary</i> is an individual who is duly selected and registered with the project and thereby offered temporary employment.	Monthly	Signed codes of conduct	MEPCI
2. Worked days	A <i>worked day</i> is a working day that is paid by the project to a direct beneficiary, i.e. the beneficiary has indeed worked on that day.	Weekly	Signed attendance records	MEPCI
3. Benefitting districts	A <i>benefitting district</i> is a <i>sous-préfecture</i> as defined by CAR's territorial administration law.	Every six months	Lottery records	MEPCI

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Data Collection
4. Rapid development	A <i>rapid development assessment</i> is a standardized data	Every six	Development	MEPCI

assessments	collection exercise conducted by AGETIP-CAF prior to an intervention in a new benefitting district.	months	assessment database	
5. Regional AGETIP-CAF teams	A <i>regional AGETIP-CAF team</i> is a mobile team of experts deployed in a geographic area outside Bangui to implement the project.	Quarterly	Field visits	MEPCI
6. Road maintenance	<i>Road maintenance</i> is the set of activities to improve mobility on existing roads, including drainage cleaning, vegetation and debris removal, and minor surface repairs.	Monthly	Worksite logs	MEPCI
7. Grievances	<i>Grievances</i> are feedbacks from citizens (beneficiaries and other stakeholders) registered through the project's GRM and related to the delivery of the project benefits.	Monthly	Activity Reports	MEPCI
8. Distribution of stipends	A <i>distribution of stipends</i> is the activity of paying stipends to direct beneficiaries, hence at least two distributions for each cohort.	Quarterly	Interim Financial Reports	MEPCI
9. Community maintenance systems	A community maintenance system is the organization put in place at the level of a <i>sous-préfecture</i> that benefits from the transfer of tools and technical assistance.	Every six months	Activity Reports/Field visits	MEPCI

Annex 2: Detailed Project Description

CENTRAL AFRICAN REPUBLIC: LONDO ('Stand-Up') Project

1. **Labor-intensive public works.** The key feature of the proposed project is that it relies on LIPW as a methodology. LIPW—*Travaux à Haute Intensité de Main d'Œuvre* (THIMO) —have already been implemented in the country's current post-crisis context. Many partners have initiated LIPW projects, especially in Bangui. Table 3 provides a summary of selected projects that helps emphasize the specifics of the proposed LONDO project and how it complements and adds value to existing initiatives (a comprehensive matrix based on a survey carried out in March 2015 is in the project files):

- (a) **Coverage.** Most projects are focused on the capital Bangui and/or a few hot spots. LONDO is the only truly national project with all 71 *sous-préfectures* covered outside of the capital.
- (b) **Scale.** LONDO will bring LIPW to an unprecedented scale in terms of worked-days, thus requiring an original delivery model (public lotteries and force account by AGETIP-CAF).
- (c) **Focus.** The project is development-oriented, hence longer assignments so that beneficiaries can build-up savings, and it is meant to support state redeployment, hence the use of a (sustainable) national public agency.

Table 3: Matrix of LIPW Project in CAR

Name	Donors	Execution	Focus	Status	Districts	Direct beneficiaries	Contracts (days)	Earnings (in XAF)	Worked Days
THIMO IV	AFD	Private Firms	Infrastructure	Completed	1 (Bangui)	37,500	20	45,000	750,000
<i>Various</i>	<i>Various</i>	NGO (ACTED)	Humanitarian	Completed	2	6,811	10	20,000	63,055
PURISU/CEMAC	IDA	Private Firms	Infrastructure	Ongoing	1 (Bangui)	42,628	15	30,000	639,420
Community Recovery	EU	IOM	Humanitarian	Ongoing	1 (Bangui)	20,000	10	25,000	200,000
<i>Various</i>	<i>Various</i>	NGO (ACTED)	Humanitarian	Ongoing	1 (Bangui)	11,500	10	25,000	115,000
PRGAJAR	MINUSCA	MINUSCA	Pre-DDR	Ongoing	4	8,000	15	30,000	120,000
SIRIRI	EU	IOM	Pre-DDR	Planned	4	40,000	20	30,000	800,000
LONDO	IDA	AGETIP	Development	Planned	71	35,500	40	60,000	1,420,000

Disclaimer: This table is completed to the best of our knowledge. Projects' descriptions have been simplified and data have been aggregated and averaged for comparison purposes. It cannot do justice to the richness of partners' projects, many of which do more than simply LIPW.

2. **Challenges.** The ambition of the proposed LONDO project comes with a number of operational difficulties, from size of the workforce to security of beneficiaries and logistics to reach remote areas. To address these challenges, the project is organized around three

substantive components, each with two sub-components, whose detailed description is provided below. The project schematic can be found under Figure 1 in the main text.

Component 1: Local Governance

3. ***Sub-component 1.1: rapid development assessments.*** There is a dramatic lack of information on the situation outside Bangui. Most data currently available is outdated, incomplete, and not suitable for operational purposes. Therefore, the project needs to collect and analyze the required data itself in each *sous-préfecture* before it can deploy and intervene safely and efficiently. These rapid development assessments will follow a simple protocol to gather information on governance, security, economy, and logistics at the local level. Each assessment will include a simple survey addressing issues related to higher-level objectives, such as local governance, social cohesion, and economic recovery. The results of the rapid assessments can be used as a baseline for follow-up surveys. Data will be collected by AGETIP-CAF's regional teams through a combination of field observations, semi-structured interviews, and group discussions; these findings will be cross-checked and completed with secondary sources from the government, policy analysts and researchers, international organizations, and security forces. Analysis of these findings is a pre-requisite for deciding to operate on a work site and arranging appropriate adaptation and mitigation measures. The approach has been tested in five *sous-préfectures* under the PPA. Seventy-one rapid development assessments will ultimately become available throughout project implementation. This systematic collection will complement the 'Rapid Response Mechanism' diagnostics of the humanitarian community and can be shared with other public agencies and development partners.

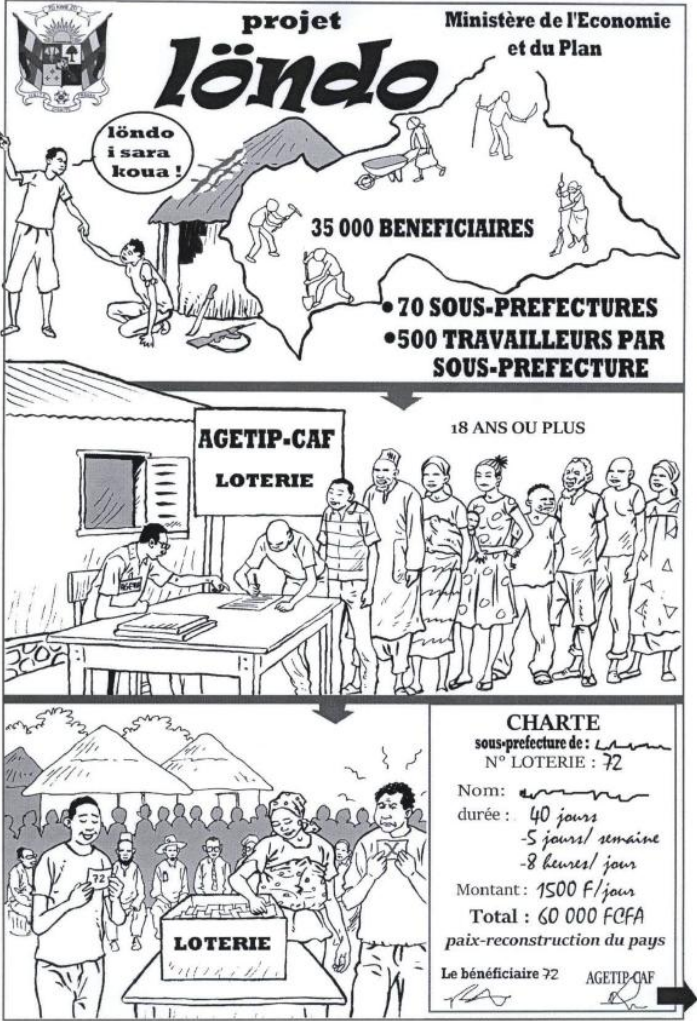
4. ***Sub-component 1.2: community engagement.*** Five regional teams of AGETIP-CAF will be deployed throughout the territory; project bases (14 according the initial deployment plan) will be opened accordingly, two of which equipped with the prospects of remaining active beyond the project and turned into permanent regional AGETIP-CAF offices. The regional teams will inclusively engage with local stakeholders in each *sous-préfecture*. Four activities will more specifically be opportunities to engage on local governance.

- (a) Selection of beneficiaries: Public lotteries organized at the level of the *sous-préfecture* by AGETIP-CAF will provide a chance for all members of the local communities, irrespective of their religion, ethnicity, or gender, to participate. Lotteries will be held in a public open space. Meanwhile, the low daily stipend (about US\$3.0) will promote self-selection towards the poorest and vulnerable.
- (b) Selection of work sites: Work sites will be determined by considering feedback from local authorities and other stakeholders. A matrix of minimum requirements (pre-existing traffic, access to markets, etc.) will help guiding AGETIP-CAF's selection of road segments to be maintained and prevent capture.
- (c) Communication: Communication will be targeted to local audiences to ensure a sound comprehension of the project (what it can and cannot do), inclusive participation to the lotteries, and discussion on priority works. An example of a

communication tool is provided in Figure 2. (This two-page leaflet has been drawn by a local artist and distributed to prepare the launch of the pilots.)

- (d) Feedback mechanism: AGETIP-CAF has set up a dedicated toll-free, secured telephone number to collect feedback (praise and complaints) from beneficiaries and their communities. The number to call is “4000” and has been attributed to the Project by the CAR Agency for Telecom Regulation. AGETIP-CAF will ensure that complaints received are promptly responded to and continuously reported on. This system will serve as the project’s GRM.

Figure 2: Project’s Leaflet for Local Communities



Component 2: Public Infrastructure

5. **Sub-component 2.1: road maintenance.** The works will consist in the maintenance of roads, e.g. vegetation clearing, debris removal, side drains and culverts cleaning, and minor surface repairs. They will be performed using a labor-based methodology, i.e. a public works

technology that maximizes opportunities for the employment of labor (vs. machines) and local resources. No works related to development, expansion, or new construction will be carried out. The phasing of the works will follow an adaptive schedule that takes into account geographic characteristics, existing infrastructure, and issues related to security and logistics. About 2,800 kilometers of roads, over one quarter of the combined primary and secondary networks, are expected to be maintained. Although AGETIP-CAF will retain the possibility to procure part of the works or related services from third parties, the preferred delivery model is force account (*régie*), which is a unique model in CAR today.

6. **Sub-component 2.2: supervision of works.** The works will be carried out by teams of 25 beneficiaries headed by a team leader recruited locally. Each *sous-préfecture* will profit from the manpower of 20 teams for 40 days in two successive cohorts of 250 beneficiaries each. Two nationally-recruited superintendents will lead the effort in each *sous-préfecture* and report to the regional team of AGETIP-CAF. AGETIP-CAF’s decentralized structure with five regional bases allows for a regular and close supervision of project activities on the ground, including but not limited to: (i) preliminary conditions surveys, environmental checklists, bills of quantities, cost calculations, and work schedules; (ii) the distribution of materials, tools, and equipment, as well as planning of daily team dispatch; (iii) the management of works, teams, storages, and sites, as well as quality control; and (iv) local coordination with other actors involved in road works.

Component 3: Socio-Economic Integration

7. **Sub-component 3.1: labor management.** This sub-component will finance all direct labor costs. Since road works will be executed using the LIPW method, labor will account for about 40% of the total cost of works. Thirty-five thousand and five hundred beneficiaries will be employed for 40 working days each. Thus, altogether, approximately 1.42 million worked days will be paid. All beneficiaries must sign the project’s Code of Conduct, which describes expected behaviors on the work sites and provides information on the project’s GRM; they must also sign a work agreement that fixes the daily stipend and other conditions. A detailed procedure for how the stipends will be distributed will be included in the Project Implementation Manual. Beneficiaries may also benefit, during working hours, from short trainings and consultation, e.g. HIV/AIDS, by NGOs and public agencies when locally available. The project team will make sure to reach out to, and coordinate with, other projects and programs in each area to maximize opportunities for project beneficiaries.

Table 4: Distribution of Labor and Payments

	Districts	Teams	Beneficiaries	Working Days	Payment (in US\$)
By Working Day					3
By Beneficiary				40	120
By Team			25	1,000	3,000
By District		20	500	20,000	60,000
Country-wide	71	1,420	35,500	1,420,000	4,260,000

8. ***Sub-component 3.2: community maintenance system.*** Local authorities will have already provided office and storage space for AGETIP-CAF in each *sous-préfecture*. This sub-component will sponsor the development of a community maintenance system (*cantonnage communal*) to promote the sustainability of the investment, in terms of both jobs and roads. Upon project completion in each *sous-préfecture*, the project's tools will be transferred by AGETIP-CAF to local authorities (*mairies*), which can use them for future maintenance activities and other public works projects. In addition, AGETIP-CAF will provide technical assistance. A study of experiences in CAR and other countries will be financed, when the project starts, to design the most appropriate approach to community maintenance in the very difficult circumstances of today's CAR, and test it.

Annex 3: Implementation Arrangements

CENTRAL AFRICAN REPUBLIC: LONDO ('Stand-Up') Project

Project Institutional and Implementation Arrangements

1. **Simple arrangements.** Institutional and implementation arrangements have been designed to ensure ownership of the project by the government, while maintaining an appropriate balance between capacity-building of clients and effective execution of the project. To this end, the MEPCI will be the sponsoring authority of the project, while the implementation of activities will be delegated to AGETIP-CAF through a service agreement (*Convention de maitrise d'ouvrage déléguée*, CMOD).
2. **MEPCI (grant recipient).** MEPCI is in charge of economy, planning, and international cooperation, as well as growth poles; MEPCI's head is also the Governor for the Bank's Board of Governors. This strategic position in the government will facilitate coordination and synergies with other government-sponsored initiatives, in particular the redeployment of the State in the provinces. The MEPCI is also the lead ministry of the multi-donor LIPW program in Bangui. Consequently, the project does not require a steering committee.
3. **Cellule de Suivi-Evaluation (oversight unit).** The organization of the ministry is currently being revised to adjust to the new dynamics of the country. Under the new structure, the MEPCI will have a *Cellule de Suivi-Evaluation* (CSE) directly reporting to the Cabinet to provide oversight of the LONDO project. The CSE will operate according to terms of reference that are, in form and substance, satisfactory to IDA. The secretariat of the CSE will be carried out by a competitively-recruited M&E specialist. The limited membership of this structure will ensure the CSE can fulfill its responsibilities in an efficient manner. The CSE's mandate is to collect, analyze, and transfer information on the execution of the project to the MEPCI and the Bank. It will further be tasked with the supervision of the service agreement and the project's communication at the national level.
4. **AGETIP-CAF (implementing agency).** AGETIP-CAF was created in 1994 with the support of the CAR government and the Bank. It is an active member of the African Association of AGETIPs (AFRICATIP). AGETIP-CAF is a public, not-for-profit association, whose mandate is to manage and execute projects of public utility on behalf of the government and local administration. AGETIP-CAF is made up of: (a) a General Assembly; (b) a Board of nine institutional members, including the city of Bangui, the Ministry of Urbanism, and the Ministry of Public Works; (c) technical, financial, and administrative services; and (d) specialized project cells. The agency currently employs 25 full-time national staff who have strong technical expertise and understanding of project management. AGETIP-CAF has over two decades of experience implementing projects financed by several donors (African Development Bank, AFD, the Bank, the EU, etc.) in the urban, energy, education, rural development, transport, and health sectors. It is currently involved in the implementation of four Bank-funded projects.
5. **Convention de maitrise d'ouvrage déléguée.** A service agreement (CMOD) will be signed between the MEPCI (*maître d'ouvrage*) and AGETIP-CAF (*maître d'ouvrage délégué*),

which details each entity's respective responsibilities for the implementation of LONDO. Under this type of legal and fiduciary arrangement, the *maître d'ouvrage* is responsible and liable for ensuring the project is properly implemented and that the IDA funds are used for their intended purpose, but the day-to-day execution of the project is delegated to the *maître d'ouvrage délégué*. For instance, AGETIP-CAF will recruit and pay workers, while the MEPCI will remain responsible for ensuring that each beneficiary effectively receives wages. CMODs have been successfully used in other Bank-funded projects in CAR; it is also the arrangement used for the implementation of the PPA.

6. **Checks and balances.** The M&E responsibilities of the project will remain within the MEPCI, encouraging government ownership of the project. It will also equip the ministry with the appropriate tools to play its role of *maître d'ouvrage* and supervise AGETIP-CAF's execution of the CMOD, as well as closely and regularly monitor the project's advancement and track progress on indicators. A project's M&E cell has already been created under the PPA and is headed by MEPCI's Chief of Staff. As for any other projects in CAR, MEPCI will also be in charge of signing the WAs prepared by AGETIP-CAF.

7. **Project team.** AGETIP-CAF will execute the project itself using a force account (*régie*) delivery framework. Therefore, the project implementation unit will sit in AGETIP-CAF. LONDO will be implemented by a coordination team based at AGETIP-CAF's headquarters in Bangui, which will be supported by five regional teams. The coordination team will include a project manager, a procurement specialist, an FM specialist, a human-resource specialist, a logistician, a mediator/communications specialist, and two accountants. Each of the regional teams will include a coordinator, an accountant, a mediator, and a logistician. The staff of AGETIP's *Direction Générale* will also contribute expertise to the project, especially in the areas of strategic planning, financial management, procurement, and safeguards.

Financial Management, Disbursements and Procurement

Financial Management

8. **Financial management assessment.** An FM assessment of AGETIP-CAF was conducted by the Bank's FM team in November 2014 and updated in March 2015. The key conclusions of this assessment are: (i) the FM system is adequate and meets the Bank's FM requirements; (ii) the management of several Bank-funded projects in recent years has been satisfactory; and (iii) the financial staff (a financial manager, three accountants, and an internal auditor) are experienced and familiar with the Bank's FM procedures.

9. **Financial management responsibilities.** AGETIP-CAF will handle the project using its existing fiduciary platform (manual of procedures, reporting arrangements, etc.) and will be in charge of (i) submitting the project's quarterly interim financial reports (IFRs) and preparing annual financial statements for audit purpose, (ii) reviewing transactions and keeping accounting books updated and accurate; (iii) preparing withdrawal applications to be submitted to the Bank by the MEPCI, and (iv) recruiting the external independent auditor.

10. **Key financial management challenges.** The nature of the project—labor-intensive public works—implies significant challenges due to the very large number of beneficiaries (35,500), the frequency of payments (one per month), the scattered works sites (71 all over the country), and the country’s financial infrastructure. The development of the banking system would not allow to request beneficiaries to open a bank account where stipends could be deposited. The payments of beneficiaries will thus require extra monitoring and controls. A protocol for payments of stipends to beneficiaries has been designed under the PPA and approved by the Bank’s FM team. It includes the following specific points of control: (i) certification of presence and performance of task assigned, (ii) identity control, (iii) signatory of a receipt of payment with beneficiary’s identity and phone number, and (iv) adequate records of all documentation related to the payments.

11. **Risk assessment and mitigation measures.** The overall financial risk rating for the project is assessed as ‘Substantial’. The table below provides a summary of the different risk categories.

Table 5: FM Risks and Mitigation

Risk Categories	Risk rating	Risk Mitigating Measures Incorporated into Project Design	Residual risk	Remarks
INHERENT RISK	S		S	
Country level Weak fiduciary capacity affected by the crisis.	H	Use of AGETIP-CAF for financial management of the project	S	Implementati on
Entity level Weak line ministries following the country crisis	S	MEPCI as sponsoring ministry (IDA Governor) and use of AGETIP-CAF as implementing agency	M	Implementati on
Project level Risk that funds do not flow to the direct beneficiaries	S	Protocol for payment and controls approved by IDA for reliable funds flow arrangements	M	Preparation
CONTROL RISK	S		M	
Budgeting Delay in preparing budget execution report	S	Submission of an annual work plan and budget to be approved by IDA and monitored monthly	M	Implementati on
Accounting Delay in preparing IFRs and updating accounting transactions	S	Installation of a simple dedicated accounting system for the project’s accounting, updated according to SYSCOHADA	M	Implementati on
Internal Controls and	M	Protocol for payment and	M	Implementati

Audit AGETIP-CAF's internal control environment is adequate		controls approved by IDA for reliable funds flow arrangements		on
Funds Flow Risk of inadequate funds flowing to the beneficiaries	S	Protocol for payment approved by IDA for reliable funds flow arrangements	S	Implementation
Financial Reporting AGETIP-CAF has experience in financial reporting	M	Quarterly IFRs to be submitted 45 days after the end of the quarter	M	Implementation
Auditing Delay in submitting audit report	M	A priori contract for an independent external auditor recruited on a competitive basis	M	Implementation
Social Accountability Weak oversight capacity that may trigger elite capture and resource misappropriation	S	Use of public lotteries; setting-up of a grievance redress mechanism (hotline); and M&E function in MEPCI	M	Implementation
Overall FM risk	S		S	

12. **Implementation support plan.** The FM implementation support plan will be consistent with the emergency aspect of the operation and involve a collaborative approach with the entire task team (including procurement). FM reviews will be carried out based on risk, initially on the appraisal document risk rating, and subsequently on the updated FM risk rating during implementation.

13. **Conclusion of the FM Assessment.** The FM residual risk rating of the project is considered "Substantial". However, the conclusion of the assessment is that the proposed FM arrangements for the project meet the Bank's minimum requirements for FM under OP/BP 10.00 (*Investment Project Financing*).

Disbursements

14. **Flow of funds.** The project will use the transaction-based disbursement procedures. The four disbursement methods will be available to the project: advance, direct payment, reimbursement, and special commitment. Funds will flow from the IDA Account through a DA to be opened in a commercial bank in Bangui acceptable to IDA. Payment of transactions from the DA will be made by a competitively recruited accountant after approval of the Project Coordinator and certification of AGETIP's Financial Controller. The ceiling for the DA has been set to one (1) billion CFA francs (US\$2.0 million equivalent), equivalent to four (4) months of project expenditures. An advance up to the ceiling amount may be withdrawn upon effectiveness. Subsequent withdrawals will be supported with Statements of Expenditures

(SOEs) for amounts below the SOE documentation thresholds specified in the Disbursement Letter. Withdrawal applications will be submitted at least once a month.

Figure 3: Flow of Funds

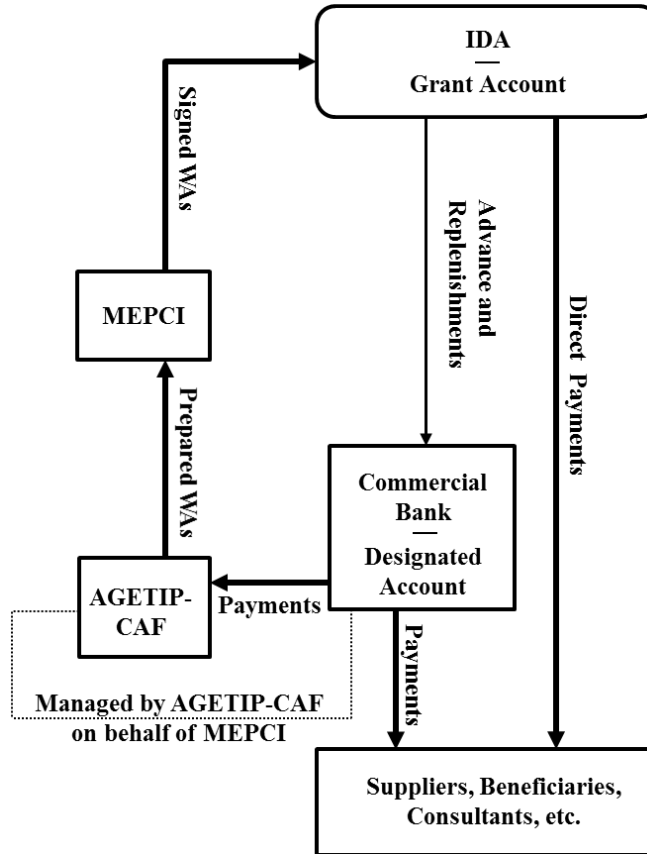


Table 6: Categories of Eligible Expenditures (in US\$ million)

Category	Amount of the Grant Allocated	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, and Operating Costs under Components 1, 2, and 3 of the Project	9.74	100%

(2) Stipends to beneficiaries under Component 3 of the Project	4.26	100%
(3) Goods, works, non-consulting services, consultants' services, and Operating Costs under Component 4 of the Project	3.00	100%
(4) Project Preparation Advance Reimbursement	3.00	100%
TOTAL AMOUNT	20.00	--

“Operating Costs” means the incremental expenses incurred by the Project on account of Project implementation, management and monitoring, including for office space rental, utilities and supplies, bank charges, communication, vehicle operation, maintenance and insurance, building and equipment maintenance, advertising expenses, travel and supervision, and salaries of contractual and temporary locally-recruited staff, but excluding consultant fees and salaries of civil servants.

Procurement

15. ***Procurement environment.*** The adoption of the new procurement code approved in 2008 has improved the legal and institutional frameworks of the procurement system. The new procurement code allows IDA procedures to take precedence over any contrary provisions in local regulations.

16. ***Procurement capacity assessment.*** An assessment of the procurement capacity of AGETIP-CAF (Procurement Risk Assessment and Management System, P-RAMS) for the purpose of the project was carried out in January 2015. The procurement risk for the implementation of this project is rated as ‘Moderate’ because: (a) AGETIP-CAF has an in-house seasoned procurement specialist and its technical staff is familiar with the Bank’s procurement procedures; (b) AGETIP-CAF has satisfactorily managed several Bank-funded projects in recent years; and (c) most of the procurement activities has been carried out under the PPA (US\$2.1 million in 14 major contracts).

17. ***Procurement implementation arrangements.*** AGETIP-CAF will be responsible for the coordination and implementation of all procurement activities. Selection methods, pre-qualification, estimated costs, prior-review requirements, and timeframe have been incorporated in a simplified Procurement Plan approved by IDA to optimize methods of procurement for early and rapid implementation. As an emergency operation, this project is entitled to the specificity and flexibility described in paragraph 12 of the OP 10.00 (*Investment Project Financing*) and paragraph 20 of OP 11.00 (*Procurement*).

18. ***Procurement methods and review thresholds.*** Procurement methods and Bank review requirements are summarized in the tables below.

Table 7: Contracts for Goods, Works, and Non-Consulting Services

Procurement Method	Threshold for the method	Bank review
International Competitive Bidding (ICB)	X ≥ \$10,000,000 for works X ≥ \$1,000,000 for goods	All contracts
National Competitive Bidding (NCB)*	\$200,000 ≤ X < \$10,000,000 for works \$100,000 ≤ X < \$1,000,000 for goods	All contracts
Shopping (SH)	X < \$200,000 for works X < \$100,000 for goods/services	Post review, except three first contracts
Direct Contracting (DC)	No threshold	All contracts
*Subject to conditions set forth in the Project's Financing Agreement.		

Table 8: Contracts for Consultant Services

Procurement Method	Threshold for the method	Bank review
Quality- and Cost-Based Selection (QCBS)	No threshold	All contracts
Least-Cost Selection (LCS)	X < \$200,000	Post review, except three first contracts
Selection under a Fixed Budget (FBS)	X < \$200,000	Post review, except three first contracts
Consultants' Qualifications Selection (CQS)	X < \$100,000	Post review, except three first contracts
Single-Source Selection (SSS)	No threshold	All contracts
Individual Consultants (IC)	No threshold	X > \$50,000 and fiduciary and long-term technical experts
Short lists for all contracts estimated below US\$200,000 equivalent may comprise only national consultants.		

19. **Procurement strategy and planning.** The main contracts of the project are listed in the table below. Taking into account the weak supply-side in the country, procurement of goods will be bulked into bid packages where feasible, so that they can be procured through suitable methods to secure competitive prices. Project procurement will contribute to the achievement of the PDO and higher-level outcomes by encouraging the development of the domestic private

sector and recruiting national consultants, especially at the local level, in the spirit of the Bank’s *Guidelines* and without forfeiting the other guiding principles of quality, economy and efficiency, equal opportunity, and transparency.

Table 9: List of Major Contracts included in the Procurement Plan

Ref.	Description of Assignment	Estimated Cost (in US\$)	Selection Method	Prior Review	Date
1.	Recruitment of 40 supervisors	672,000	IC	No	09/01/15
2.	Recruitment of 710 team leaders	588,000	IC	No	09/01/15
3.	Recruitment of key personnel (project manager, procurement specialist, FM specialist, human resources specialist, logistician, mediation specialist, M&E specialist, accountants)	1,230,000	IC	Yes	On-going
4.	Recruitment of the key personnel for the five regional teams (regional coordinators, accountants, regional mediators, logisticians)	744,000	IC	No	09/01/15
5.	Recruitment of the external auditor for the project	120,000	LCS	Yes	04/01/16
6.	Recruitment of the <i>Maitre d’ouvrage délégué</i>	700,000	SSS	Yes	09/01/15
7.	Tools and protection equipment for 35,500 beneficiaries	2,450,465	NCB	No	09/01/15
8.	Bicycles for 35,500 beneficiaries and 710 team leaders	3, 621,000	NCB	No	09/01/15
9.	Vehicles for the central unit and the regional teams (trucks, cars, motorbikes)	1,485,000	NCB	Yes	09/15/15
10.	Furniture and equipment for the central unit and the regional teams	573,500	SH	No	09/20/15
11.	Set-up of two AGETIP-CAF Regional Offices (equipment and vehicles)	300,000	NCB	Yes	10/01/15
12.	Waste collection/disposal	500,000	SH	No	09/01/15
13.	Technical assistance for <i>cantonnage communal</i>	120,000	QCBS	Yes	12/01/15
14.	Final evaluation	50,000	CQS	No	01/07/18

20. **Risk mitigation measures.** First, a dedicated procurement specialist will be competitively recruited to strengthen AGETIP-CAF’s team. Second, the procurement plan will be updated at least annually and as required to reflect the actual project implementation needs; revisions must be approved by IDA. Third, procurement for the proposed project will be carried out in accordance with the Bank guidelines, including: (i) *Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grant by World Bank Borrowers,*

dated January 2011 and revised July 2014; (ii) *Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers*, dated January 2011 and revised July 2014; (iii) *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 (iv) the provisions stipulated in the Financing Agreement. Fourth, procurement missions will be arranged at least twice a year to advise on and conduct post-review of procurement actions.

21. **Conclusion of the procurement assessment.** The procurement residual risk rating of the project is considered “Low.” The conclusion of the assessment is that the proposed procurement arrangements for the project meet the Bank’s minimum requirements for procurement under OP/BP 10.00 (*Investment Project Financing*).

Environmental and Social (including safeguards)

22. **Category B.** The project consists of financing short-term employment for road maintenance activities. It is not directly financing any civil works that might require land acquisition or might lead to resettlement, losses of assets, livelihood resources, or restrictions of access to resources. All maintenance activities will take place on the existing public road network. The existing natural landscape and natural habitat will not be affected. Small debris resulting from the maintenance works will be disposed of by AGETIP-CAF in the designated areas of the districts. Indigenous People (*Ba’Aka*) are present in the country but not directly in the project areas (primary and secondary roads network). The project has thus been classified as a Category B and triggers OP 4.01. An Environmental and Social Action Plan (Annex 5) has been prepared, and an ESMF will be prepared, consulted upon, and disclosed during implementation.

23. **Safeguards capacities.** AGETIP-CAF has an in-house environmental specialist who will regularly monitor the project and report on safeguards implementation. Each regional office will also have an expert in local mediation, who will regularly monitor the project and ensure that an appropriate social and environmental checklist is completed on each project site.

Role of Partners

24. **Collaboration with MINUSCA.** UN Security Council’s Resolution 2149, dated April 10, 2014 on the establishment of MINUSCA gives the UN mission mandate for, among others, supporting the Transition Authorities in the redeployment of the State and the preservation of territorial integrity. In addition, it requires from MINUSCA the protection of staff and assets of the UN system, which the Bank is a specialized agency of. In the context of this resolution, MINUSCA and the Bank signed a one-year renewable MoU to support the implementation of the LONDO project. This document has no legal or fiduciary implications, but it provides the teams of the two institutions a framework to work together more effectively, in particular for data-sharing, technical advice, coordination at the local level, security, and logistics. This MoU has proven efficient during the implementation and supervision of the PPA.

25. **Collaboration with the development and humanitarian communities.** The project will be implemented in close collaboration with development, humanitarian, and diplomatic partners

that are financing and/or implementing LIPW projects or complementary activities. This will prevent duplication and, on the contrary, leverage partnerships for a more coherent and sustainable approach. In fact, existing coordination around the Bangui's LIPW program will be extended outside the capital. The project will also work with actors that focus on state redeployment and local governance activities, e.g. UNDP and the UN Peacebuilding Support Office, to identify synergies.

26. **Partnership with AFD.** The Bank and AFD have partnered to identify synergies between LONDO and the restructured AFD-funded professional training project. This coordination is a chance to (i) build on AFD expertise in vocational training and calibrate the curriculum/training according to the needs in the field; (ii) get a cohort of already trained LIPW managers to deploy in provinces; (iii) help support the building of skills outside Bangui, where skilled labor is a rare resource but required for project implementation; (iv) provide sustainability by supporting the best workers in strengthening their skills, so that they can take on the *cantonnage communal* systems beyond the life of the project; and (v) support AFD's planned investments outside Bangui with the newly opened regional offices of AGETIP-CAF.

Annex 4: Implementation Support Plan

CENTRAL AFRICAN REPUBLIC: LONDO ('Stand-Up') Project

Strategy and Approach for Implementation Support

1. **Challenges.** Implementation support in CAR faces three major challenges: (i) very weak capacity of institutional partners; (ii) a very constrained access to beneficiary population in the hinterlands because of the geography and the infrastructure network; and (iii) an improving but highly volatile security situation. Implementation support must take these three constraints into account and adjust accordingly.
2. **Frequent missions.** Four missions per year must be planned for an effective supervision of this project. Should in-country missions be suspended during implementation, the task team will organize reverse supervision missions, e.g. in Yaoundé, Cameroon. In-between missions, monthly progress reports will be submitted to the Bank and systematically followed-up upon with AGETIP-CAF via audio- and video-conference. Capacity-building of the client is an activity included in the terms of reference of each mission.
3. **Corporate Security.** The Bank's Security Advisor in charge of CAR is a team member. In addition, modus operandi between the task team and Corporate Security have been developed during preparation to ensure the security and safety of team members in Bangui and in the provinces. The latter requires additional clearance on a case-by-case basis.
4. **MINUSCA support.** MINUSCA has a mandate to ensure the safety and security of UN staff and properties, including the Bank's as a UN specialized agency. As such, the team has benefited from the services of the UN Department for Safety and Security (UNDSS) and the MINUSCA Force. In addition, MINUSCA and the Bank have signed a dedicated MoU (February 4, 2015) to support the LONDO project. This document, which has no legal or fiduciary implications, signals the willingness of the two institutions to collaborate and support each other for this particular project. The MoU has been successfully used during preparation for data-sharing, technical assistance (engineering), transportation, and security, among others.
5. **Third-party monitoring.** Should circumstances make it impossible for the task team to undertake field supervision in certain areas, a third party could be contracted out to monitor the results of the project. Third-party monitoring is a costly but effective option and has been used in other environments during periods of high security risk, e.g. Afghanistan and Iraq.

Implementation Support Plan

6. To ensure an appropriate level of implementation support to this frontier operation, the task team is composed of Bank staff who have experience working in fragile environments with elevated security risk, possess solid expertise on the country, and have developed a strong network of partners.

Table 10: Skills Mix Required for Implementation Support

<i>Skills Needed</i>	<i>Number of Staff Weeks</i>	<i>Number of Trips</i>	<i>Comments</i>
Task Team Leader	12 per year	4 per year	Overall supervision, coordination with partners, and focus on results
Operations Specialist	12 per year	4 per year	Day-to-day problem-solving and coordination with the Bank's portfolio
Procurement Specialist	6 per year	2 per year	Procurement review and capacity-building of the client
FM Specialist	6 per year	2 per year	Financial management review and capacity-building of the client
ACS Assistant	6 per year	1 per year	Administrative and operational support in country office and headquarters
Security Adviser	2 per year	2 per year	Intelligence, coordination with UNDSS, and oversight of field trips
Public Works Engineer	6 per year	2 per year	Technical review of work plans and coordination for road works and LIPW
Governance Specialist	6 per year	2 per year	Review of development assessments and citizen engagement (GRM)
Safeguards Specialist	6 per year	2 per year	Review of safeguards implementation

Annex 5: Environmental and Social Action Plan

CENTRAL AFRICAN REPUBLIC: LONDO ('Stand-Up') Project

Summary

1. The environmental and social safeguards requirements of OP 4.01 (*Environmental Assessment*) have been deferred to the Project implementation phase, as per the exception provided for 'projects in urgent need of assistance' and defined in paragraph 12 of OP 10.00 (*Investment Project Financing*).
2. The proposed Project has been classified as a Category B. A simple Environmental and Social Management Framework (ESMF) will be prepared, consulted upon, and disclosed as soon as possible during implementation and no later than three months after the effectiveness of the Project.
3. In the meantime, an Environmental and Social Action Plan (ESAP) has been prepared to ensure that planned Project's activities, as well as related environmental and social assessments, management instruments, and processes will be in compliance with CAR's national legislation and the Bank's operational safeguards policies.

Project Scope and Impact on Safeguards

4. The LONDO project targets 35,500 beneficiaries in 71 *sous-préfectures* of CAR and focuses on short-term employment for manual road maintenance activities. Activities will not require land acquisition or lead to resettlement, loss of assets, livelihood resources, or restrictions of access to resources. All maintenance activities will take place on the existing public road network and the existing natural landscape and natural habitat will not be affected. Also, there are no Indigenous Peoples in the road areas where the project activities are taking place.
5. OP 4.01 has been triggered for potential minor environment and social impacts due to road maintenance. The main adverse environmental impact that may arise from the Project activities is the accumulation of debris along the work sites. The project does not involve or affect natural habitats and forests, nor does it involve pest management or dams. There are unlikely to be physical cultural resources at the project sites. The project also does not involve land acquisition leading to involuntary resettlement or restrictions of access to resources and livelihoods. The project sites (primary and secondary roads) are not in areas where Indigenous Peoples are present.
6. The ESMF will clearly explain the potential environmental impacts of the works and provide guidance on, inter alia, managing waste, taking soil and gravel for road repairs, tree-cutting, good drainage, minimizing erosion, managing any chance finds of physical cultural heritage, etc., as well ensuring there is a consultation process about the works and any impacts on local communities. The Framework will also include guidance that the works would not lead to activities that would trigger OP 4.04 (*Natural Habitats*), OP 4.12 (*Involuntary Resettlement*), and OP 4.36 (*Forests*).

Mitigation Measures

7. The ESMF will ensure compliance with OP 4.01 and serve to mitigate any potential adverse impact on the environment on each project sites through the following measures: (a) an appropriate environmental checklist will be completed by AGETIP-CAF's regional team on each project site before any works start; (b) small debris resulting from the maintenance works will be disposed of by AGETIP-CAF in the designated areas of the districts; (c) specific guidelines will be included in the PIM; (d) AGETIP-CAF's in-house environmental specialist will regularly monitor the project to ensure compliance with safeguards policies; and (e) appropriate communication to the project teams, beneficiaries, and communities, e.g. leaflet with drawings, about environmental and social risks and mitigations measures.

8. AGETIP-CAF will be responsible for the implementation of the aforementioned safeguards mitigation measures while MEPCI will retained responsibility for the overall compliance with the Bank's safeguards policies.