



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

Appraisal Stage | Date Prepared/Updated: 20-Dec-2018 | Report No: PIDISDSA25118

**BASIC INFORMATION****A. Basic Project Data**

Country Djibouti	Project ID P166220	Project Name Integrated Cash Transfer and Human Capital Project	Parent Project ID (if any)
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 31-Dec-2018	Estimated Board Date 28-Feb-2019	Practice Area (Lead) Social Protection & Labor
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Agence Djiboutienne de Developpement Social, State Secretariat for Social Affairs	

Proposed Development Objective(s)

The Project Development Objectives are to: i) support an expanded and enhanced social safety nets system; and ii) support access to basic services in targeted poor communities.

Components

Conditional cash transfers
Strengthening social protection delivery systems
Community-based investments in basic services to improve human capital
Project Management

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	15.00
Total Financing	15.00
of which IBRD/IDA	15.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**



International Development Association (IDA)	15.00
IDA Grant	15.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Djibouti is a small lower-middle income country with a strategic geopolitical and trade position in the Horn of Africa and Gulf of Aden. The country overcame violent civil conflict in the early 1990s through a brokered peace and power-sharing agreement among major ethnic groups in the country, and has enjoyed a peace-dividend with steady economic growth in the form of foreign capital inflows from foreign countries’ military base rents and port services. In 2016, the annual gross domestic product (GDP) growth rate for Djibouti was 6.5 percent, and inflation increased to 3.5 percent (from 2.6 percent in 2015), which was mainly spurred by demand for housing and services.

Yet, the growth that Djibouti experienced has not been broadly shared in recent decades. Djibouti remains a fragile state and faces serious obstacles to poverty reduction and improved service delivery to its population. Limited arable land and rainfall have had adverse effects on livelihoods and contributed to high level of food insecurity. Inequality appears to have increased between 2002 and 2013, with the Gini index of consumption rising from 0.39 to 0.44. In 2013, an estimated 40.7 percent of the Djiboutian population lived in poverty, spending less than DJF 117,134 per capita per year (equivalent to US\$2.98 per day in 2011, PPP). In the same year, 23 percent of the Djiboutian population lived in conditions of extreme poverty, spending less than DJF 78,157 per capita per year (equivalent to US\$1.99 per day in 2011, PPP), with rural areas showing higher rates of extreme poverty (44 percent). Unemployment remains widespread, reaching 39 percent in 2015 and the rate is higher among women (49 percent) and in rural areas (59 percent).

Djibouti hosts over 25,700 refugees and asylum seekers from Somalia, Ethiopia, Yemen, and Eritrea whose basic needs are shelter, water and safety. Most of the registered refugees and asylum seekers live in three camps - Ali Addeh, Holl Holl and Markazi - and in urban areas including Djibouti-City and Balbala. Both long-term and new refugees require shelter, essential non-food items, health, education, water and sanitation. Heightened demand for the delivery of basic services comes not only from refugees and asylum seekers, but also from the approximately 100 000 migrants who pass through the country each year, some of them seeking to immigrate to other countries.



Sectoral and Institutional Context

For equitable and sustained growth, substantial investments are needed in human capital development, especially for young children that represent the country's future. Djibouti ranks 172 out of 188 in the Human Development Index (HDI), while data is not available to produce a ranking for Djibouti in the new Human Capital Index. The most urgent priority for human capital development is for the youngest children, given that a large body of scientific and economic research has shown that the early years of a child's life are critical for development of cognitive, physical, and socioemotional skills, and that high-quality investments in the early years can have returns that surpass investments in primary or secondary education.

Investments are needed both the demand for and supply of basic services that promote development of human capital. Djibouti's education sector is characterized by low enrolment, inequitable outcomes, and relatively poor quality. More than half of students fail to complete primary school, and overall 30% of the school-age population remains out of school. Access to early learning opportunities, including quality preschool, is virtually absent for low-income populations. In rural areas especially, access to clean water and improved sanitation is very low. Finally, climate and economic shocks continue to threaten poor and vulnerable households' ability to meet basic needs or invest in human capital. Famine and prolonged food and nutrition deprivation negatively affect cognitive development of young children.

The establishment of a solid social safety net (SSN) system (in addition to interventions in health, education, water, nutrition and other areas) has become crucially important in countries across the world to alleviate poverty and promote human capital development. International evidence shows that SSNs not only have an immediate impact on poverty, but also enable households to increase their use of basic services which contribute to increased human capital. This can happen through two key pathways: first, the income from cash transfers can help to cover the cost of schooling, health care, water and sanitation, and other services; and second, the conditionalities associated with conditional cash transfers can encourage utilization of services as well as behavior changes that promote development of human capital.

The Government is aiming to expand the delivery of services outside of the capital and spark regional development. To expand delivery of services, including to the poorest, the country requires additional physical infrastructure, including in education, health, water and sanitation. This is compounded by significant infrastructure challenges including lack of provision of electricity and transport, among other services. Decentralization is a key element of Government's strategy to strengthen service delivery, and accordingly in 2016 it established a Ministry 'délégué' charged with implementing its decentralization policy. Increased community and local involvement in development of infrastructure is one way in which the Government seeks to expand access to basic services.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objectives are to: i) support an expanded and enhanced social safety nets system; and ii) support access to basic services in targeted poor communities.



Key Results

Key outcome indicators:

- Number of direct Social Safety Nets Beneficiaries (Percent of female beneficiaries)
- Proportion of women with a child under six months of age participating in community-based accompanying measures who exclusively breastfeed
- Share of poorest quintile of households covered by the program
- Number of households enrolled in National Social Registry
- Number of beneficiaries with access to basic service infrastructures financed by the project that aim to improve human capital

D. Project Description

The Project will consist of four components: (1) provision of conditional cash transfers, including accompanying measures to improve human capital, (2) institutional capacity building support for social safety net system building and for establishing a community driven-development platform; (3) community-based investments in basic services to improve human capital and (4) project management

E. Implementation

The project will be implemented under the overall responsibility of the SEAS.

Implementation will be provided by SEAS for sub-components 1.1 (Financing of Cash Transfers) and component 2 (Strengthening social protection delivery systems). A third-party payment agency will be contracted to effect payment of cash transfers to targeted households. As SEAS does not have prior experience of directly managing World Bank financing, an assessment of its capacity in financial management and procurement will be conducted by the Bank. The assessment will determine SEAS's capacity to manage project resources. This assessment may recommend actions to strengthen SEAS's financial management and procurement capacity.

ADDS, an autonomous administrative public institution overseen by SEAS, will be responsible for the implementation of sub-component 1.2 (Community-based accompanying measures to improve human capital) and component 3 (Community-based investments in basic services to improve human capital). ADDS's mission is to contribute to the fight against poverty and vulnerability by supporting sustainable development projects in a participatory, partnership-based approach. ADDS has performed well in recent years and has acquired considerable capacity in fiduciary, procurement, and safeguard policies applicable to Bank-financed projects, is familiar with the Bank's disbursement policies, procurement and financial management procedures, and has established an accounting and financial management system satisfactory to the Bank.

The resources of Component 4: Project management will be divided into two parts to cover the project management costs of SEAS and ADDS respectively.



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

The locations of the interventions of the project will be probably located in the regions of Ali Sabieh, Arta, Dikhil, Obock and Tadjourah.

G. Environmental and Social Safeguards Specialists on the Team

Antoine V. Lema, Social Specialist
Mohamed Adnene Bezzaouia, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The sub-projects under component 3 community-based investments in basic services to improve human capital will support the construction and rehabilitation of physical infrastructures and other tangible assets such as water reservoirs and dry toilets, small rehabilitation of public infrastructures as markets, public places etc. Low-tech activities requiring small materials and tools (shovels, pickaxes, etc.) available locally and contributing to productivity will be funded (High Labour Intensity). The project has been categorized B, the potential environmental and social impacts associated with activities to be funded have the propensity to trigger small scale and site specific environmental Risks/impacts that are easily manageable. The main Risks/impacts identified are linked to solid and liquid waste management during works, Occupational Health and safety of workers and community Health and safety during works and operation phases. An ESMF has been prepared by the borrower. The ESMF screen out all Category A-type sub-projects and give a list of eligible activities. For Construction and rehabilitation works, a simplified ESMP is provided. The ESMF has also provided a simplified guide for water treatment for the water supply infrastructures as cisterns and tanks to be



		constructed/rehabilitated. The ESMF contains provisions to ensure that labor aspects, including child labor and labor influx, are properly addressed in the documents prepared during project implementation including ESMPs, bidding documents, and civil works contracts. The ESMF has been consulted with interested parties on December 2nd and the final version disclosed in Country and in the worldbank.org site on December 13, 2018.
Performance Standards for Private Sector Activities OP/BP 4.03	No	Not applicable
Natural Habitats OP/BP 4.04	No	The project activities would not result in any conversion or degradation of critical natural habitats.
Forests OP/BP 4.36	No	The project will not finance activities related to forest exploitation, harvesting, direct or indirect forest degradation, and increased access to forest.
Pest Management OP 4.09	No	The project will not finance acquisition transport, distribution, storage or use of pesticides or similar chemicals that could threaten environmental and human health.
Physical Cultural Resources OP/BP 4.11	No	The ESMF stipulates that if physical cultural resources are found during civil works, a "chance find procedure" will apply.
Indigenous Peoples OP/BP 4.10	No	Djibouti has no population that would qualify as indigenous people, as defined by OP 4.10. Project activities will therefore not affect areas inhabited by indigenous people..
Involuntary Resettlement OP/BP 4.12	Yes	Under component 3, sub-projects will support the rehabilitation and construction of social and economic infrastructure such as water supply and sanitation, water resource management, schools, markets, rural roads, environmental resource management, and other investments of similar scale and impact. These activities could lead to restriction of access to assets or sources of livelihood and they could also entail some acquisition of land and/or losses of assets and thus the OP 4.12 is triggered. The selection of beneficiary communities will only be known after the start of the project following selection on the basis of an index created by the national statistics institute. An RPF will be prepared prior to appraisal, it sets out the principles governing involuntary resettlement risks and provides the



		roadmap for preparing Resettlement Action Plans as necessary.
Safety of Dams OP/BP 4.37	No	The project will not finance dam works or activities associated to existing dams.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activities that will interfere with international watercourses; either in terms of water withdraw or discharge of pollutants.
Projects in Disputed Areas OP/BP 7.60	No	The project intervention areas are not under dispute.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

The project may have small scale and site-specific environmental and social impacts under Component 3, and is consequently rated as a Category B project. It is estimated that the majority of the financing of subprojects under component 3 will be for the construction and rehabilitation of physical infrastructures and other tangible assets such as water reservoirs and dry toilets, small rehabilitation of public infrastructures as markets, public places and other investments of similar scale and impacts. Low-tech activities requiring small materials and tools (shovels, pickaxes, etc.) available locally and contributing to productivity will be funded (High Labour Intensity).

These interventions have the possibility to trigger small scale and site specific environmental Risks/impacts that are easily manageable. The main Risks/impacts identified are linked to solid and liquid waste management during works, Occupational Health and safety of workers and community Health and safety during works and operation phases. An ESMF has been prepared by the borrower. The ESMF screen out all Category A-type sub-projects and give a list of eligible activities. For Construction and rehabilitation works, a simplified ESMP is provided. The ESMF has also provided a simplified guide for water treatment for the water supply infrastructures as cisterns and tanks to be constructed/rehabilitated.

The Environmental and Social Management Framework (ESMF) states that if physical cultural resources are found during civil works, a "chance find procedure" will apply. These activities could also lead to restriction of access to assets or sources of livelihood and they could also entail some acquisition of land and/or losses of assets and thus OP 4.12 is triggered. The impacts are expected to be minimal, site-specific and manageable at an acceptable level. At this stage of project preparation, the locations of these interventions are in the regions of Ali Sabieh, Arta, Dikhil, Obock and Tadjourah..

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No irreversible or long term impacts are expected as a result of this intervention.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
No other project alternatives were considered given that the impacts were considered small and reversible.

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



To mitigate the risks mentioned above, the ADDS has prepared a Resettlement Policy Framework (RPF) and ESMF for this project. These documents build on the experience of the implementation of similar activities under the Djibouti Social Safety Nets Project. During implementation, these environmental screening and risk mitigation tools will be used by communities and ADDS and will be the object of training for ADDS, community associations, Regional Council officials, and other stakeholders. The documents were disclosed by the World Bank and in Djibouti on December 13, 2018.

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

Key stakeholders include direct and indirect project beneficiaries, communities benefitting from community infrastructure sub-projects, relevant government agencies and ministries, agencies involved in the execution of the project, and civil society. These stakeholders were consulted on December 2, 2018 prior to the disclosure of the ESMF and RPF.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
12-Dec-2018	13-Dec-2018	
"In country" Disclosure		
Djibouti		
13-Dec-2018		
Comments		
Resettlement Action Plan/Framework/Policy Process		
Date of receipt by the Bank	Date of submission for disclosure	
12-Dec-2018	13-Dec-2018	
"In country" Disclosure		
Djibouti		
13-Dec-2018		
Comments		



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

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