### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congo, Republic of</td>
<td>P174178</td>
<td>Republic of Congo Lisungi Emergency COVID-19 Response project</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Republic of Congo</td>
<td>Ministry of Social Affairs and Humanitarian Action</td>
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#### Proposed Development Objective(s)

To provide emergency income support to households affected by the COVID-19 health and economic crisis, and increase access to safety net for recovery for poor and vulnerable in participating areas.

#### Components

- Emergency cash transfers for COVID-19 response
- Scaling up Lisungi program for recovery
- Strengthening the social protection system
- Project management, monitoring and evaluation
- Contingency Emergency Response Component - CERC

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
<tr>
<th>Total Project Cost</th>
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<tbody>
<tr>
<td>Total Financing</td>
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<tr>
<td>of which IBRD/IDA</td>
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<td>Financing Gap</td>
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B. Introduction and Context

1. The COVID-19 pandemic is causing significant adverse impacts throughout the world both in terms of direct health impacts and indirect economic impacts that result from social distancing policies, the effects of supply chain disruptions, and the global economic downturn on remittances and prices. Compared to other types of shocks, the COVID-19 pandemic poses three unique challenges: its immediate impact on urban populations; the need for social distancing which impedes mobility and thus economic activity; and its rapid onset and scale. With a delay COVID-19 has also hit the African continent and is expected to trigger the first recession in Sub-Saharan Africa in 25 years\(^1\) with a shock to many households. Most countries around the world, and increasingly in Africa, are introducing various forms of social protection to compensate workers for lost income from extensive lockdowns and the broader economic downturn and to mitigate adverse impacts on the poor and the vulnerable.

2. The Republic of Congo (RoC) is taking decisive measures to mitigate the effects of the COVID-19 pandemic on those who are expected to suffer most from its socio-economic impacts. After the initial health-focused response, the Government has decided to support 200,000 households with emergency cash transfers as well as to expand the existing social safety net interventions to support households in restoring their livelihoods as the pandemic recedes. RoC’s response is building on Lisungi Social Safety Net program, which has been providing income support to the poorest and most vulnerable households since 2014. The emergency response will scale up Lisungi’s delivery system infrastructure to provide transfers to a larger share of the poor and vulnerable population. The Government of RoC has requested the World Bank Group to support its public response to the pandemic.

3. The proposed Lisungi Emergency COVID-19 Response Project (LECRP) is being processed under paragraph 12 of the Bank Policy on Investment Project Financing (Projects in Situations of Urgent Need of Assistance or Capacity Constraints). The project will: (i) support increased safety nets coverage as an emergency response to the COVID-19 pandemic; (ii) support the expansion of safety nets post-emergency through productive inclusion activities to restore households’ livelihoods; and (iii) strengthen social protection delivery systems and institutions to strengthen their scalability and shock-responsiveness. The

\(^1\)https://openknowledge.worldbank.org/handle/10986/33541
Government has already embarked on selecting beneficiaries for the emergency cash transfers and intends to start disbursing them using its own funds. It is expected that LECRP would provide retroactive financing to cover these expenses.

Country Context

4. A national coordination committee for the COVID-19 response under the leadership of the President of the RoC was created and important measures to halt the spread of the disease have been taken, including the declaration of a state of emergency, border closures and shelter-in-place orders. The Government has prepared a national health contingency plan in collaboration with the WHO and other development partners with an estimated budget of US$38 million. To support its implementation, on April 20, 2020, the World Bank has approved an emergency COVID-19 investment project financing (P173851) of US $11.3 million. The Government has mobilized an additional US $1 million from GAVI. Additional measures include the declaration of a state of sanitary emergency on April 1, 2020, mandating a generalized shelter-in-place order for the entire population, and prohibiting mass gatherings exceeding 50 people. The Centre for Quarantine and Care was created in Brazzaville and the Center of Epidemiological Control has intensified communication on COVID-19 prevention. As of May 15, 391 confirmed cases of COVID-19 and 15 deaths have been reported. The national laboratory has stepped up testing services with the support of donors, but further improvements are needed to increase testing. The Government has further adopted measures to mitigate the effect of the pandemic on the private sector, such as easing tax and duty payments for private enterprises. However, these measures will have a limited effect on poor and vulnerable households since most workers are engaged in the informal sector.

5. The Republic of Congo has been in economic distress since 2014, driven by the country’s high dependence on oil exports and oil price shocks. The oil sector represents more than 90 percent of RoC’s exports, making it particularly vulnerable to market fluctuations. The reduction in the oil price since mid-2014 has triggered a profound economic crisis, with deep output losses, large fiscal and current account deficits, and an explosion of the public debt. Debt-to-GDP ratio which reached an estimated 119 percent by the end of 2017 has come down to 77.5 percent in 2019. Still, an International Monetary Fund-World Bank Debt Sustainability Assessment conducted in July 2019, confirmed that the RoC is in debt distress and that its debt is unsustainable unless it is restructured. The country’s economic outlook for 2020 remains challenging given the sharp decline in oil prices and the impact of the COVID-19 pandemic on the country’s exports to China, its largest export market².

6. Gains from sustained economic growth prior to the 2014 oil shock translated into some improvements in poverty and shared prosperity, but they are quickly disappearing. Although the proportion of the population living below the poverty line fell from 51 percent in 2005 to 41 percent in 2011, the extreme poverty rate appears to have increased from 2016³, especially in rural areas. Inequality levels remain high with a Gini coefficient of 0.46 and are driven by location, education, and sector of activity. Human capital accumulation remains low, limiting individuals’ earning capacities and reinforcing the intergenerational transmission of poverty. A Human Capital Index of 0.42 means that a child born in Congo today only reaches 42 percent of the productivity levels they could have reached, had they enjoyed complete education and full health. This is slightly higher than the Sub-Saharan Africa average of 0.40, but

³ World Bank, Macroeconomic and Poverty Outlook (MPO), April 2020
well below the average for lower middle-income countries of 0.48.

7. More than a third of Congolese live below the national poverty line, and many more hover just above it, making them vulnerable to falling into poverty as a result of even slight shocks. While the poverty incidence is higher in rural areas, 65 percent of the poor reside along the Brazzaville-Pointe Noire corridor and in these two main cities. In addition to potential health-related costs resulting from the pandemic, there are significant risks of income and livelihood losses and inflationary pressures (particularly on food) due to crisis-induced trade disruptions, an economic slowdown, restricted markets, and a full lockdown imposed on the entire population. These could push many more near-poor and poor households into deeper poverty and deprivation. The economic impact of the crisis is heightened by high institutional and social fragility risks that could jeopardize social stability.

8. Women have limited access to good work opportunities. The gender gap manifests itself in difficulties faced by women in entering the labor market and obtaining productive jobs. Women earn only half the wages of men. The gap is largely explained by women’s lower education and skills and by their higher concentration in the informal sector (CPF, 2019). Women are less likely to be employed in the higher earning formal sector, particularly in the private sector. Social norms limit women’s ability to access productive resources, such as land and credit. Moreover, limited education opportunities for women and large household sizes, which weigh heavily on women’s ability to join the formal labor market, contribute to the exclusion of women in the economy.

9. The gender gap in the labor market is directly linked to high levels of sexual and gender-based violence against women and girls. The latest Demographic and Health Survey (DHS, 2012) found that more than half of women aged 15-49 suffer from recurrent gender-based violence (GBV), which in three out of four cases is committed by husbands, partners, or boyfriends. 61 percent of women and a comparable share of men believe that it is acceptable for a husband to beat his wife if deemed justified.

10. The country is not well equipped to respond to shocks. To date, the country has limited institutional capacity to identify and respond to disruptions from various types of shocks, including climate-related and natural disasters. There is no national disaster risk financing plan. According to the Notre Dame Global Adaptation Initiative (ND -GAIN), RoC has a high vulnerability score and a low readiness score indicating a great need for investment and innovations to improve readiness. The Ministry of Social Affairs and Humanitarian Action (MASAH) had been mandated to coordinate support activities for those affected by the devastating floods of December 2019, which affected at least 170,000 persons. However, fiscal constraints limited the government’s response to declaring a state of emergency and asking for the support of the international community. The poor are particularly vulnerable to climate-related changes in living and livelihood conditions as well as climate-related shocks.

11. The COVID-19 pandemic and measures taken to mitigate further spread of the disease are likely

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5 This initiative measures two dimensions of adaptation: (i) the vulnerability of six life-supporting sectors – food, water, health, ecosystem services, human habitat, and infrastructure; and (ii) countries’ economic, governance, and social readiness to respond to these vulnerabilities.
6 United Nations Office for Coordination of Humanitarian Affairs 2020
to intensify the stresses on the local economy, with poor and vulnerable populations affected most. Measures to mitigate a further spread of the disease locally, such as social distancing, lockdown and travel restrictions, are already complicating business activity in both the formal and informal sectors and generating income losses for many households. These adverse effects are more pronounced for poor and vulnerable populations since (i) in urban and peri urban areas with high population density, mitigation measures are reducing economic activities with close human interaction; and (ii) most of the poor and vulnerable gain their daily income from informal activities, with no protections for workers. Moreover, inflationary pressures on food resulting from trade disruptions and restricted markets could impose an additional burden on many poor households, due to the relatively higher share of their resources spent on food. In the absence of public mitigation measures, the proportion of people living below the international poverty line (US $1.9 a day in 2011 PPP) is expected to increase from 40.0 percent to 43.0 percent over 2020-2022.

12. The RoC is particularly vulnerable to the socio-economic impacts caused by the COVID-19 pandemic and related mitigation measures due to its high urbanization rates. The Republic of Congo is a highly urbanized country with more than half of its population living in two main cities, Brazzaville and Pointe-Noire. Whereas concentration in urban areas facilitates the provision of public services to the population, the propensity for higher contact rates may also accelerate the transmission of COVID-19. Further, mitigation measures such as restrictions on movement and interactions are likely to be stricter and longer in urban areas. Urbanization also enhances the risk that the small share of the population living in rural areas may receive less attention in the context of this crisis, increasing pre-existing inequalities between urban and rural areas and possibly feeding grievances and drivers of fragility and insecurity. Therefore, this project will support the overall strengthening of the Social Safety Net and, by providing financing for emergency response measures, will provide fiscal space for the Government’s ongoing investment of expanding the Lisungi program nationwide.

13. Marginalized groups, such as youth, women, and the elderly are likely to be particularly affected by the socio-economic impacts of the COVID-19 pandemic with longer-term implications for human capital accumulation and fragility. Pandemic mitigation measures, such as mobility restrictions, further reduce slim earning opportunities and may agitate an already disenfranchised youth. School closures and resulting extensive absences from school may compound the risk of dropout and, together with general disruptions to social service delivery, could have negative medium- to longer-term effects on human capital accumulation. Older wage earners are at higher risk of catastrophic health outcomes due to COVID-19. Women have seen increased burdens and responsibilities due to COVID-19 mitigation measures. Some may be forced to disengage from part-time work as combining family care and paid work becomes increasingly difficult. Domestic violence is also likely to be more widespread given increased stress and anxiety, increased time spent in oftentimes small and confined living arrangements, and reduced household earnings.

14. Technical and financial partners such as European Union, WFP, and French Development Agency (AFD) are collaborating with the Ministry of Social Affairs and Humanitarian Action (MASAH) to provide support to the poorest segments of the population, but the levels of announced support, estimated at about FCFA 3 billion (US$4.95 million), have been insufficient thus far.

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7 World Bank, Macroeconomic and Poverty Outlook (MPO), April 2020
Sectoral and Institutional Context

15. **There is a wide consensus that strong economic and social protection measures should complement the health sector’s response to the pandemic.** Indeed, the global response is heavily relying on social protection measures: as of May 15, 2020, 181 countries have either planned, introduced, or adapted social protection measures in response to COVID-19. The majority of these measures are social assistance transfers, with cash transfers as the most common measure, representing one-third of total global social safety net programs. About 56 percent of cash transfer measures (148 out of 264) are new programs in 104 countries, while one-fourth of measures are one-off payments. The Government of RoC has requested the World Bank to support its public response to the crisis caused by the pandemic, including its social and economic consequences.

16. **The Lisungi program is Congo’s only flagship safety nets program.** Since 2014, the Government has made a commitment to develop a harmonized social safety net system, moving away from ineffective and fragmented programs and bringing social safety nets to the forefront of the poverty reduction strategy. To this end, in 2014 the Government has developed a new National Policy for Social Action (Politique Nationale d’Action Sociale). The World Bank has been supporting the RoC in this agenda since 2014 through the Lisungi Safety Nets System Project (P145263), which aims to establish the key building blocks of a national safety net program and pilot a conditional cash transfer program to improve access to health and education services for the poorest households in participating areas. The government’s commitment to the program remains strong and Lisungi continues to be the main vehicle for the Government to strengthen social safety nets.

17. **While Lisungi remains limited in scale, it is widely regarded as successful and the government plans to expand the program nationwide.** Since 2015, 50,447 individuals living in 9,824 households have benefited from conditional cash transfers (CCTs) in 16 mostly urban intervention zones. This includes 6,500 elderly (1,361 of whom are living alone) who benefitted from unconditional transfers. In addition, close to 10,000 households or about 50,000 individuals are benefitting from Income-Generating Activity (IGA) grants. In total, the program has covered about 10 percent of the poorest quintile of the population. Lisungi’s positive impacts to date have prompted the government to embark on a plan to scale up the program nationally. Midterm evaluations of Lisungi show that the CCTs have increased expenditure per adult equivalent in beneficiary households by 30.5 points compared to non-beneficiaries and that beneficiary households score higher on a resilience index. Until recently, the Lisungi program had been largely funded by the World Bank and the AFD, but the Government’s own funding of the program has resumed in late 2019 and early 2020. The government committed to allocating FCFA200 billion (US$ 300 million) for the expansion of Lisungi in the period 2019-2022, out of which FCFA 6 billion (US$ 10 million) have been disbursed to date. Considering the oil price shock and expected COVID-19 impact on the
country’s economic and fiscal position, there is a considerable risk to the Government’s ability to provide further funding to Lisungi.

18. All planned rounds of CCTs have been fully finalized by the end of 2019 while the IGA program continues to benefit 10,000 households. A second Additional Financing (P166143, US$22 million) was approved on February 7, 2019 to expand the Lisungi project to the remote and underserved Likouala Department and to respond to the needs of refugees and host populations (with funding from the IDA Refugee window). The Additional Financing (AF) takes a cross-sectoral human development approach to address the basic needs of the target groups, including in education and health. The AF became effective in December 2019 and activities are currently underway to start reaching the intended beneficiaries.

19. Lisungi’s delivery system has the necessary mechanisms to be scaled up to respond to the socio-economic impacts of the pandemic. These include a functional social registry (Registre Social Unique – RSU), a payment mechanism, and a robust targeting mechanism. The social registry contains information on more than 120,000 households. It has been used to provide free health care services supported by the Bank-financed Health System Strengthening Project (P143849), covering about 43,000 households, and the Skills Development for Employability Project (P128628). A government decree institutionalizing the Lisungi RSU and its use across the government’s social programs has been recently enacted (May 31, 2019). However, the experience of the recent flood crisis and the current COVID-19 pandemic shock have illustrated that RoC’s national social protection system needs to become more shock-responsive to respond to recurrent and ad-hoc crises.

20. As an immediate response to the COVID19 crisis, the Government has already started with an emergency program of covering 200,000 vulnerable households with cash payments. The Lisungi RSU will be the key tool to manage this caseload, which will include 100,000 households in Brazzaville, 60,000 households in Pointe-Noire, and 40,000 households in other departments. Particularly, the RSU makes it possible to identify widowed and orphaned individuals, refugees, and populations with special needs or minorities living in households. Most beneficiary households derive their income from informal sources, making them the most vulnerable to labor income shocks as well as increases in food prices.

21. Given the uncertainties on the trajectory of COVID-19 cases in RoC, the project will adopt a flexible approach. Experiences from other countries show that new clusters of infection may arise followed by renewed efforts at halting the spread. Therefore, at this stage it is not possible to state with certainty when the emergency or relief phase would end, and the recovery phase begin. The recovery phase would likely begin while some measures restricting movement, such as border closures, are still in place. Also, new restriction measures may be introduced while the recovery activities are underway if new infection clusters emerge. To this end, the LECRP includes a Contingency Emergency Response Component (CERC) that would allow flexibility to re-allocate project resources from recovery to relief activities. In addition, the design of recovery activities will be flexible to adapt to changing circumstances. The initial plan foresees that the Project would complete all relief activities by the end of 2020 and start recovery activities 2021; however, the course of actions will be adapted depending on the situation.
C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to provide emergency income support to households affected by the COVID-19 health and economic crisis, and provide safety net for recovery for poor and vulnerable beneficiaries in participating areas of the Beneficiary.

Key Results

- Number of households benefiting from one-off emergency cash transfers
- Number of households benefiting from Lisungi for recovery program

D. Project Description

22. In response to the COVID-19 pandemic, a two pronged approach is proposed: (i) financing emergency cash transfers to assist poor households during the ongoing pandemic to avoid negative coping mechanisms and to partially compensate for income losses (component 1), and (ii) after the acute phase of the crisis, helping households rebuild their livelihoods and reinforcing their resilience to any future shock through regular cash transfers and income generating grants (component 2). In addition, the third component will support capacity building for MASAH by strengthening delivery systems to make them more inclusive and shock responsive. Finally, the contingency emergency response component (CERC) will allow the Government to mobilize funds in case of continued emergency related to COVID-19 or other shocks that would require immediate recovery and reconstruction needs such as a climate-related shock or another epidemic outbreak. As stated previously, at this stage, a preliminary timeline for the start of activities exists, which is flexible and ready to be adapted to changing circumstances resulting from COVID-19’s trajectory.

Component 1: Emergency cash transfers for COVID-19 response (US$20 million)

23. The two main activities for this component are emergency cash transfers (ECT) to compensate for income losses due to COVID-19 and a communication campaign on hygiene and sanitation measures. ECT will help the poor cope with the immediate impact of the economic shock, resulting from the quarantine measures undertaken to mitigate a further spread of the COVID-19 disease. Due to its COVID-19 relief purpose, a proper communication campaign on the emergency character of the ECT and its exceptional objective of providing a one-time income support as a relief measure will be in place to reduce social tensions and potential backlash against Lisungi’s long term program. The communication campaign will use a variety of different media outlets to increase its reach.

Sub-Component 1.1: Emergency cash transfers (US$19.5 million)

24. This sub-component will finance one-off emergency cash transfers to approximately 200,000 households likely to be affected by the socio-economic impacts of the COVID-19 crisis during the lockdown. It will also finance the enrollment of beneficiaries and cover the services of payment service providers (PSPs). The beneficiary households would be pre-identified, registered, and assessed using the process protocol described below. It is expected that the implementation of this sub-component would
be completed by the end of 2020, provided the pandemic subsides. However, given the uncertainties around the development of the epidemiological situation, the Government may consider providing subsequent rounds of ECT to the same and potentially additional beneficiaries, depending on the situation and budget. This project could support such activities by activating the CERC component that is included in the Project.

25. All activities will be conducted in a manner that minimizes social contact while providing fast support. Measures in place to support physical distancing include using mobile money where possible and using tablets for fast data entry and minimizing community gatherings. Further, all field workers will be provided with personal protective equipment (PPE), including masks and hand sanitizers.

26. **Amount received by households.** The Government has decided to support poor and vulnerable households with an emergency one-off transfer of CFA 50,000 (US$82) per household, which represents on average about a third of household expenditure levels. Notice that this amount is about twice the average monthly payment\(^{13}\) under the Lisungi CCTs, which vary depending on the household composition.

27. **Geographic coverage.** Given that the COVID-19 pandemic is likely to have a disproportionate impact on urban households, the proposed project will focus on the main urban areas and districts, namely: Brazzaville, Kintélé, Pointe-Noire, Dolisie, Nkayi, Madingou, Loango, Owando, Oyo, Makoua, Djambala, Gamboma, Ngo, Sibiti, Ewo, Kinkala, Nganga Lingolo, Ouesso and Impfondo. According to the National Statistical office, an estimated 565,573 households were classified as poor in 2018, including 362,950 households (about 64 percent) in the urban areas targeted by the proposed project. The project will therefore cover about 35 percent of the poor nationally and 55 percent of poor households in the targeted urban areas.

28. **Determination of eligibility.** Eligibility decisions will follow a four steps process which starts with registering households and combines a mix of a community-based ranking and a deprivation/vulnerability index assessment.

<table>
<thead>
<tr>
<th>Box 1: Household registration in the RSU and eligibility determination for the emergency program</th>
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</table>
| (a) **Outreach:** The overall objective of the outreach campaign is to promote social cohesion and awareness around the emergency program. It aims to increase stakeholder engagement by using different media platforms (see description of subcomponent below) to inform the population about the project and project-related activities, including the process for intake and registration, the criteria for emergency program determination of eligibility, the benefit amount, and the duration of the program. The goal is to create awareness and promote inclusion of potential beneficiaries through the involvement of the local population and local authorities. The outreach campaign aims to ensure harmonious collaboration between project staff and local communities and to minimize and mitigate risks.  

(b) **Intake and Registration of households in the RSU:** The household registration process will be conducted at the block level\(^{14}\). Each block includes only 10 to 24 plots, which ensures that block representatives know the community and their needs. Each block representative has the current RSU caseload information and will be given two registry booklets to create a pre-list for intake and registration: the

\(^{13}\) Average Lisungi CCT transfer is about CFA 23,500 per month per household.

\(^{14}\) A city is made up of several districts. The districts are then divided into “zones “which include numerous blocks.
first one to register households that are not in the RSU but would like to receive the ECT while the second one will be dedicated to households who have already been included in the RSU\textsuperscript{15}, to update some information regarding any household composition change and to complete information needed for the electronic payment of benefits. This process aims to update current RSU information and to increase the RSU from about 120,000 to about 300,000 households by the end of the proposed project.

The intake and registration process will then use an online platform to digitize records on site once the pre-listing using the booklets is completed. Short questionnaires will be conducted among those who have been pre-identified. The application form is available electronically for registration to ensure quick data collection using mobile devices. This application form will provide information on household composition, key indicators on living conditions, and data necessary to provide mobile payments. This quick data collection process (about 10 minutes per household) will enable the classification of households according to poverty status (extreme poor, poor, and non-eligible) based on a deprivation/vulnerability index. Other households that are interested in benefitting from the program but have not been identified by block representatives will have the opportunity to place a complaint in the GRM and register online through the RSU platform by filling in a short digital questionnaire.

(c) Assessment of needs and conditions: A community-based ranking of households by level of vulnerability will be used in combination with a deprivation/vulnerability assessment. Congo has experience in community-based targeting (CBT) due to the MASAH’s presence at the local level through its network of social workers and due to the experiences with Lisungi’s implementation. Each block representative will be in charge of classifying households by level of vulnerability (extreme poor, poor, less poor) following the community targeting notice laid out in the project manual and described below. The Lisungi project will also provide training on the principles and criteria that should guide the ranking exercise. The following criteria will be used by block representative to classify extremely poor households:

- Households relying on charity to survive;
- Homeless households that are not receiving any assistance;
- Female headed households with no income or very limited resources;
- Households whose head is a temporary worker with no income for the past two months;
- Households whose head is a retiree with no pension;
- Households that survive by selling collected wood or waste or relying on child labor;
- Lack of access to running water, electricity or a flush toilet or durable goods;
- Households in which all members are living and sleeping in the same room;
- Households with undernourished children;
- Additional criteria can include: Household with a disabled person, pregnant women, children aged 0-18, and elderly.

(d) Determining eligibility: For the emergency program, eligibility status will be determined by combining the household ranking performed by block representatives with the classification of households resulting from the social surveys deprivation/vulnerability index. Priority will be given to households that have been identified as extremely poor and poor by both rankings. Moreover, the emergency cash transfers will be available to all legal residents, including refugees.

29. Payment mechanism. The project will use digital payments to beneficiaries’ mobile phones whenever possible but will also contract a few payment providers to ensure the widest coverage. The government has contracts with several payment agencies as the capacity of any single financial institution

\textsuperscript{15} Data on the RSU have been collected between 2015 and 2018. The RSU contains information about 120,546 households but comprehensive data is available for only 89,444 households.
is too weak to ensure mass payment. The currently contracted payment agencies are: la Poste Mobile of SOPECO, la Banque Postale du Congo, and the Charden Farel group. Beneficiaries without mobile phones or mobile money accounts will have the possibility to receive their payments through the above-mentioned agencies. As of today, cash transfer Lisungi beneficiaries are paid in cash at Banque Postale du Congo bank branches, and each beneficiary has a bank account, but no ATM card is provided. However, in the context of COVID-19 and to avoid the spread of the disease due to the handling of cash and crowds gathering, the project will support the digitalization of payments through mobile banking. Beneficiary households will be notified by SMS during the payment process. If a beneficiary household does not have a mobile phone, the notification will be sent to the block chief, who is then responsible to share the information with the beneficiary household. Women are the preferred recipients of the cash transfers for households with children. The Lisungi PMU will share the household information necessary to facilitate payment with payment agencies. A cross verification will be done by the Departmental Directorates of Social Affairs (DDAS) and the Social Assistance Offices (CAS).

30. **Grievance redress mechanism (GRM).** The project will include a grievance redress mechanism, building on the GRM in the ongoing Lisungi program, and will try to reduce exclusion errors by building awareness through communication campaigns about the project. The PMU has substantial experience with handling grievances: in 2019, the PMU handled a total of 197 grievances, 145 of which were related to households feeling wrongfully excluded from receiving the transfers. The GRM will be strengthened to capture any complaints or grievances and will be supplemented by a dedicated phone number that can be called free of charge by anyone who wants to receive information about the project or would like to register for it. A website will be designed for similar purposes. Further, complainants will be updated via SMS while the grievance is under consideration. The GRM will also rely on representatives at the local level who can help individuals register grievances if needed. Table 1 displays the current Lisungi GRM and the revamped GRM for the Emergency Cash Transfers.

<table>
<thead>
<tr>
<th>Table 1: Comparison of current Lisungi GRM and revamped ECT GRM</th>
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<tbody>
<tr>
<td><strong>Current Lisungi GRM</strong></td>
</tr>
<tr>
<td>PMU created complaint sheets for claimable grievances (e.g. issues related to targeting, delays in registration, etc.)</td>
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<tr>
<td>Registration of grievances held by trustworthy official at the municipal level</td>
</tr>
<tr>
<td>The complainant can decide to fill in the complaint sheet, to register (or not) the complaint in the official registry, or to send the complaint directly to the PMU via SMS (to the dedicated Lisungi number 1516).</td>
</tr>
<tr>
<td>All complaints registered in the register will be updated in the MIS every 7 days.</td>
</tr>
<tr>
<td>Complaints that are confidential or deal with the</td>
</tr>
<tr>
<td><strong>Local structures can be registered online.</strong> Alternatively, a complaint sheet can be filled in and send directly to the PMU.</td>
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<tr>
<td>---</td>
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<tr>
<td><strong>Refugees can also register their complaints in the offices of the HCR or CNAR</strong></td>
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<tr>
<td><strong>Same</strong></td>
</tr>
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</table>

**Sub-Component 1.2: Communications and sensitization campaign (US$ 0.5 million)**

31. **This component will finance a communication and sensitization campaign to provide poor and vulnerable households with information about key program characteristics and COVID-19 prevention messages.** Communications platforms will include radio, TV, and mobile phones, through SMS and interactive voice response. Communication messages will include information on the objective and duration of the emergency program to ensure i) widespread registration of potential beneficiaries; and ii) build an understanding that these transfers are tied to the COVID-19 crisis and are temporary in nature. Messages will also focus on preventive measures such as hygiene and sanitation, social distancing requirements, related behavior change messaging, and any relevant situational updates, such as announcements about the tightening or easing of mobility restrictions. The project would partner with community-based organizations and community representatives to identify households that are most in need of assistance or medical aid to provide them with information and assistance, and to offer individual protection tools. This subcomponent will also deliver a communication and sensitization campaign that focuses on gender, due to the overwhelming global evidence of the negative impact of the pandemic on GBV/IPV.

32. **The sub-component will finance development of messages, recording and airing of the messages, as well as personal protective equipment.** Information developed by other actors, such as the Ministry of Health, WHO, or UN organizations such as UNICEF, would be used when readily available.

**Component 2: Scaling up Lisungi program for recovery (US$24.5 million equivalent)**

33. **This component will provide households affected by the economic crisis with support to Income-Generating Activities integrated into the regular Lisungi Cash Transfer program to help them rebuild their assets and strengthen resilience once the acute phase of the pandemic recedes.** It is expected that this component would be implemented mostly starting in 2021 with a possibility of starting activities in 2020 if the epidemiological situation permits. An overlap between ECT and the Lisungi program for recovery beneficiaries is possible. This component will follow a different eligibility determination approach which may result in both former ECT beneficiaries and/or new beneficiaries being eligible depending on their poverty and vulnerability status. The eligibility determination process will be described in the updated Lisungi Project Implementation Manual (PIM) that must be approved by the World Bank team prior implementation of this component.

34. **The ongoing Lisungi project has a subcomponent providing direct cash transfers targeted to poor households (CCT) and another subcomponent providing support to Income-Generating Activities (IGA) with some overlap between these two target groups.** In Lisungi, the direct cash transfers are conditioned on regular health visits and school attendance for children of beneficiary households with certain activities to promote the development of their human capital. IGA support is provided to poor and vulnerable beneficiaries to develop and implement a business plan with the support of the project.
35. **The proposed ECRP will integrate the two types of support (CCT and IGA) into one.** Growing evidence shows that integrated and sequenced interventions that provide a range of services and a cash grant to the poor in addition to small regular cash transfers generate lasting improvements in earnings and well-being. Regular cash transfers act as consumption support as poor households must meet their food needs before being able to invest in productive activities. Similar programs have already been successfully tested in other countries in the sub-region, e.g. in Cameroon.

36. **In addition, the conditionality to utilize health and education services will be applied variably depending on the availability of functioning social services in locations covered by the project.** In locations with limited access to health and education services, the project will apply soft conditionality. Beneficiary households will be encouraged to attend training sessions on early childhood development and financial literacy. These accompanying measures have proven quite effective in other countries and could be used to complement efforts to enhance social service delivery and human capital and sustain benefits (World Bank, 2018).

37. **As in the ongoing project, the ECRP beneficiaries will be encouraged to fulfil the following conditions, with built-in flexibility (with a possibility of lifting conditions altogether) to account for the uncertainty in the trajectory of the pandemic and potential new rounds of shelter-in-place orders, in addition to taking into account the availability of services in specific locations:**

   (a) **Health.** Regular health center visits, including age-relevant checkups and vaccinations to improve children’s health status and prenatal and postnatal exams to improve maternal health

   (b) **Education.** A minimum of 80 percent regular school attendance per child per month.

38. **To counter gender gaps, accompanying measures will be developed with a strong focus on gender and social role demarcation to boost women’s economic empowerment and reduce gender-based violence.** Societal norms represent significant barriers for women to fully engage in economic activities. Gender and social roles limit women's ability to acquire education or participate in the labor force. As a result, female workers face higher barriers to accessing good economic opportunities. To help address those obstacles and boost women’s empowerment, the project will develop accompanying measures that seek to foster behavioral changes within the beneficiary household. It will include modules designed to provide dedicated mentoring to address pervasive social barriers and boost self-confidence as well as specific modules on women’s empowerment and gender relations. In addition, accompanying measures on early childhood development, financial literacy, and others will be developed and provided by contracted Non-governmental Organizations (NGOs).

39. **The objective of the conditional cash transfer part of the newly integrated benefit is to provide timely, predictable, and regular transfers for the targeted households.** Regular transfers ensure the achievement of program objectives, smooth and increase household consumption, and protect their assets. Predictable transfers allow households to maximize the use of their money and enable households to plan and invest in the future, particularly in the human capital of their children. As in the ongoing

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project, women are expected to represent most recipients of the CCTs. Accredited payment agencies will make the payments to beneficiaries.

40. **The objective of the IGA part of the new integrated benefit is to support households in starting or resuming and growing activities to improve their livelihoods in the recovery phase after the pandemic recedes.** It will benefit from the accompanying measures offered by implementing partners to support the preparation of business plans; to provide information on financial education, savings, and credit; and to support the implementation of the activities. The ongoing project has developed experience in this area which will be strengthened further, including with support from a new technical assistance activity (TA) executed by the Bank\textsuperscript{17}, to support innovation and effectiveness of IGAs, particularly among women. Participation of women in IGAs will be strongly encouraged, since women are more likely to be economically marginalized compared to men. Over 60 percent of the IGA beneficiaries under the ongoing Lisungi project were women.

41. **The IGA will be small-scale (undertaken at the household level) and could include activities in agriculture and animal husbandry, especially in rural areas, retail (grain, food supplies, etc.), handicrafts, or services to individuals such as hairdressing or transportation.** The Bank’s ongoing TA\textsuperscript{18} will inform these activities regarding: i) types of activities that the project could support where women show high levels of activity or have growing opportunities; ii) effective methods to reach out to female beneficiaries and content to be included in the communication campaigns (incl. sensitization on social norms and aspirations); iii) specific training modalities that allow for women’s enrollment and regular involvement in training; iv) additional services that can alleviate women’s workload to allow them to participate successfully in productive and income-generating activities; v) additional activities and content to be included in the package of accompanying measures offered by the project (e.g. specific content for life skills trainings and behavioral interventions); and vi) additional community measures to support women’s successful participation and increased productivity (e.g. interventions among local leaders, heads of household etc.).

42. **In addition to a regular cash transfer to support their IGA business plans, the beneficiaries will benefit from accompanying measures such as:**

   (a) Training on the preparation of a business plan and other technical skills;
   (b) Communication and mentoring of beneficiaries to support implementation and boost their self-confidence and social capital; and
   (c) Financial literacy training to improve their income management and to encourage them to save to weather shocks.

43. **The project will not finance the purchase of land or buildings leading to involuntary resettlement, nor will the project procure any pesticides,** but the project will carry out extension services toward project beneficiaries on the proper use of pesticides and other agro-chemicals. IGA beneficiaries will receive guidance on how to undertake their proposed activities in an environmentally friendly and sustainable manner. The Project Implementation Manual (PIM) will further provide a checklist to capture potential social and environmental risks of subprojects.

\textsuperscript{17} Informing gender-smart social protection in Congo (P173535)

\textsuperscript{18} IBID
44. **Eligibility criteria.** Beneficiary selection for the new integrated benefit is expected to follow the same approach used in the ongoing Lisungi project. Households preidentified by commune Level targeting committees (CCCs) will be visited to collect or update their information entered in the RSU. In Brazzaville, Pointe Noire and other urban areas, a needs and conditions assessment will be performed based on socioeconomic characteristics using the full RSU questionnaire and households will be classified according to their poverty levels. Those households classified as extreme poor or poor will be eligible for the program. The eligible household list is then validated by the CCCs and District Level Monitoring Committees (CLSS) prior to program enrollment. Households unable to provide labor for IGAs, e.g. households consisting of the elderly, disabled or single mothers with infants, will be exempted from the requirement to engage in these activities. Nevertheless, the final process will be detailed in the Project Implementation Manual (PIM) and will ensure that such households are not discriminated against.

45. **Benefit level and duration.** The minimum CCT benefit level per household will be set at CFAF 5,000 (US$8.2) per month. A variable child benefit is set at CFAF 5,000 per child per month for a maximum of three children. A variable elderly benefit is set at CFAF 10,000 (US$16.4) per elderly per month. Due to the multigenerational nature of households, the maximum transfer per household is CFAF 40,000 (US$66), representing a household with three children and two elders. This transfer is aligned with the current Lisungi Program that transfers on average CFAF 23,500 a month per household due to different household composition and multigeneration households. The transfers will be paid over a period of 12 months. The IGA transfer, capped at CFAF 200,000 (US$400), will be provided in three installments (50 percent, 25 percent, and 25 percent), in accordance with the individual business plan and the PIM. The first transfer of 50 percent will be provided upon receipt of a validated business plan to allow for up-front investments; the second transfer of 25 percent is provided midway through the implementation of the activities; and the third transfer of 25 percent is provided six or nine months from the first payment. The IGA transfers will commence about 6 months after payment of the first CCT transfer to allow participants to engage in training and develop their business plans. Transfers will continue until the business plan is fully implemented but will last no longer than two years after the start of the CCT transfers.

46. **Number of beneficiaries.** It is expected that this component will benefit about 23,000 households living in the following areas: Brazzaville, Pointe-Noire, Kinkala (Pool), Madingou, Ewo (Cuvette -Ouest), Sibiti (Lékoumou), and Owando (Cuvette).The component will finance cash transfers, fees of Payment Service Providers, behavioral change messaging, inputs such as tools, seeds, fertilizer, training, small grants.

**Component 3: Strengthening the social protection system (US$2.5 million equivalent)**

47. **Component 3 will provide support to strengthening the social protection system.** Activities under this component will mainly focus on delivery systems. Its objectives are to support the delivery of emergency cash transfers under Component 1 as well as cash transfers and income-generating activities under Component 2, while improving and strengthening existing delivery systems and laying the foundations for future program scale-up and response to shocks.

48. **This component will focus on four priority areas:** (a) support to the elaboration of a social protection strategy, (b) expansion of the RSU, (c) adoption of electronic payments and (d) support to improve the capacity of delivery systems to respond to shocks and crisis. It will build on previous work
in these areas, while strengthening and further developing the existing systems and improving the capacity of delivery systems to respond to shocks and crises.

(a) Support to the elaboration of a Social Protection Strategy

49. The project will support the Ministry of Social Affairs and Humanitarian Action (MASAH) in the preparation and implementation of the Social Protection Strategy. The strategy document will provide a framework for the planning and coordination of interventions that form part of the social safety net system. This activity will finance technical assistance as well as consultations and workshops.

(b) Expansion of the social registry

50. The main objective will be to expand the coverage of the RSU, which currently covers about 10 percent of the population (or 19 percent if looking at the poor population only) and focuses on urban areas. This activity will finance technical assistance for the expansion of the RSU in terms of its coverage and for more decentralized operation.

51. The RSU has the potential to become an integrated gateway for social programs. It has been used by the Lisungi program, both for conditional cash transfers (CCTs) and income-generating activities (IGAs), by the Skills Development for Employability Project (Projet de Développement des Compétences pour l’Employabilité, PDCE, P128628) and the Health Sector Project (Projet de Développement du Système de Santé, PDSS, P143849), as well as programs supported by the AFD. The Government mandated the use of the RSU for all public entities that provide social protection assistance since March 2019.

52. In the short-term, the expansion of the RSU will support the determination of eligibility for both emergency cash transfers and the recovery program. As the RSU currently covers about 120,000 households and the project aims to cover 220,000 households, additional intake and registration efforts will have to be conducted in order to determine eligibility for both emergency cash transfers under Component 1 as well as cash transfers under Component 2.

53. In the medium-term, the planned expansion of the RSU will lay the foundations for future scale-up of social safety nets programs and will allow the Government to respond more quickly to all types of shocks. The RSU, combined with other data sources, such as early warning systems, could be used to determine eligibility for shock-responsive cash transfers and to allow the horizontal and vertical expansion of the safety nets program, including in response to climate-related shocks.

(c) Adoption of electronic payments

54. This activity will involve analyzing and auditing the payment system and developing mobile payment modules. Currently, the Lisungi program relies on an in-person cash provision modality. This component will support the gradual adoption and transition to electronic modalities, including bank accounts, digital wallets and mobile money. In the context of COVID-19, transitioning to electronic payments becomes an urgent need due to social distancing guidelines. The gradual adoption of mobile payments also represents a shock-responsive delivery change which will allow faster payment scale-up through mobile means. In the context of Congo’s recurrent floods, electronic payments will enable beneficiaries to receive the support they need even when access to normal cash points or post offices in
urban areas may be restricted.

(d) Support to improve the capacity of delivery systems to respond to shocks and crisis

55. In order to expand programs vertically and horizontally in a context of crisis, the use of existing
delivery systems can be leveraged. Adaptations to delivery mechanisms will be also introduced in order
to be able to respond to new and urgent needs. In the context of COVID-19, these adaptations mainly
constitute modifications that are necessary to comply with social distancing guidelines. Examples of
necessary adaptations that might need to be implemented in the short-term (other than the ones related
to the social registry and the payments system), include relaxation of program co-responsibilities,
delivering accompanying measures and outreach campaigns through mass media and avoiding
community gatherings. In the short-term, this activity will finance technical assistance to design and
implement the necessary adaptations to existing processes.

56. In the medium-term, this sub-component will provide support to strengthen the capacity of the
safety nets system to respond to future shocks and crisis. Activities to be financed include a study on
shock-responsive systems, adapted to the country’s needs and implementation approaches, as well as
technical assistance for the establishment of early warning systems, with a focus on strengthening its
governance and investing in its digitization.

Component 4: Project management, monitoring and evaluation (M&E) (US$ 3.0 million equivalent)

57. This component will support project management. It will ensure that the PMU is operational and
that it successfully and efficiently implements the project in conformity with the Financing Agreement,
Project Appraisal Document, and the PIM. This component will finance:

(a) The PMU staff (non-civil servant) salaries including operational costs at the regional levels;
(b) Allowances set by the World Bank to civil servants seconded to work on project implementation;
(c) The equipment and operating costs for the PMU directly linked to the daily management of the
project (office space; utilities and supplies; bank charges; communications; vehicle operation,
maintenance, and insurance; building and equipment maintenance costs; travel and supervision
costs; and so on);
(d) Monitoring and Evaluation (M&E) costs, including data collection and reporting in accordance
with the project’s M&E plan.
(e) The regular internal audits and annual external audits (according to World Bank legal
requirements, the audits of financial and procurement aspects); and
(f) The training of the personnel of the PMU (at both the central and regional levels).

58. Within the framework of the monitoring cycle, a midterm review will involve the project’s
stakeholders and civil society in the review of project performance, intermediary results, and outcomes.
The progress and outcomes of the project will be measured using the data collected at the midterm review
and at the end of the project.

Component 5: Contingency Emergency Response Component - CERC (US$ 0 million equivalent)

59. This zero-fund component will allow the Government to quickly reallocate and mobilize funds in
the event of an emergency that would require immediate recovery and reconstruction needs, and are not already covered by the project, e.g. an epidemic outbreak, or a climate-related shock. The CERC can be used to respond to emergencies across the national territories, i.e. including in areas not initially covered by the project. In this project, in case of extended pandemic emergency phase it could facilitate the reallocation of funds from other components that have a medium-term perspective to component 1, given the uncertainty about the duration of the health emergency and lockdown period.

### Legal Operational Policies

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

### Summary of Assessment of Environmental and Social Risks and Impacts

#### E. Implementation

### Institutional and Implementation Arrangements

60. **The implementation arrangements of the project will be broadly the same as in the ongoing Lisungi project, with some adjustments.** The MASAH will have the overall responsibility for the implementation of the project and the Lisungi PMU will have responsibility for the day-to-day management and implementation of the project. The Inter-sectoral Steering Committee (Comité d’Orientation Stratégique, COS) that oversees the project’s implementation will be expanded to include representatives of other relevant ministries such as the Ministries of Health, Interior and Decentralization; Justice, Human Rights, and Promotion of the Indigenous Population, as well of the civil society.

61. **Given the tight timeframe for implementation of the emergency transfers, it will be difficult for the Lisungi PMU to coordinate and supervise operations in all the urban areas selected under the program.** The Manual of Procedures of the Lisungi Project, cleared by the World Bank, grants the status of regional field offices of the Lisungi Project to the departmental directorates of social affairs or Departmental Steering Committee (CDS, Comité Départemental Stratégique). For these reasons, the Lisungi PMU has delegated part of its functions to the CDS including:

- (a) signing of agreements with mayors and sub-prefects, on behalf of the Coordinator of the Lisungi PMU and at his request, in departments other than those of Brazzaville;
- (b) the holding of technical coordination meetings with the mayors, sub-prefects, and Social Assistance Offices (CAS) of the areas concerned by the operations;
- (c) monitoring and coordinating all operations provided for in the various agreements signed with town halls and sub-prefectures;
- (d) monitoring and evaluation of the performance of the household data collection and payment system;
- (e) the representation of the Lisungi Project Management Unit before the competent authorities.
62. During the project implementation period, the PMU together with the MASAH will hold the responsibility for defining project implementation strategies, development of the annual workplans and budgets, procurement plans and progress reports for the Project.

63. **Fiduciary management (financial management, disbursement and procurement) will be implemented by the Lisungi PMU.** To carry out the fiduciary responsibility the PMU will: (i) work together with the MASAH to prepare the annual work plans and budgets; (ii) carry out disbursements and procurement in accordance with World Bank procedures; (iii) prepare and consolidate periodic progress reports; (iv) monitor and evaluate project activities; and (v) liaise with stakeholders on issues related to implementation. The PMU will provide, on a quarterly basis, a summary of the Interim Financial Reports showing the sources and uses of funds and cash forecasts for the following six months. The report will additionally provide an update on key activities and contracts, as well as raise key challenges. The report will be made available to the MASAH 30 days after the end of each quarter. More details will be provided in an annex to the Lisungi Project Implementation Manual (PIM) which is currently being updated and will be finalized no later than thirty days after project effectiveness.

64. **The Lisungi management team will be expanded as needed during implementation to allow for efficient and effective execution.** A reinforced technical and fiduciary team will be assigned within the team to focus on the fiduciary management and monitoring and evaluation of the proposed activities as defined in the COVID-19 Plan. The additional personnel to be hired by the PMU to reinforce the team will be identified and agreed upon before project negotiation.

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APPROVAL

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