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Report No: PAD4548

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 34.7 MILLION
(US$50.0 MILLION EQUIVALENT)
FROM THE CRISIS RESPONSE WINDOW

TO THE

CENTRAL AFRICAN REPUBLIC

FOR AN

EMERGENCY FOOD CRISIS RESPONSE PROJECT

June 15, 2021

Agriculture and Food Global Practice
Western and Central and Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2021)

Currency Unit =	Central African Franc (FCFA)
US$1=	FCFA 538.12
US$1=	SDR 0.692

FISCAL YEAR
January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AFD	*Agence Française de Développement* (French Development Agency)
AfDB	African Development Bank
AGETIP	*Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique* (Public Works Implementation Agency)
ARADSP	Agriculture Recovery and Agribusiness Development Support Project
AWPB	Annual Work Program and Budget
CAR	Central African Republic
CERC	Contingent Emergency Response Component
COVID-19	Coronavirus 2019
CPF	Country Partnership Framework
CRI	Corporate Result Indicator
CRW	Crisis Response Window
CSA	Climate-smart Agriculture
E&S	Environmental and Social
EHS	Environment, Health, and Safety
EHSG	Environment, Health, and Safety Guidelines
EIRR	Economic Internal Rate of Return
ERF	Early Response Financing
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
EWS	Early-warning System
EX-ACT	Ex-Ante Carbon-balance Tool
FAO	Food and Agriculture Organization
FAW	Fall Army Warm
FCFA	Franc of the Financial Community of Africa
FCV	Fragility, Conflict, and Violence
FM	Financial Management
FY	Fiscal Year
GBV	Gender-based Violence
GDP	Gross Domestic Product
GEMS	Geo-enabled Monitoring and Supervision
GFDRR	Global Facility for Disaster Reduction and Recovery
GHG	Greenhouse Gas
GoCAR	Government of the Central African Republic
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HIV	Human Immunodeficiency Virus
ICRR	Implementation Completion and Results Report
ICRA	*Institut Centrafricain de la Recherche Agricole* (Central African Institute for Agricultural Research)
IDA	International Development Association
IDP	Internally Displaced Person
IFAD	International Fund for Agriculture Development
IFC	International Finance Corporation
IFR	Interim Financial Report

IMF	International Monetary Fund
IP	Indigenous Peoples
IPC	Integrated Phase Classification
IPF	Investment Project Financing
IPPF	Indigenous Peoples Planning Framework
LMP	Labor Management Procedures
LIPW	Labor-Intensive Public Works
M&E	Monitoring and Evaluation
MADR	*Ministère de l'Agriculture et du Développement Rural* (Ministry of Agriculture and Rural Development)
MATDDL	*Ministère de l'Administration Territoriale, de la Décentralisation et du Développement Local* (Ministry of Territorial Administration, Decentralization and Local Development)
MDERH	*Ministère du Développement de l'Énergie et des Ressources Hydrauliques* (Ministry of Energy Development and Water Resources)
MESA	*Ministère de l'Elevage et de la Santé Animale* (Ministry of Breeding and Animal Health)
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission inthe Central African Republic
MTAC	*Ministère des Transports et de l'Aviation Civile* (Ministry of Transports and Civil Aviation)
MTPER	*Ministère des Travaux Publics et de l'Entretien Routier* (Ministry of Public Works and Road Maintenance)
MUVH	*Ministère de l'Urbanisme, de la Ville et de l'Habitat* (Ministry of Urban Planning, City, and Housing)
NGO	Non-governmental Organization
NMFSNC	National Multisectoral Food Security and Nutrition Committee
NPV	Net Present Value
OHS	Occupational Health and Safety
ONASEM	*Office National des Semences* (National Seed Office)
PDO	Project Development Objective
PIM	Project Implementation Manual
PCU	Project Coordination Unit
PPSD	Project Procurement Strategy for Development
PREPAS	Revive Agropastoral Production in the Savannas Region Project
PSC	Project Steering Committee
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SDG	Sustainable Development Goal
SDR	Special Drawing Rights
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
SMP	Security Management Plan
SPN	Specific Procurement Notices
STEP	Systematic Tracking of Exchanges in Procurement
STI	Sexually Transmitted Infections
SUN	Scaling Up Nutrition
ToC	Theory of Change
UN	United Nations
UNDB	United Nations Development Business
WBG	World Bank Group
WFP	World Food Program

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Central African Republic	Central African Republic (CAR) Emergency Food Crisis Response Project

Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P176754	Investment Project Financing	High	Urgent Need or Capacity Constraints (FCC)

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[✓] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[✓] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[✓] Conflict
[ ] Deferred Drawdown	[✓] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
29-Jun-2021	30-Sep-2024

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The objectives of the project are to increase food production and to improve resilience of targeted smallholder farmers and food insecure households in affected areas.

Components

Component Name	Cost (US$, millions)
Support increased food production	27.50
Labor-intensive public works for resilience	17.00
Project management	5.50
Contingent Emergency Response Component	0.00

Organizations

Borrower:	Central African Republic (CAR)
Implementing Agency:	Ministry of Agriculture and Rural Development

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	50.00
Total Financing	50.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Grant	50.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Central African Republic	0.00	50.00	0.00	50.00

Crisis Response Window (CRW)	0.00	50.00	0.00	50.00
Total	**0.00**	**50.00**	**0.00**	**50.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2021	2022	2023	2024	2025
Annual	0.00	16.00	19.00	13.00	2.00
Cumulative	0.00	16.00	35.00	48.00	50.00

INSTITUTIONAL DATA

Practice Area (Lead)

Agriculture and Food

Contributing Practice Areas

Urban, Resilience and Land

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Substantial
7. Environment and Social	High
8. Stakeholders	Substantial
9. Other	

10. Overall	Substantial

COMPLIANCE

Policy

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

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description
Schedule 2, Section I.A.2(i): The Recipient shall recruit and thereafter maintain, no later than 1 month after the Effective Date, a deputy director, a financial management specialist and a procurement specialist.

Sections and Description
Schedule 2, Section I.A.2(i): The Recipient shall recruit and thereafter maintain, no later than 2 months after the Effective Date, a GBV/SEA/HA specialist, a security specialist, and two E&S specialists.

Sections and Description
Schedule 2, Section I.A.2(ii): The Recipient shall recruit no later than 6 months after the Effective Date, and thereafter maintain, an external auditor, with qualifications, experience and terms of reference, acceptable to the Association.

Sections and Description
Schedule 2, Section I.A 3: The Recipient shall, not later than two (2) months after the Effective Date, establish and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Association, a technical project committee.

Sections and Description
Schedule 2, Section I.A 4: The Recipient shall, not later than two (2) months after the Effective Date, establish and thereafter maintain, throughout the Project implementation period, with composition, mandate and resources satisfactory to the Association, a steering committee, to be chaired by the Minister of MoARD, and comprised of members from the Ministries of public works, urban planning, transport; finance, plan, social affairs, agriculture, territorial administration, water resources, sector stakeholders, the Municipality of Bangui and other entities deemed relevant.

Sections and Description
Schedule 2, Section I.C 2: The Recipient no later than two (2) months after the effective date shall furnish to the World Bank the annual work plan and budget for the project for the first year of project implementation.

Sections and Description
The Indigenous Peoples Planning Framework shall be prepared, disclosed, consulted upon, approved, and adopted within 2 months after the Effective Date.

Sections and Description
Schedule 2, Section I.G: The Recipient shall ensure that not later than six (6) months after the Effective Date, a Preparedness Plan is prepared and adopted in form and substance acceptable to the Association.

Sections and Description
The final Environmental and Social Management Framework shall be prepared, consulted, cleared by the

Association, and disclosed within 2 months after the Effective Date.

Sections and Description
The final Labor Management Procedures shall be prepared, disclosed, consulted, cleared by the Association, and adopted within 2 months after the Effective Date.

Sections and Description
The Resettlement Policy Framework shall be prepared, disclosed, consulted upon, approved, and adopted within 2 months after the Effective Date.

Sections and Description
The specific section on Environmental and Social Measures in the Project Implementation Manual shall be revised and adopted within 2 months after the Effective Date.

Sections and Description
Environmental and Social Framework briefing, training on COVID-19 prevention and response measures, Environmental and Social Commitment Plan and Stakeholder Engagement Plan shall be carried out within 1 month after the Effective Date.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Recipient has prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Association.
Type	Financing source	Description
Effectiveness	IBRD/IDA	The Recipient has prepared, adopted and thereafter disclosed the Security Management Plan (SMP) with contents and conditions satisfactory to the Association.

I. STRATEGIC CONTEXT

A. Country Context

1. **The Central African Republic (CAR) is one of the most fragile[1] and poorest countries in the world**. CAR is a landlocked, scarcely populated country with a population of approximately 5.2 million. The country is endowed with ample natural resources but has faced continued political instability and cycles of violence ever since its independence in 1960. Recent estimates indicate that CAR's poverty rate increased from 66 percent in 2008 to 71 percent in 2019, i.e., nearly 3.48 million people live below the international poverty line (US$1.90 per day, 2011 PPP).[2,3] About two-thirds of the population live in rural areas where poverty is estimated to be 69 percent, compared to 50 percent in urban areas. In addition to the effects of long-lasting conflicts, the main causes of poverty include the underperforming agropastoral sector; the lack of roads, infrastructure, and public services in rural areas; vulnerability to climate change, floods, and droughts; as well as scarce economic opportunities, especially for young people.

2. **The Peace and Reconciliation Political Agreement (*Accord Politique pour la Paix et la Réconciliation en Centrafrique*) signed between the Government and 14 armed groups in February 2019 has reduced conflicts and violence which began in early 2013**.[4,] However, since December 2020, there has been a resurgence of the conflict surrounding the election period. A rebel coalition conquered a large part of the country, before being pushed back by government forces with support of bilateral forces and the peacekeeping force United Nations Multidimensional Integrated Stabilization Mission (MINUSCA). This recent outbreak of violence significantly aggravated household vulnerability. CAR's recent conflicts have resulted in the internal displacement of roughly one-fourth of the population in addition to refugees fleeing to neighboring countries.[5] The levels of displacement are still very high; approximately 729,005[6] people remain internally displaced while more than 624,000 Central African refugees sought shelter in neighboring countries,[7] and about 2.3 million people (nearly half of the country's population) are in urgent need of humanitarian assistance. With the support from the international community, the country is now continuing its recovery from the conflict, and implementation of the peace agreement is progressing, although at a slower pace than expected.

3. **The economic outlook in CAR has deteriorated sharply as a result of the Coronavirus disease (COVID-19) pandemic and the election-related violence but is projected to recover gradually going forward with a recovery of external demand.** Growth in 2020 stagnated amid the global COVID-19 crisis, mainly driven by the agricultural sector (pre-COVID projection was a 4.4 percent growth). The main drivers of the downturn include a sharp fall in CAR's exports (diamond, coffee, cotton, and timber), a decline in

[1] In 2020, the Fragile States Index ranked CAR as the 6th most fragile country in the world, which is still an improvement compared to 2014 when CAR was the 3rd most fragile country in the world.
[2] The 2019 poverty projections are done using international poverty line (US$1.90 per day, 2011 PPP) whereas the rural/urban estimates are based on the national poverty line which is using data from the last nationally representative household survey conducted in 2008.
[3] The human development is low in CAR, ranking 188th out of 189 countries on the 2019 Human Development Index.
[4] The African Union and the Economic Community of Central African States (ECCAS) serve as the agreement's guarantors, while the UN peacekeeping force MINUSCA plays a critical support role in the background - as of January 2020, 12,870 UN Peacekeepers ensure that CAR does not slide back into civil war.
[5] Despite the signing of a peace agreement in 2019, CAR continues to be affected by conflicts and violence. Data available on the Armed Conflict Location & Event Data Project show that conflict events and fatalities didn't increase in 2020 compared to 2019 or 2018. However, since December 2020, the security conditions have worsened again due to a surge of election-related violence.
[6] *https://data2.unhcr.org/en/country/caf*
[7] After seven years of conflict, more than half of the country's population is in need of humanitarian assistance (EU Commission Civil Protection and Humanitarian Aid Operation *file:///C:/Users/WB561370/Downloads/central_african_republic_2020-10-06.pdf*).

commodity prices, and a decrease in foreign direct investment. Furthermore, the Government's measures to contain the spread of COVID-19, including restricting movement within the country, closing schools, banning mass gatherings, and closing the airport, had an added impact on slowing economic activity. As the negative impacts of COVID-19 and the recent election-related violence dissipate, CAR's economy is projected to recover gradually by 3.9 percent per year during 2021-23. This is however significantly below the pre-COVID-19 projections. Ongoing projects, especially in the agricultural sector, are expected to ease the investment climate and facilitate the development of agribusiness in the Bangui area. Improved distribution channels and increased output in agriculture will also support growth. Higher levels and efficiency of public investment addressing infrastructure constraints should also support the projected growth rates.

4. **Climate change will further exacerbate development challenges in CAR, impacting agricultural production and food security significantly.** The country is exposed to a range of hydro-meteorological hazards, in particular floods and water scarcity/drought, and ranks fifth globally in terms of risks due to its high socio-economic vulnerability and low capacity to cope with such shocks.[8] The majority of the population (75 percent) is expected to be vulnerable to climate change. Floods are the most frequent disasters and responsible for the largest share of economic and human losses in CAR. They primarily affect the southern part of the country and underscore the continued vulnerability of CAR's population to natural hazards, particularly the poor. Droughts are common in the northern part of the country**.** Climate change is expected to exacerbate the frequency and severity of extreme hydro-meteorological events.

B. Situations of Urgent Need of Assistance

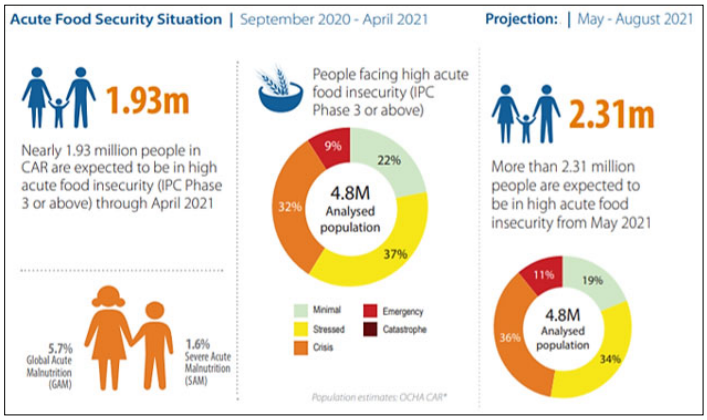
5. **CAR is currently facing an emerging food insecurity crisis.** According to the most recent estimates by the Food Security Integrated Phase Classification (IPC), nearly 1.93 million people (41.3 percent of the population) were in crisis levels of acute food insecurity (IPC Phase 3+) through April 2021.[1] As shown in Figure 1, during the projected period of analysis[9] (May to August 2021), 2.31 million people (48 percent of the total population) are expected to face high levels of acute food insecurity (IPC Phase 3 +), of whom 525,000 people across ten sub-prefectures will likely be in Emergency (IPC Phase 4). This represents an increase of 9 percent compared to the IPC assessment conducted in September 2019 estimating 2.1 million people in Phase 3+ in 2020[10]. The distribution of population per IPC phases clearly shows that more than 20 percent of the population is currently in IPC phase 3+ (eligibility criteria for the Crisis Response Window Early Response Financing - CRW ERF[11]). Indeed, the situation in CAR will worsen by more than 5 percent, projected to increase from 41 percent of the population in IPC phase 3+ to 48 percent. Moreover, close to 1.3 million of the population do not have enough food, 42.3 percent of children under 5 years are suffering from chronic malnutrition, and 5.8 percent are in acute malnutrition (World Food Program (WFP) hunger map). This chronic malnutrition rate is far beyond the 30 percent threshold, above which stunting is classified as "very high".

6. **The magnitude of the crisis reflects the convergence of multiple factors, with more recent drivers including COVID-19, high food prices, and excessive rainfall and floods, exacerbating the vulnerabilities related to food insecurity.** The country is already facing chronic issues such as a slow

[8] INFORM Risk Index 2021 (https://drmkc.jrc.ec.europa.eu/inform-index)
[9] The period corresponds to the next lean season generally characterized by an exhaustion of household food stocks
[10] See additional information in Annex 2.
[11] CRW-ERF is a dedicated IDA funding mechanism that is exclusively designed to quickly respond to crises in countries hit by exogenous shocks; in the case of this operation, responding to an Early to Emerging Food Security Crises.

increase or even stagnation of agricultural and livestock production for several years, and challenges such as limited access to agricultural inputs, advisory services, and plant and animal diseases which are negatively impacting the volume of staple crop production and productivity of the sector. As a result, 71 percent of the population (pre-COVID estimate) is living below the poverty line without a buffer in case of any unplanned expense or emergency. In addition, more recent acute factors have exacerbated the food insecurity vulnerabilities, namely: (i) COVID-19 impacts affecting agricultural supply chains, food trade, and consumer prices for key crops; and (ii) extreme weather events (excessive rainfall and floods).

Figure 1: Actual and projected situation of Food Security Situation – IPC/September 2020



Source: CAR Integrated Food Security Phase Classification Snapshot | September 2020.

7. **The effects of the COVID-19 pandemic[12] have aggravated pre-existing food insecurity drivers in CAR and increased food prices.** The restrictive measures imposed by neighboring countries after March 2020 and the partial closure of the border with Cameroon to limit the spread of COVID-19 have had direct consequences on the functioning of CAR's food supply chain. A 2020 study[13] carried out on the economic and household food security impacts of COVID-19 in Bangui and Bimbo shows a substantial effect on households' purchasing power in urban and rural areas around Bangui. The share of Bangui's population in acute food insecurity (IPC Phase 3+) increased from 15 percent in September 2019 to 45 percent in September 2020. Severe early disruptions in food logistics significantly increased food prices after the COVID-19 outbreak[14], which spiked further when violence broke out in December 2020. Despite price drops for oil and imported rice, the prices of other essential food products such as animal proteins (beef and fish), white beans, and cassava remained high. Some prices have reached the threshold of a more than 40 percent increase compared to the prices before the COVID-19 pandemic. Faster price increases coupled with income declines are reducing the diversity of food consumed and increasing the likelihood of worsened nutritional outcomes. The COVID-19 pandemic has also led to disruptions in the agricultural

[12] As of 5 June 2021, the country has recorded 10,984 cases and 98 deaths.
[13] Central African Institute of Statistics Economic and Social Studies (ICASEES), WB, WFP, September 2020. (Economic and food security impacts of COVID-19 in Bangui and Bimbo). According to the study, 21 percent of households in Bangui and Bimbo have an insufficient food consumption. The study was conducted with the technical and financial support of the World Bank. Data collection was carried out by telephone among a sample of 600 households' representative of Bangui and Bimbo population with a coverage rate of 98.41 percent. The newsletter is under publication.
[14] For example, the cost of a 50kg bag of rice increased from 20,500 FCFA before the COVID-19 pandemic to 26,917 FCFA in July 2021. At the same time, urban transport prices have risen by more than 60 percent since COVID-19 measures went into effect, adding to the financial strain of urban households.

input supply chains. A recent survey[15] indicates that 28 percent of households are unable to farm optimally during this season, with the main difficulty being a lack of access to inputs**.**

8. **Floods over the last cropping season have further reduced agricultural production in parts of the country and placed an additional economic burden on vulnerable households, in particular in greater Bangui.** The climate outlook in recent years indicates an above-average rainfall, with excess rainfall frequently reaching about 50 percent of the long-term average. In October 2020, over 15,000 people were affected by torrential rains and river overflows in Bangassou, Bossembélé, Bambari, Kabo, Tiri, and on the Chadian border north of Ndélé in Bamingui-Bangoran, pointing to bleak prospects for improved domestic production even over the coming cropping cycle. The Food and Agriculture Organization (FAO)/WFP Crop and Food Security Assessment Mission also found that more than 400 hectares of food and market gardening crops around the cities of Bangui and Bimbo were flooded in September 2020.[16] The greater Bangui area is subject to recurrent flooding due to a combination of pluvial runoff from the surrounding hills and seasonally rising waters from the Ubangi River with an insufficient drainage system that is not adequately maintained.[17] The recent floods underscore the need for better hydro-meteorological information and services to increase preparedness and reduce losses caused by flooding. The long years of conflict left the country with severely damaged hydro-meteorological infrastructure and there are currently no functional flood early-warning systems (EWS).

9. **With the spread of the Fall Armyworm (FAW) on food crops, and maize in particular, the food insecurity situation is expected to worsen if no action or strategy is put in place to control the damage from this pest.** FAW is foreseen to become a major threat to crop production in CAR in the up-coming agriculture campaigns. It will have a direct effect on the socio-economic level of the rural population by negatively impacting food and income (an increase of global food insecurity, malnutrition, and poverty among smallholder farmers). A Diagnostic and evaluation mission for the mapping of FAW infestations zone in CAR conducted in 2018 both by FAO and the Ministry of Agriculture and Rural Development (*Ministère de l'Agriculture et du Développement Rural,* MADR) reveals that the attack levels of the FAW on maize vary from 9 percent to 90 percent depending on the locality. Although it is too early to know the long-term impact of the FAW on agricultural production and food security in CAR, this pest has the potential to cause serious damage and significant yield losses in the very near future.

10. **The magnitude and scale of the food crisis emergency in CAR have clearly overwhelmed national response capacities, mainly because of the Government's narrow fiscal space, amidst other ongoing crises, including those which are not directly mediated by the COVID-19 pandemic**. In this context, the Government of CAR is not able to provide substantial food security support from budget resources and requires external funds from international financial institutions and donor organizations. As of May 2021, several donors had made contributions to humanitarian operations that, in addition to other crises, are responding to food insecurity in CAR, including: US$53.1 million from the United States, US$17.4 million from the German Government, US$10.1 million from the Swedish Government, and contributions from

[15] Multi-sectoral assessment in hard to reach areas, CAR. Autumn 2020, conducted by REACH (Informing more Effective Humanitarian Action)-Initiative *https://www.impact-repository.org/document/reach/5151f0a5/REACH_CAR_SO_HSM_automne2020.pdf*
[16] Overview of Humanitarian Needs Central African Republic October 2020, developed by OCHA
[17] A recent REACH study indicates that 98 percent of the population in Bangui are exposed to recurrent fluvial and pluvial flooding (Central African Republic Flood Susceptibility & Risk, REACH, June 2020). The existing drainage system in Bangui has a total length of 37 kilometers and is mainly made up of earthen canals. Most of the existing drainage canals are not adequately maintained, often clogged by solid waste, and therefore do not fully serve their purpose.

other countries[18]. Even with these contributions, according to the UN's Financial Tracking Service (FTS), only about 33 percent (US$79.2 million) of the funding needs (currently standing at US$241 million)[19] for the priority sectors (food security, nutrition, health, logistic, water, sanitation and hygiene) in the Humanitarian Response Plan for CAR have been met (see Annex 6). Without urgent interventions to sustain the productive capacities of farmers and incomes of the vulnerable, the food and nutrition security situation and the prospects of agricultural development will worsen at a time when the country is under a health pandemic. Beyond its impacts on human capital and on state legitimacy, food insecurity is also known to heighten the risk of civil and communal conflict, a prospect with a much higher likelihood of occurrence in CAR, given the underlying fragility.

11. **In view of the unmet needs in food and nutrition security, US$50 million is granted from the IDA CRW[20] to help alleviate the situation.** CRW funding will be used to support: (i) an accelerated supply response focused on preserving/restoring the productive capacity of eligible women and men farmers (through support for inputs, labor, and equipment) to enable them to effectively engage in continued and expanded production of key staple foods in the short-term; (ii) a nutrition improvement program at the household level through support to diversify diets and increase access to micronutrients by promoting the planting and consumption of bio-fortified crops and small-scale backyard production of nutritious food items; (iii) livelihood support programs through labor-intensive public works (LIPW) in Bangui (with focus on improving drainage infrastructure) and in Nana Gribizi, Ouham, Ouaka, Basse Kotto, Haute Kotto, and Mambéré Kadei (with focus on small scale infrastructures to enhance the impacts of input supply support, as well as those that foster adaptation to climate change); and (iv) enhancing hydro-meteorological hazard information and piloting flood EWS in pilot watersheds in the greater Bangui area to reduce losses caused by the upcoming rainy season.

12. **Based on the urgent need for assistance to address any negative impacts of the COVID-19, climate change, and plant diseases on CAR's food and nutrition security (as well as the capacity constraints borne out of the country's long-running fragility), the proposed operation meets the requirements of paragraph 12 of World Bank Investment Project Financing (IPF) Policy on *"Projects in Situations of Urgent Need of Assistance or Capacity Constraints*".** The additional flexibility as defined in paragraph 12 and condensed procedures for preparation would ensure a timely response to the food security challenge. In addition, using UN Agencies (FAO, WFP) to support implementation as specialized suppliers, would help remedy capacity weaknesses on part of the Government of CAR (GoCAR) and ensure that the support reaches the population quickly and reliably.

C. Sectoral and Institutional Context

13. **Agriculture plays an important role in CAR's economic development and poverty reduction.** The country has a huge potential for agricultural development including 15 million hectares of arable land and 20 million hectares of agricultural permanent pasture coupled with a favorable climate. Agriculture accounts for 32 percent of gross domestic product (GDP)[21]. About 67 percent of CAR population lives in

[18] Other contributions include: US$8.6 million from Canada, US$8.1 million Central Emergency Response Fund, US$7.4 million from EU, US$6.2 million from United Kingdom, US$4.8 million from Japan, US$4.8 million from Switzerland, and US$3.3 million from Denmark

[19] The financing needs is based on data from 2021 Humanitarian response plan in CAR which focus on short and medium-term interventions such as food distribution, increased productivity, early warning system, rehabilitation of physical access, equitable access to nutritional care for children and pregnant women, that are closely related to the emerging food crisis response

[20] CRW is a dedicated IDA funding mechanism that is exclusively designed to quickly respond to crises in countries hit by exogenous shocks.

[21] http://wdi.worldbank.org/table/4.2

rural areas and agriculture remains the primary economic activity employing about 93 percent[22] of the country's workforce comprising mostly smallholder farmers, the majority of which are women. The sector currently occupies more women than men, with a female share of employment in agriculture at more than 76 percent (versus 69 percent of male share). Staple crops occupy about 90 percent of the total cultivated area in the country and account for 61 percent of the agricultural production. The export commodities account for less than 2 percent of the GDP and 5 to 10 percent of the export revenue of the country. The livestock sub-sector is also critical for the country's economy as it contributes up to 15 percent of the agricultural GDP and 2 percent of the country's GDP.

14. **Agriculture remains mainly a subsistence economy and the overall performance of the sector is low with farm output remaining below levels achieved in 2008-2012.** The production technologies used by the farmers in CAR are inefficient. As a result, the agriculture sector is faced with low yields and productivity. Various factors combine to reduce agriculture productivity, including low use of improved inputs (seeds, fertilizers, pesticides, etc.), low use of modern technologies, inadequate access to extension services, poor physical infrastructure, limited access to credit, and marketing constraints. For instance, cassava, the leading food crop in CAR has been facing production and yield declines and stagnation over the past ten years, causing a significant increase in market prices, while the demand for this product is increasing. This decline in cassava production and yield has been aggravated in 2020 by an outbreak of Cassava Mosaic Disease. Particularly, this disease reduced the output of cassava crops that are grown throughout the year in the southern prefecture of Kemo. According to FAOSTAT (2018), cassava production in CAR reached a production of 715,469 tons of cassava chips over 252,000 hectares. This production is a source of food security, not only because it can be grown on the less productive land, but because it is a source of income for urban and rural people alike. Thus, any threat to cassava production also threatens the ability of the most vulnerable farmers to cope in the face of adverse climatic conditions and increases the risk that disruptions to crop production will escalate into widespread food insecurity.

15. **CAR's food security is intimately tied to the performance of some key crop production such as cassava, maize, and livestock.** The COVID-19 pandemic vividly spotlights these links. The country is now reeling from the effects of COVID-19-related value chain disruptions on food security. Among others, due to stalled harvest sales: (i) most farmers cannot access necessary input and now face the dire prospect of not engaging in the forthcoming food crop growing season[23]; (ii) those who rely on their harvest sales and wages from agricultural activities to meet some of their food security requirements are already experiencing challenges in accessing food; and (iii) food imports required to fill the demand gaps are expected to be constrained by the limited budget resources as tax revenues declined, and defense-related expenditures increased during the election-related violence. In addition, most households in CAR (including rural farming households) are net food buyers and the increase in food prices over the last two years has forced them to adopt negative coping mechanisms such as distress sale of household agricultural assets, especially livestock such as sheep and goats. Farmers have also lost stock of livestock due to opportunistic diseases that are aggravated by poor vaccination campaigns. The economic crisis has also affected urban populations, including in the greater Bangui area, who are more dependent on markets and wages for their livelihoods and, unlike their rural peers, typically lack traditional coping mechanisms e.g. hunting and gathering.

[22] https://www.resakss.org/node/11

[23] Whereas most farmers rely on seeds saved from previous harvests or sourced from neighbors for the next season's planting, extreme food scarcity has forced most of them to deplete such seed sources as they struggle to meet the immediate food requirements of starving families.

16. **While women account for more than 60 percent of agricultural labor, there is little recognition of their work, and they do not have equal access to the economic fruits of their labor.** Major inequalities persist in CAR between women and men in terms of access to resources that can improve their living conditions, particularly access to land and other factors of production, such as inputs and equipment, quality agricultural advisory assistance, financing, technology, training, and markets. Moreover, the situation of girls continues to be of concern, especially in rural areas where the school attendance rate for girls is less than 55 percent, compared to 88 percent for boys. Early marriage and pregnancy, a heavy domestic workload, limited access to education and early school dropout further complicate their situation.

17. **Government strategies acknowledge that food security is at the heart of CAR's development agenda and investing in food security is tantamount to keeping the peace and stability the country needs.** The GoCAR has developed several policies and strategies which prioritize agriculture sector development. The National Policy on Food Security and Nutrition adopted in December 2017 identified as priority intervention the need to increase food availability in a sustainable way and meet the food demand of the population. In addition, the National Agricultural Policy Document 2020-2030 prepared in 2019 recommitted to the key principles of the Malabo Declaration[24] with a focus on: (i) transforming the productivity of smallholder farming and contributing to food and nutrition security; and (ii) promoting the development of a commercial, competitive agriculture that contributes to economic growth.

18. **Within its limited resource and capacity constraints, the Government has been intentionally increasing the support to the development of its agriculture sector and addressing its food insecurity challenges.** The Government, with support from the World Bank Group (WBG) has launched in 2019 the CAR-Agriculture Recovery and Agribusiness Development Support Project (ARADSP, P165855). The project aims to increase the agriculture productivity of small-scale farmers, strengthen the capacity of micro, small, and medium agribusiness enterprises in the project areas. The proposed project will complement these efforts.

D. Relevance to Higher Level Objectives

19. **The proposed project primarily seeks to mitigate the impact of the concurrent economic shocks induced by the COVID-19 pandemic, increased prices, and excess rainfall/flooding on CAR's food and nutrition security**. Broadly, the project: (i) contributes to the attainment of the Sustainable Development Goals (SDGs) on ending hunger, achieving food security and improved nutrition (SDG2); and on ending poverty in all its forms (SDG1); (ii) is aligned with the WBG twin goals of reducing extreme poverty and enhancing shared prosperity; (iii) dovetails with the CAR Plan for Recovery and Consolidation of Peace (2017-2023), which identifies agriculture as one of the growth sectors, seeking to fight against food insecurity and increase revenue for producers; and (iv) aims to contribute to the broader national gender equality objectives, as well as the gender commitments enshrined in the Malabo Declaration and Agenda 2063-The Africa we want.

20. **The proposed Emergency Food Crisis response is well aligned with the WBG Country Partnership Framework (CPF) for CAR 2021-2025 (Report No. 150618-CF) and the WBG Strategy for Fragility,**

[24] Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods (Malabo, June 26-27, 2014).

Conflict, and Violence (FCV) 2020-2025 (Report No. 146551). The CPF was recalibrated and aligned with the four pillars of the WBG COVID-19 Crisis Response Approach Paper to help CAR achieve a resilient recovery from the pandemic. Focus Area 1 of the CPF, "*Human Capital and Connectivity to Boost Stabilization, Inclusion, and Resilience*", includes several objectives to which this ERF application will contribute: *Support Stabilization Efforts for Improved Resilience, Deliver Quality and Inclusive Health Services, and Put in Place Sustainable Safety Nets*. This project will also contribute to the CPF Focus Area 2 on "*Economic Management and Improved Governance to Build State Legitimacy and Foster Growth*", and in particular the objective on *Enhancing the Business Environment and Support Job Creation* which includes support to agriculture. The proposed response is also closely correlated with the FCV Strategy as it will contribute to helping CAR address the underlying drivers of fragility (as identified in the 2018 Risk and Resilience Assessment[25]) and transition sustainably out of fragility/conflict. CAR is one of the most fragile countries in the world[26], where the risk of recurrence of conflict is higher if the level of food insecurity is high. Indeed, improved food security will help mitigate some of the spillovers of long years of conflict in the country.

21. **It will also contribute to the WBG Climate Change Action Plan 2021-2025, the World Bank's Next Generation Africa Climate Business Plan,[27] and CAR's Nationally Determined Contribution to the United Nations Framework Convention on Climate Change.** In line with the objectives and strategic directions set forth in these plans, proposed project activities will support climate-smart development in agriculture promoting climate change mitigation and adaptation strategies, enhance understanding of climate-related hazards in CAR, and improve the local communities' capacity to cope with climate-related stresses.

22. **Further, the proposed operation is part of the relief phase of the crisis response, as elaborated in the WBG COVID-19 Crisis Response Approach Paper.** It contributes to thematic Pillar 2 (protecting the poor and vulnerable from the impact of the economic and social crisis triggered by the pandemic) and Pillar 4 (strengthening policies, institutions, and investments for resilient and sustainable recovery). The project is an entirely new operation, not envisaged before the COVID-19 outbreak. It has been prioritized to expand on an earlier programmed US$25 million CAR-ARADSP (P165855) which sought to increase productivity and strengthen agribusiness.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

23. The objectives of the project are to increase food production and to improve resilience of targeted

[25] Cycles of violence are deeply rooted in drivers of fragility, as identified by a 2018 Risk and Resilience Assessment (RRA). Those drivers include: (i) a lack of social cohesion at every level of society, which allows entrepreneurs of violence to capitalize on local grievances; (ii) concentration of political power in the hands of a small elite that is managing a state with little legitimacy and using institutions, including justice and security, to sustain itself; (iii) social and regional disparities between Bangui and the periphery, and between the East and the rest of the country, which have created grievances, fostered a perception of inequality and lack of inclusion, and contributed to the emergence of armed groups; (iv) elite capture and mismanagement of scarce natural resources - diamonds, gold, timber, grazing land; (v) a cycle of violence and trauma and a distressed population in an environment of violence and impunity; and (vi) a lasting state of insecurity fueled by a regional system of conflict and the failure of past security sector reform (SSR) and disarmament, demobilization and reintegration (DDR) processes.

[26] In 2020, CAR ranked as the 6th most fragile country in the world according to the Fragile States Index (*https://fragilestatesindex.org/wp-content/uploads/2020/05/fsi2020-report.pdf*).

[27] World Bank. 2020. The Next Generation Africa Climate Business Plan: Ramping Up Development-Centered Climate Action. https://openknowledge.worldbank.org/handle/10986/34098 License: CC BY 3.0 IGO

smallholder farmers and food insecure households in affected areas.

PDO Level Indicators

24. **PDO Level Indicators.** The following key indicators will be used to track progress toward the PDO: (i) Farmers reached with agricultural assets or services,[28] of whom women (number) (CRI); (ii) Volume of food crops produced (metric ton); and (iii) Beneficiaries of LIPW (number), of whom women and internally displaced persons (IDP) (percentage).

B. Project Components

25. The project design and interventions have been informed by a series of upstream analytical work and are based on the following broad principles: (i) as poverty and food insecurity are increasing rapidly in both rural and urban areas, it is important to quickly provide emergency production support to eligible beneficiaries, while also addressing the underlying vulnerability to mitigate any such future shocks on food security; (ii) flexibility in geographical targeting is required to maintain relevance and appropriateness of the project in addressing the ever-changing food insecurity hotspots in the country; and (iii) there is a need to act now with scaled-up resources to avoid further deterioration of food insecurity and allow for a sustainable recovery from the multiple crises facing the country. The project will be organized around three main technical components as described below.

26. The project design incorporates World Bank cross-cutting priorities into its activities: (i) climate change is a severe and intensifying production constraint in CAR, this project activities emphasize climate change mitigation/adaptation strategies and adherence to environmental safeguards. All investments funded under this project will integrate climate change considerations in their design; (ii) gender, empowerment of vulnerable groups, and adherence to social safeguards[29], this project will pay particular attention to vulnerable groups—particularly women and youth—to access productive resources and temporary job opportunities offered by the project; (iii) Gender-based Violence (GBV) will be proactively reviewed. Experience from some countries hit by the COVID-19 pandemic shows that specific forms of GBV are likely to increase in the context of isolation and quarantine which are part of COVID-19 mitigation and response measures but also due to economic impacts, food shortages and tensions within households are likely to occur. This project will utilize a gender lens in analyzing all project activities to improve gender sensitivity and ensure there are adequate safeguards to mitigate risks of GBV, Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH). The project will ensure the active involvement of women in every process of planning and implementation. The consultation process will take into consideration social distancing impacts on women, including the continued assessment of risks of GBV/SEA/SH. These consultations will be undertaken in spaces where women can express themselves, e.g. all-women groups, facilitated by women project workers.

27. The project is organized around four components as described below.

Component 1: Support increased food production (US$27.5 million equivalent)

28. This component will support an accelerated supply response focused on restoring and preserving the productive capacity of farming households to enable continued and expanded production of key staple foods and livestock that is resilient to climate change. This is expected to increase food availability

[28] Defined as production inputs (fertilizer, seed, farming tools advisory services etc.) and measured as households.
[29] This also includes measures to prevent the risk of child labor, monitor and provide remedy measures when needed.

and therefore break the cycle of dependence on food aid over the coming seasons. It will have three subcomponents:

Subcomponent 1.1: Support food production and household nutrition (US$16.3 million equivalent)

29. This subcomponent aims to improve food productivity and production in the short to medium term (6-24 months) in rural areas affected by food insecurity and in the breadbasket zones. Specific focus will be on vulnerable farmers, particularly women. Where possible, production support will also be extended to urban communities through urban gardening initiatives. It will finance three major activities:

30. ***Access to agricultural inputs.*** The project will finance: (i) purchase and distribution of improved seed and planting materials, fertilizer, and livestock restocking products; (ii) access to necessary farm equipment; and (iii) provision of requisite advisory services in support of improved production, productivity, and production system resilience to climate change. Where relevant and feasible, support will be provided for fishing gear to sustain the survival needs of those dependent on artisanal fishing. This activity will target 60,000 eligible farming households (of which 50 are percent women), to enable them to effectively engage in continued and expanded production of key staple foods in the short to medium term (6-24 months). Taking into consideration potential effects of climate change on agriculture production in CAR, all above-planned investments will go towards promoting climate-smart agriculture (CSA) techniques and practices, drought-resistant seeds, and related capacity-building of the farmers. To ensure timely implementation, in light of the fast-approaching cropping season, FAO has already undertaken an assessment of availability of necessary inputs both within the country and in the regional markets, and has embarked on procurement of the necessary inputs (fertilizers, seed, and farm equipment).

31. ***Support community-based seed production and distribution.*** One of the major barriers to agricultural productivity in CAR is the persistent use of inferior seeds by smallholder farmers. To contribute to addressing this problem, the project will help rebuild the country's seed multiplication and delivery mechanisms required to create viable systems to produce high-quality, high-yielding seeds. This intervention will target 2,500 seed grower groups. Activities to be financed will include: (i) support to the setup and management of community-based seed multiplication and distribution programs (e.g., seed banks); (ii) training farmers to optimize seed and fertilizer use; and (iii) reinforce the MADR seed quality control and certification services. Implementation will build on activities funded under the Agriculture Recovery and Agribusiness Development Project (P165855) to ensure complementarity with the Central African Institute for Agricultural Research (*Institut Centrafricain de la Recherche Agricole,* ICRA) and ONASEM (National Office of Seed) institutional capacity strengthening.

32. ***Improvement of household nutrition***. These interventions aim to improve nutritional outcomes at the household level by increasing access to healthy and diversified foods and by promoting good practices for improving nutrition. The project will support healthy and more diversified diet by: (i) increasing the availability of safe and diverse vegetables through the promotion and upgrading of existing kitchen and village gardens; (ii) ensuring the availability of animal proteins for household consumption through backyard poultry; and (iii) facilitating women's access to nutrition education through the Farmer Field School approach). The World Bank intervention would be enhanced by the project co-locating with Health System Support and Strengthening (SENI) Project (P164953) and Human Capital Project (Maïngo, P171158) both of which support the design and implementation of the Government's National Community Health Strategy (2021-2015), which will deploy community health workers throughout the

country. Co-location will also facilitate data sharing on children with acute malnutrition, especially those between the ages of 0 and 2 years, the age range where the effects of stunting are irreversible, and uptake of micro-nutrients and other strategies are critical. Similarly, beneficiary targeting would be greatly enhanced with support from health services and community health workers. The Maïngo Project will also establish safe spaces for young people that will offer integrated community-based programs, which include those related to livelihood skills, as well as cash grants to invest in an income generating activity. This project will leverage the safe spaces to reach vulnerable women with training on improved agricultural practices and provide additional inputs to support income generating activities in the agricultural sector. The project will encourage the adoption of CSA practices that consume less area, generate higher yields, and use diversified vegetable seeds that are resilient to climate change. The promotion of CSA will help to (a) increase the productivity and resilience (adaptation) of vegetable crops in a sustainable way; (b) promote the reduction of greenhouse gas (GHG) emissions (mitigation); and (c) improve household nutrition. The project will facilitate women's skills training, new technologies, improved seeds, advice, and guidance, to contribute to gender equality in the project area. The nutrition interventions will mainly target 2,500 women and young producers' associations, or about 50,000 beneficiaries.

33. ***Beneficiary targeting.*** Beneficiaries will be identified with the help of the community through the involvement of local leaders and social mobilization efforts, with particular attention targeting existing women's groups, safe spaces for women and girls that are established through the Maïngo Project, and networks. These are expected to include: (i) households that are food insecure but capable of food production when targeted with agricultural production technologies; and (ii) individuals or groups of producers who may not be food insecure but have a recognized capacity to increase productivity and outputs of specific food crops that can be sold at the market. To facilitate proper targeting, the project will also assess the vulnerability of different communities through a rapid Crop and Food Security Assessment Mission. Targeting will favor female-headed households by tapping into existing women's market groups and local women leaders who can identify them. Eligible beneficiaries would be identified based on predetermined criteria which include: (i) farmers households with labor force availability within the household; (ii) rural households who have hosted IDP with whom they share their livelihoods; (iii) female headed household; and (iv) rural households with children under 5 years or pregnant women. The amount of seeds will be calibrated to individual household needs to ensure that it is enough to provide one year of staple crops and six months of nutritious vegetables for a whole family. No beneficiary contribution is expected, and for faster distribution, the inputs will be delivered through public distribution system, directly to the farmers, as opposed to provision through the markets. The timing and location of distributions will pay particular attention to gender constraints and seek out female-friendly distribution avenues. While the seeds and tools will be provided before the onset of the rainy season, any assets for post-harvest handling and food storage will be transferred in the middle of the cropping season.

Subcomponent 1.2: Support food basket distribution and linkages to market opportunities (US$7.6 million equivalent)

34. This subcomponent will support vulnerable communities through provisions of food baskets (composed of cereals, beans, oil, and salt),[30] to prevent vulnerable households from consuming or

[30] The food basket distribution is done as part of seed protection rations and to prevent the vulnerable smallholder farming households from diverting the input package to other uses during the planting season.

exchanging for food agriculture inputs received from the project. In addition, the project will work with smallholder farmer cooperatives to reduce post-harvest losses and increase market connectivity. This will be done by supporting producers' access to assets, services, and linking smallholder producers to market opportunities offered by local buyers and WFP programs such as Home-Grown School Feeding (HGSF), local food procurement, and Smallholders Agricultural Market Support. Activities to be financed include: (i) provision of seed protection rations to vulnerable smallholder farming households to prevent them from diverting the input package to other uses during the planting season; (ii) provision and training on post-harvest loss management and technologies; and (iii) the provision of 'last mile' transport facilities (tricycles) to common initiative groups to reduce the lead-time from farm to warehouse. These interventions will target 20,000 households and prioritize women, young people, and farmer organizations living in food-insecure prefectures (IPC3[31] and IPC4[32]).

Subcomponent 1.3: Strengthening hydro-meteorological information for early warning (US$3.6 million equivalent)

35. This subcomponent will strengthen hydro-meteorological information and basic EWS to deliver actionable and timely information for preparedness and early response to extreme hydro-meteorological events, including in the agriculture sector. It will support availability and access to impact-based and location-specific public weather data and hydro-meteorological information and strengthen the capacity of key government agencies (in particular, General Directorates of Meteorology, Hydrology, and Civil Protection) to monitor, analyze, and use this information for forecasting hydro-meteorological phenomena across the country. A basic EWS will be piloted in priority watersheds that include gardening and/or farming areas, tentatively in the greater Bangui area. Training will be extended to key line ministries (notably MADR), municipalities, and communities to ensure an inclusive early response mechanism. The warnings and information to be issued for communities in the pilot area are expected to go beyond the civil protection perspective (prevent loss of lives) to provide hydro-meteorological forecasts that can inform farmers on a planting calendar, pre- and post-harvest impacts, and market connectivity. The focus will be on reaching the poorest farmers who are typically the most vulnerable to climate events in the communities.

36. The subcomponent will finance inter alia: (i) access to meteorological data, including regional and global products; (ii) repair and small-scale rehabilitation of priority hydro-meteorological stations; (iii) installation of automated hydrological stations and sensors with related hardware and software; (iv) refurbishment of facilities needed to support the delivery of basic public weather and warning services, including purchase of basic equipment; (v) logistical, IT and data transmission support; and (vi) specialized technical assistance, training, and support to develop institutional capacity in, inter alia, weather observation, forecasting, and modeling of hydrometeorological phenomena, and facilitate interinstitutional coordination for production and dissemination of basic, actionable early flood warnings.

[31] IPC3 prefectures are all over the country and include the following: Bamingui Bangora; Bangui; Basse Kotto; Haut Mboumou; Haute Kotto; Kemo; Lobaye; Mambéré-Kadéï; Mbomou; Nana Gribizi; Nana Mambere, Ombella Mpoko; Ouaka; Ouham; Ouham Pede; Sangha Mbaere; Vakaga

[32] IPC4 prefectures are concentrated in central and North west regions, including Basse Kotto; Haut Mboumou; Kemo; Mboumou; Ouaka; Ouham; Ouham Pede. The same prefecture can have some districts in IPC3 and others in IPC4. The following provide more details on the CAR food insecurity map: *http://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1154874/?iso3=CAF*

Component 2: Labor-intensive public works for resilience (US$17.0 million equivalent)

37. This component will finance livelihood support programs through LIPW in six prefectures and in Bangui. The LIPW will provide short-term relief to food-insecure households through cash-for-work activities, while at the same time fostering adaptation to climate change and enhance resilience to flooding. The LIPW will follow the Government's standardized LIPW Manual and be coordinated with other LIPW initiatives in CAR, including the COVID-19 Response under Service Delivery and Support to Communities Affected by Displacement Project (P161591), to ensure complementarities and avoid providing benefits to the same individuals twice. It will have two subcomponents:

Subcomponent 2.1: Rehabilitation and maintenance of small-scale agricultural infrastructures (US$2.2 million equivalent)

38. LIPW beneficiaries under this subcomponent will be selected among vulnerable, food-insecure households in rural areas in the prefectures of Nana Gribizi, Ouham, Ouaka, Basse Kotto, Haute Kotto, and Mambéré Kadei. The daily wages for the cash-for-work activities will be below the local level for unskilled labor thus providing an 'in-built" self-targeting mechanism for these conditional cash transfers that would also ensure that the public works do not compete with agriculture for seasonal labor. Where high levels of structural unemployment dictate against self-targeting, beneficiary selection will be guided by the local community. The proposal is for a participatory, inclusive, and transparent community-based targeting mechanism where communities will be able to identify beneficiaries based on clear eligibility criteria, despite the overwhelming needs in the area. Beneficiary selection would be sensitive to gender considerations. The key requirement would be to ensure clear communication to communities on the pre-determined eligibility criteria which include: (i) households affected by flooding or severe drought; (ii) presence of women and IDPs in the household; and (iii) household with inability to purchase food because of scarcity or higher prices.

39. The focus of the investments will be on rehabilitating small-scale infrastructures that would enhance the impacts of input supply support provided under Subcomponent 1.1 and foster adaptation to climate change. These would include support for the rehabilitation of small-scale irrigation schemes, water control technologies, etc., using labor-intensive methods. The presence of clear post-operation maintenance mechanisms will be key in the choice of public works to be funded to ensure sustainability. The project will also pay for costs associated with any resettlement, including land acquisition and compensation related to the rehabilitation of small-scale agricultural infrastructures. Participatory planning approaches that engage target communities will be used to identify production challenges in their areas and to determine the small-scale infrastructures that could address underlying causes of increased productivity. This will be followed by a prioritization of activities and assessment of key preconditions for success.

Subcomponent 2.2: Rehabilitation and maintenance of drainage infrastructure in Bangui (US$14.8 million equivalent)

40. LIPW beneficiaries under this subcomponent will be selected among food-insecure, vulnerable households living in areas in Bangui where flooding has become recurrent. Beneficiary selection will build on best practices from ongoing LIPW projects in CAR using objective and transparent eligibility criteria as well as public lotteries for selection among eligible beneficiaries. Beneficiary selection will be sensitive to considerations for particularly vulnerable groups, including quotas for women and displaced people in the

lotteries. LIPW beneficiaries are expected to rotate every two-eight weeks to reach a maximum of vulnerable people. They will also receive occasional training on financial issues (e.g. open bank account, manage savings).

41. The focus of the investments will be on drainage maintenance and rehabilitation to reduce the impact and magnitude of future flooding in Bangui. A list of priority activities was identified with the Municipality of Bangui and the Ministry of Urban Planning, City, and Housing (*Ministère de l'Urbanisme, de la Ville et de l'Habitat,* MUVH) and in consultation with other development partners financing drainage rehabilitation in Bangui (notably French Development Agency (*Agence Française de Développement,* AFD)). Priority activities were selected with the following criteria: (i) potential for using labor-intensive techniques and locally available materials; (ii) alignment with existing drainage plans[33] and complementarity to ongoing investments; (iii) implementation readiness (including simple designs); and (iv) no permanent resettlement or land acquisition needs. The priorities include, among others, the cleaning of drainage collectors called Kokoro, Bouagba, Kouanga, and Fayama, and the rehabilitation (i.e. reshaping and surfacing the inner walls with stone masonry, paving of shoulders, service road, and side ditches) of drainage collectors called Aviation 6, ENAM 1, Saint Sauveur, Fayama, and Douane. The drainage investments will contribute to addressing climate change vulnerabilities through improved resilience to floods. The participation of local companies in the execution of LIPW will be encouraged by organizing works into smaller lots aligned with their capacity and providing training to them prior to launching the tenders.

42. The subcomponent will also provide support to the municipal administrations and neighborhood associations in Bangui to strengthen capacity for maintenance of drainage infrastructures beyond the life of the project. For the short term, cleaning campaigns for smaller drainage ditches with the local community will be organized, including provision of small equipment and materials (e.g. wheelbarrows, shovels, rakes, gloves, motorcycles, etc.) and technical assistance to municipalities, as well as cash-for-work stipends to participants. This will be complemented with awareness raising campaigns and other activities to promote behavioral change and resilient practices in local communities (including on proper disposal of solid waste). To address long-term sustainability, a study on how to finance drainage maintenance in a sustainable manner through a mix of tariffs, taxes, and subsidies will be undertaken to provide a roadmap for sustainable financing and management mechanisms for the operation and maintenance of the drainage systems upon the completion of works financed under the project.

43. Overall, the subcomponent will finance: (i) cash-for-work stipends, (ii) community mobilization, social accompanying measures, training, and awareness raising campaigns; (iii) cleaning and repair works of existing drainage canals, retention basins, culverts, gutters, etc. to restore their functionality; (iv) rehabilitation of substandard drainage collectors and natural drainage ditches, including works, supervision, technical and safeguards studies; (v) technical assistance and training for municipal administrations, neighborhood associations, and local companies; (vi) equipment and material for drainage maintenance for municipalities; (vii) a governance study and a roadmap for a financing mechanism for drainage maintenance; and (viii) costs associated with resettlement, including notably cash compensation for temporary income losses/economic displacement directly associated with drainage rehabilitation works.

[33] Bangui Drainage Master Plan from 2009 as well as a 2019 update for the Communes Bangui 1 and Bangui 2 prepared with support from AFD.

Component 3: Project Management (US$5.5 million equivalent)

44. This component would finance: (i) the project day-to-day administrative, technical and fiduciary management; (ii) the coordination of project activities across the whole scope of project execution, including management costs of specialized service providers; (iii) the establishment and implementation of a robust Monitoring and Evaluation (M&E) framework that relies on modern IT and will continue as a dynamic system to support the operations of the relevant institutions beyond the project, including baseline, mid-term and final evaluation of the project; and (iv) the implementation of environmental and social (E&S) safeguard policies, citizen engagement, community mobilization measures, as well as a Grievance Redress Mechanism (GRM).

Component 4: Contingent Emergency Response Component (CERC) (US$0.0 million)

45. The Contingent Emergency Response Component (CERC) will enable the provision of immediate response to an Eligible Crisis or Emergency, as needed. It will ensure the rapid reallocation of project funds in the event of a natural crisis during implementation of the project to address eligible emergency needs under the conditions established in the CERC operational manual. This subcomponent will have no initial funding allocation but will draw resources from other expenditure categories at the time of its activation.

46. The component costs are summarized in Table 1 below.

Table 1: Component Costs

Component	Subcomponent	Cost (US$ million, by subcomponent)	Total (US$ million, by component)
1. Support increased food production	Support food production and household nutrition	16.3	27.5
	Support to seed protection and linkages to market opportunities	7.6	
	Strengthening hydro-meteorological information for early warning	3.6	
2. LIPW for resilience	Rehabilitation and maintenance of small-scale agricultural infrastructures	2.2	17.0
	Rehabilitation and maintenance of drainage infrastructure in Bangui	14.8	
3. Project management	Support to project implementation arrangements	5.5	5.5
4. CERC	Contingent Emergency Response Component	0.0	0.0
	Total	**50.0**	**50.0**

C. Project Beneficiaries

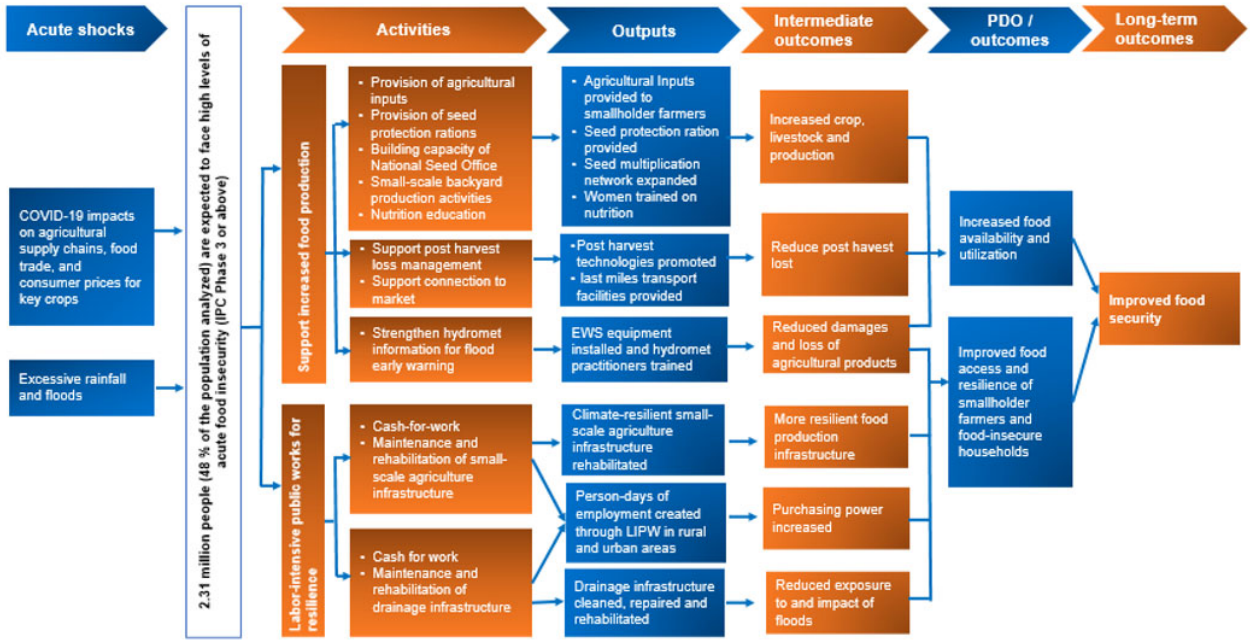
47. **Direct project beneficiaries are expected to be 465,000 smallholder farmers and food-insecure people in both rural and urban project areas.** This will include 60,000 eligible farming households (of which 50 percent of the members are women) who will be supported to resume agricultural production, 2,500 seed grower groups engaged in seed multiplication and distribution programs, 2,500 young women benefiting from nutrition interventions, 20,000 households benefiting from food basket distribution, and 45,000 vulnerable people participating in cash-for-work activities. Additional beneficiaries are government staff and practicitoners receiving training. Indirect beneficiaries include laborers and

consumers who would access food from the surplus production and input suppliers. In addition, project activities will be carried out considering gender issues in the country's agriculture sector. This refers to women's lack of access to resources, tools, and inputs in the agriculture sector. The project will ensure that female farmers and value chain laborers benefit from the different activities foreseen, including distribution of inputs, restocking, and job opportunities in agriculture value chains.

48. **Geographic focus.**[34] The targeted project intervention zones are the six prefectures of (i) Nana Gribizi; (ii) Ouham; (iii) Ouaka; (iv) Basse Kotto; (v) Haute Kotto; and (vi) Mambéré Kadei; as well as (vii) the greater Bangui area (autonomous communes of Bangui and surrounding communes in the prefecture of Ombella-Mpoko). Selection for geographic targeting was based on the following criteria: (i) share of households in food insecurity is over 40 percent; (ii) complementarity to support provided by other agencies and through government financing; (iii) co-location of existing World Bank-financed projects that can be leveraged to deliver input package services; (iv) the geographic accessibility of communities, which will consider both road accessibility and security; and (v) the number of people who can be reached to ensure that the project has maximum impact for the most women and children currently affected by acute food insecurity. There will however be the flexibility to change target areas in response to emerging needs and to also shift from geographical targeting to vulnerability-based targeting[35]. The project will aim to reach as many vulnerable, food-insecure households as possible.

D. Results Chain

Figure 2: Theory of Change of food security in CAR



[34] The Maïngo Project targeting areas under Phase 1 include the greater Bangui area, Ouaka, Kemo, and Nana-Grebizi, and expand in Phase 2 to Ouham-Pende. Mambere-Kadei, and Bamingui-Bangoran, and Phase 3 adds Ouham and Vakaga. Efforts will be made to ensure synergies between the two projects.

[35] In case there is a higher increase of household in IPC 5, for example in area not covered, the project will be flexible and target for example these new IPC5 hotspots as well.

49. **Figure 2 summarizes the project's theory of change (ToC).** The ToC depends on several critical assumptions and could be affected by several external factors. First, the ToC assumes that agricultural inputs can be sourced and made available to farmers on time, to enable them to engage in production over the agricultural campaign. The ToC also depends on the availability of reasonably priced food in the local markets, which can be accessed by beneficiaries of the cash-for-work activities for their food security as any food commodity price escalation is bound to affect the project's outcomes. Moreover, the ToC assumes that government authorities, despite the actions of actors who have historically benefited from the status quo, would be willing to undertake measures that could strengthen the resilience of the agriculture sector to market risks.

E. Rationale for World Bank Involvement and Role of Partners

50. **The needs to respond to the emerging food crisis far exceed the financing capacity of the Government and cannot be adequately addressed by the private sector.** The agriculture sector in CAR remains predominantly a subsistence economy, fragmented, and poorly organized due to market failures that increase transaction and intermediation costs. Unmet needs are enormous and point to a need for assistance to increase local production of food and ensure access by the most vulnerable. Private sector actions are not well placed to strengthen the essential bond between food availability, food access, and utilization, and to respond to the urgent need to reduce food insecurity in a fragile country. If left unaddressed, food insecurity will exacerbate the country's existing fragility challenges and could reverse hard-won development gains. Thus, only the public sector can design and implement an effective response to the food crisis. Considering its tight fiscal situation, the GoCAR has therefore appealed to the international donor community for time-critical assistance to address the evolving deterioration in food security.

51. **The World Bank offers significant value to the proposed project through its ability to build strong partnerships across sectors and its successful track record of supporting similar activities in fragile countries.** The World Bank has significant experience in developing and supporting the implementation of projects to strengthen the agriculture sector and providing emergency response to food insecurity crises in fragile countries in Sub-Saharan Africa, including the ongoing ARADSP in CAR as well as, among others, the recently completed Chad Emergency Food and Livestock Crisis Response Project (P163258) and the ongoing Guinea-Bissau Emergency Food Security Project (P174336). The World Bank also has a strong track record in supporting LIPW in both rural and urban settings across Africa, including several projects in CAR, as well as building hydrometeorological and EWS capacities in countries with similar fragile settings to CAR, including through, among others, the Mali Hydrological and Meteorological Services Modernization Project (P161406), the Strengthening Climate Resilience in Burkina Faso Project (P164078), and the Afghanistan Early Warning, Early Finance, and Early Action Project (P173387). Moreover, the World Bank can facilitate work across sectors and play a convening role with development partners on the ground to build synergies.

52. **The project is part of a broader response to the crisis supported by other ongoing interventions supported by the WBG, United Nations (UN) agencies, and other development partners in CAR**. The project will develop synergies with other World Bank-financed operations, including among others: ARADSP (P165855); the LONDO Project (P152512) that provides temporary employment to vulnerable people and facilitates access to basic services throughout CAR; the COVID-19 Response under the Service Delivery and Support to Communities Affected by Displacement Project (P161591); and the Maïngo

Project (P171158, scheduled for June 23, 2021 Board approval) that aims to increase access to health services, education, and economic opportunities for women and adolescent girls. In addition, it was designed to be complementary to operations financed by other development partners, including among others: the International Fund for Agriculture Development (IFAD)/African Development Bank (AfDB) funded Revive Agropastoral Production in the Savannas Region Project (PREPAS) aiming to strengthen food security and increase incomes for nearly 30,000 vulnerable households in four sub-prefectures; the AfDB Savannah-based Agricultural Value Chains Development Support Project aiming to improve productivity, processing, and marketing of agricultural products, targeting 30,000 households in addition to those in PREPAS; the European Union Bêkou Trust Fund to provide access to food, water, and sanitation and revive economic activity; as well as AFD funded projects financing the rehabilitation of drainage and roads infrastructure in Bangui using labor-intensive construction techniques[36]. Finally, the proposed project will partner and collaborate with the Multisectoral Technical Committee for Food Security and Nutrition established by the Government in 2018 to enable better coordination of food security interventions and improve vulnerable household targeting.

F. Lessons Learned and Reflected in the Project Design

53. **The World Bank and other donor's experience with operations in CAR highlight the need to approach the country's development challenges with realism and simplicity.** As such, the project's proposed implementation arrangements make few assumptions about the capacity of government institutions and thus confer implementation of the most critical elements of proposed support to the FAO, WFP, and CAR's Public Works Implementation Agency (*Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique,* AGETIP) that are already deployed in the country and have the professional staff needed to accomplish the task.

54. **Experience in low capacity countries also points to the need to balance the quest for speedy delivery of emergency interventions (such as the one proposed under the project) on one side and government ownership of the interventions on the other,** especially as the environment in CAR is heavily endowed with humanitarian support. By explicitly making this a government-led intervention, in which the proposed partners FAO, WFP and AGETIP play comprehensive yet supportive roles as specialized suppliers in implementation (including procurement and management of the goods and services), it becomes a clear demonstration of a spirit of partnership with the Government of CAR, which if well managed, should build a strong foundation for a more sustained engagement in the agricultural sector.

55. **Another lesson learned is the need to link emergency and development efforts to not only meet the immediate needs of affected communities but also foster and strengthen their resilience to future shocks.** In this respect, the project design supports short-term responses to avoid the deterioration of the food security situation of vulnerable communities (support to production inputs and cash-for-work) while kickstarting a medium-term response seeking to deal with the underlying cause of the emergency/vulnerability, including flood impacts. This is especially important in CAR, a food deficit country that faces recurrent episodes of flood and food insecurity.

56. **Finally, the project design takes cognizance of the high potential and likelihood for elite capture (especially under the proposed cash-for-work activities), as observed in similar operations elsewhere.** This prospect is much more pronounced in the context of CAR where there are ineffective monitoring and

[36] Project to Promote Environmental Initiatives for Flood Management and Program for Economic and Social Reconstruction of Bangui's 3rd Communes.

control mechanisms in place and limited institutional capacity. The project design, therefore, relies on reliable implementation partners with a strong record in this type of activity as well as participatory and community-based impartial beneficiary identification processes to reach eligible beneficiaries.

G. Alternatives Considered

57. **The design alternatives as discussed below were considered as part of preparation:** (i) Provision of direct food support: Given the upsurge in the number of people expected to require food aid, there was a proposal to address some of these needs through direct food support. This proposal was rejected because the WFP is currently in the process of ramping up support to provide relief for such distressed people. In addition, since most of these would be able-bodied persons, their immediate needs can be met through proposed cash for work activities, without creating a cycle of dependency, which is hard to break once it sets in; and (ii) fiduciary considerations and the inability of the World Bank to monitor and verify any field activities (primarily occasioned by travel restrictions to the field as a result of insecurity) precluded the possibility that implementation of activities under Component 1 would be contracted to local Non-governmental Organizations (NGOs). The design however allows for the participation of local NGOs in implementation, as partners to FAO.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

58. **The project will be implemented through the MADR through an already existing Project Coordination Unit (PCU) in partnership with other relevant sectoral Ministries** (*Ministère de l'Elevage et de la Santé Animale,* Ministry of Breeding and Animal Health (MESA), Ministry of Public Works and Road Maintenance (*Ministère des Travaux Publics et de l'Entretien Routier,* MTPER), MUVH, Ministry of Transport and Civil Aviation (*Ministère des Transports et de l'Aviation Civile,* MTAC), Ministry of Territorial Administration, Decentralization and Local Development (*Ministère de l'Administration Territoriale, de la Décentralisation et du Développement Local,* MATDDL), Ministry of Energy Development and Water Resources (*Ministère du Développement de l'Énergie et des Ressources Hydrauliques,* MDERH). The PCU currently oversees implementation of the World Bank-financed ARADSP (with objectives that are similar to those of Component 1 under the proposed project) and is overall qualified to coordinate implementation of the new project. The PCU will have overall administrative, fiduciary, and safeguards responsibility for project implementation. It is already staffed with a Financial Management (FM) Specialist, a Procurement Specialist, an M&E Specialist, an E&S Safeguards Specialist, and other support staff. Additional specialists will be recruited within one month from the effectiveness date, to strengthen the PCU staffing. The PCU will be the only unit to manage the project designated account; FAO, WFP, and AGETIP under their respective contracts will be implementing projects activities as described in Annex 1.

59. **Because of persistent implementation capacity gaps both at the central and state ministries, the implementing agency (MADR) will enter into service agreements with FAO, WFP, and AGETIP to receive technical support for the implementation of specific activities**. FAO and WFP were identified as key implementing partners because of their (i) expertise in the agricultural sector and on hydrometeorological services in CAR; (ii) experience in technical assistance provision to the MARD, and (iii) country presence with technical and operational capacities to support emergency preparedness and timely response. AGETIP was selected given their (i) extensive experience and satisfactory track record in

implementing LIPW, including drainage in Bangui, and working closely with MUVH and the Municipality of Bangui; and (ii) staff with required technical capacities in place in Bangui. FAO, WFP, and AGETIP will be contracted by the PCU/MADR as specialized service providers on a single-source selection basis to provide implementation support for different subcomponents, supplying services and goods in line with their respective mandates and division of labor. This will help ensure timely and effective implementation of planned activities. Where judged feasible and appropriate, local NGOs may be mobilized to take on an implementation role. MADR will contract FAO and WFP following procurement regulations with UN agencies. The PCU will monitor and supervise the performance of the specialized service providers and report to the World Bank.

60. **Subcomponents 1.1, 1.3, and 2.1 will be implemented with the support of FAO**. FAO will ensure the coordination, programming, planning, data collection for M&E, day-to-day technical supervision, and reporting of all activities under Subcomponent 1.1. To implement these activities, FAO will recruit a small team including at least a technical coordinator, an agronomist, a nutrition specialist, an environmental specialist, a social specialist, and a fiduciary specialist. FAO will partner with national and international NGOs to carry out project activities. The NGOs will: (i) facilitate the exchange of information for targeting population groups; (ii) provide logistical support for distributing inputs; (iii) participate in organizing training for beneficiaries; and (iv) work closely with the household to set backyard production. The central and decentralized services of the MADR will provide support to producers in the implementation of these activities through memoranda of understanding with FAO. All FAO activities would be implemented under MADR oversight, and with the support of MADR staff both at the center and regional directorates. Regarding Subcomponent 1.3, FAO will provide technical assistance to the government directorates responsible for the delivery of core hydro-meteorological and early warning services (Meteorology, Hydrology, Civil Protection), the PCU, and other relevant stakeholders to facilitate the implementation of planned activities.

61. **Subcomponent 1.2 will be implemented with the support of WFP**. WFP has demonstrated logistical capabilities to source and supply food to many vulnerable beneficiaries and has preferential access to areas that might not be accessible otherwise by the national counterpart. WFP will leverage their expertise, comparative advantage, deep field presence, and already existing partnerships in CAR to ensure effective use of input package by vulnerable households and increase incomes of smallholder's farmers through market linkages. Just like for FAO, WFP's activities will be implemented under MADR's oversight. To ensure proper implementation of the project activities, WFP will recruit a team consisting of at least a technical coordinator, a post-harvest specialist, a social and environmental specialist, and a fiduciary specialist.

62. **Subcomponent 2.2 activities will be implemented with the support of AGETIP**. AGETIP will mobilize a dedicated team to facilitate implementation of the LIPW activities in Bangui including, at least, a technical coordinator, a civil engineer, a socioenvironmental specialist, a procurement specialist, and an accountant. MUVH will be included in the service agreement between AGETIP and PCU/MARD in a technical oversight role. AGETIP has extensive experience in coordinating, planning, implementing, and technical supervision of LIPW activities across CAR, including drainage rehabilitation in Bangui. AGETIP will subcontract an NGO to facilitate community mobilization, beneficiary selection, social accompanying measures, and training for LIPW as well as local construction firms to execute the works. The service agreement will provide details on technical, social and environmental management, financial, procurement, managerial, and reporting requirements.

63. **A Project Steering Committee (PSC), chaired by the MADR (or his/her representative), will be established within two (2) months after project effectiveness to provide general oversight and guidance of the project.** The PSC will include representatives from MTPER, MUVH, MTAC, MATDDL, MDERH, MESA (Ministry of Finance, Ministry of Plan, Social Affairs), sector stakeholders, the Municipality of Bangui, and other entities deemed relevant both for the GoCAR and the World Bank. The PSC will be responsible for providing overall implementation and policy guidance. The PSC will meet twice a year and can invite FAO, WFP, and AGETIP to assist as technical advisors and non-voting members. The PCU will provide secretariat services to the PSC.

64. **A Project Technical Committee will be set up within two months of project effectiveness.** It will be composed of designated focal persons and technical experts from ministries and agencies with technical responsibilities related to the implementation of project activities as well as other relevant actors, including MADR, MUVH, MTPER, MTAC (General Directorate of Meteorology), MATDDL (General Directorate of Civil Protection), MDERH (General Directorate of Hydrology), Municipality of Bangui, AGETIP, FAO, WFP, and the Ministry in charge of the Environment. The Technical Committee will be chaired by the PCU. It will ensure overall day-to-day supervision and technical guidance of activities and will meet regularly to review implementation progress and identify solutions to project implementation challenges. The committee will be responsible for technical oversight and contribute to the development of the annual work plans and budgets.

B. Results Monitoring and Evaluation Arrangements

65. **The PCU will have overall responsibility for M&E.** The proposal is to establish a simplified M&E system designed to measure and monitor the level of achievement of expected results and outcomes, and track project performance with respect to gender, and safeguard compliance. The project will design an M&E system that leverages geo-enabled monitoring and supervision (GEMS)[37] for remote supervision and monitoring of project results, based on the experience of other projects in CAR. The project will set up a data collection and treatment platform with GEMS and train key staff from the PCU, the main service providers and involved line ministries on its use. The focus will be on the more frequent and routine data collection on project performance and changes in indicators as defined in the project results framework to facilitate progress reporting. This will be followed by end of season surveys as well as an overall end-of-project survey. As part of their contract, FAO, WFP, and AGETIP will be required to have sufficient M&E expertise and will be tasked with routine data collection, the end-of-season surveys, and reporting to MADR and MUVH, through the PCU. The end of project survey will be contracted to a third party under guidance and with the support of the PCU. Given the importance of assuring a flow of benefits to female headed households and women more generally, key indicators will be disaggregated by gender, and the special case of kitchen garden inputs targeting women, will be monitored through a separate indicator on "number of women benefiting from kitchen garden inputs". The World Bank's team, through the implementation support and technical missions will provide oversight and quality assurance to the M&E function and its operation.

[37] GEMS uses open source tools to collect digital data that automatically feeds into a centralized M&E system. The system can accommodate indicators using customized forms. It also allows for photos, audio, and videos that are time and date stamped with GPS coordinates. This information is automatically geo-mapped in the centralized system.

C. Sustainability

66. **The project focuses on addressing urgent needs of vulnerable population in an emergency rather than on achieving a lasting developmental impact but is aligned with longer term development goals in CAR**. Although project activities will span a relatively brief period, they are consistent with the Government's longer-term programs for agriculture, nutrition, and public works and could potentially contribute to longer-term goals. For example, by improving food security now, the project will reinforce the resilience of returnees and refugees, preparing them to weather future food supply and price shocks and respond to economic opportunities in the communities where they will be integrated. By enhancing nutrition for the most affected and vulnerable groups, the project will also help to protect and sustain human capital for the future. The basic inputs and training provided to beneficiaries will build their capacity for agricultural production, and the improved grain storage capacity in the target communities will safeguard the harvest. The rehabilitated drainage canals will contribute to increased resilience to floods in Bangui in the medium and long term if maintenance efforts continue. The hydro-meteorological and climate information, forecasts, and EWS will be provided as a public good, generating public safety value and cross-cutting socio-economic benefits. These products and services are critical to provide early warning to reduce the economic and social impacts of floods.

67. **Linkages of the project activities with other interventions will help build a foundation for sustaining the project's achievements**. Interventions under the proposed project complement those of other ongoing emergency operations funded by IDA (notably the ARADSP, LONDO, and COVID-19 Response), WFP, AfDB, IFAD, and interventions by international NGOs, as well as projects financed by development partners (AFD, EU, etc.) that support efforts to improve infrastructure construction, rehabilitation, and maintenance.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

68. **The proposed project addresses the urgent need to protect the food and nutrition security of vulnerable sections of the population in CAR.** While the primary drivers of the current deteriorating food security are the COVID-19 economic impacts compounded with the insecurity in the country, increased food prices and excess rainfall, the more proximate cause is the constrained access to production inputs as well as incomes (mostly for unskilled laborers) to access food through the market. The conceptual approach is therefore mainly underpinned by a supply response intended to meet the short-term agricultural input needs of farming households to enable sufficient production. To help deal with the income shortfalls of households reliant on daily and seasonal labor wages for food security, cash-for-work activities are included in the project design that will provide short-term financial relief to vulnerable households in both rural and urban areas. At the same time, the LIPW in rural areas are designed to be beneficial to increased crop production, while those in Bangui are designed to reduce the magnitude and impact of flooding in the future. Moreover, the project design includes activities to improve the availability and use of hydro-meteorological information for early warnings to communities, including in particular smallholder farmers, that can increase preparedness for and limit the impact of extreme weather event. The project design thereby also responds to the long overdue imperative of promoting the greater resilience of communities' livelihoods.

69. **The project design responds directly to current government priorities, while being grounded in the World Bank's renewed and increasing engagement and support to CAR's agriculture sector.** Following a technical assessment which involve most of the partners working on food security in CAR, the operation was initiated in support of the Government's response to the emerging food crisis in the country. Proposals prepared by experts from relevant government institutions, including MADR, MUVH, the Municipality of Bangui, and the Meteorology Agency, informed the design of specific components. The project responds to government priorities as they relate to the achievement of self-sufficiency in food production, strengthening food security, and laying foundations for greater community resilience.

70. **The project design and proposed interventions were informed by a series of upstream analytical work.** This pointed to the following broad principles: (i) as poverty and food insecurity are increasing rapidly in both rural and urban areas, it is important to quickly provide emergency production support to the most vulnerable, while also addressing the underlying vulnerability to mitigate any such future shocks on food security; (ii) flexibility in geographical targeting to maintain relevance and appropriateness of the project in addressing the ever changing food insecurity hotspots in the country; and (iii) there is need to act now with scaled up resources to avoid further deterioration of food insecurity and allow for a sustainable recovery from the multiple crisis facing the country.

71. **The project's main quantifiable benefits will be derived from the increased food crop production and the reduction in flood-induced damages.** The realization of the first benefit will in turn ensure increased household level availability of food and increased incomes for the sales of surpluses. These impacts will be the direct effects of the rapid distribution of improved seed and planting materials, coupled with access to complementary inputs (farm equipment and labor) and extension services. On the other hand, the reduction in flooding due to the restoration and rehabilitation of drainage infrastructure will increase the resilience to future events (i.e. avoiding the property damage). The project will also support other income-generating activities, by supporting the livestock sector with animal restocking, vaccination, and feed, and by supporting improved seed multiplication at the community level. In addition, the cash transfers will ensure continued food availability and recovery of livelihoods for vulnerable households, thus safeguarding existing assets and maintain recent developmental gains. A part of the cash transfers will also serve households to procure the necessary inputs to continue their productive activities.

72. **The project will have other positive impacts, non-quantifiable at this stage due to data availability.** These include improved nutrition (as a result of diversification, in particular towards vegetable production in home gardens), improved climate change resilience (procurement and distribution of seeds and planting material will prioritize climate-smart/resilient varieties, if available), demonstration effects (the large number of project beneficiaries could result in significant outreach and the project would promote community seed multiplication), strengthening of extension services, property value appreciation and better living conditions in areas repeatedly affected by floods, inter alia.

73. **All agricultural activities supported by the project will generate positive additional benefits, in the range of US$48-252 per hectare for staple crops, and about US$58 for a 300m^2 vegetable garden**. In terms of additional production, the project could generate more than 36,000t of cassava and almost 33,500t of other staple crops, per year. Livestock activities will generate positive additional benefits in the range of US$405-884 per unit of livestock product per year. As for the activities aimed at increasing resilience to floods, they will also generate a positive additional benefit of at least US$3.5 million per year once the proposed infrastructures and systems will be restored and functioning. See Annex 3 for details.

74. **Overall, the proposed project is economically justified, generating a net present value (NPV) (using a social discount rate of 6 percent) of US$8.3 million and an economic internal rate of return (EIRR) of 15.4 percent (over 10 years and on a budget of US$50 million).** These economic results are satisfying, given that the above-mentioned project benefits could not be quantified at this stage. In addition, these economic results have been tested under several risk scenarios: the sensitivity analysis indicates that results are robust for small to moderate delays, cost overruns, and reduction in benefits. Yet, larger changes in these parameters can significantly affect the project's economic justification.

75. **The project will also generate some positive environmental externalities in terms of GHG mitigation** (a total mitigation of 47,120 tCO2eq over 5 years, or about 9,424 tCO2eq per year, as described in Annex 5). Using the World Bank's Guidance note on shadow price of carbon in economic analysis (September 2017), the social value of these environmental benefits has been also included in the overall economic results, using the low and high estimate range for the social price of carbon. As a result, the economic indicators improve, depending on carbon pricing scenario: assuming the low estimate range of carbon social price, the EIRR is 17.8 percent and the NPV is US$1.8 million higher; assuming the high estimate range, the EIRR becomes 20.2 percent and the NPV is US$3.5 million higher.

B. Fiduciary

(i) Financial Management

76. **The overall FM aspects of the project will be handled through the existing PCU of the ongoing ARADSP (P165855)**, which has been identified to be the most suitable PCU in CAR in implementing the proposed project. Recent FM implementation support missions of ARADSP have concluded that this unit has sound FM arrangement to accommodate the new project. There are no overdue external audits and interim financial reports (IFRs) are produced on time.

77. **The ARADSP PCU is familiar with World Bank fiduciary procedures; however, fiduciary risks for the implementation of this new project will involve the following**: (i) multiple entities at the central level with technical responsibilities for implementation (MADR, MESA, MUVH, MPTER, MTAC, MATDDL, MDERH) which could lead to delays in implementation, reporting, and disbursement; (ii) risks of ineligible expenditures and inadequate reporting from the entities involved in project implementation; and (iii) weaknesses of internal control audit procedures.

78. **To mitigate these risks, the following measures will be implemented**: (i) one experienced FM specialist will be recruited in a transparent and competitive manner to work exclusively on the new project, no later than one month after project effectiveness; (ii) clear deadlines and requirements for budget preparation and frequency of fund transfer will be established and clearly communicated; (iii) a simplified reporting template will be designed; and (iv) the frequency and format of IFRs will be well explained to the PCU and other entities involved in project implementation. In addition, the project activities that will absorb the majority of the financing will be outsourced to and managed by UN agencies (FAO, WFP) and AGETIP who have solid fiduciary arrangements themselves. Finally, close hands-on support will be provided by the World Bank fiduciary team in Bangui in a timely manner. Based on the above, the overall residual risk for FM is considered moderate.

79. **The ARADSP PCU will be responsible for preparing and consolidating the Annual Work Program and Budget (AWPB) in consultation with all the main technical ministries and service providers involved in project implementation.** The AWPB along with the disbursement forecast will be consolidated into a

single document by the PCU, which will be submitted to the PSC for approval and thereafter to the World Bank for non-objection. Its execution will be monitored using suitable accounting software in accordance with the budgeting procedures specified in the manual of procedures and report on variances along with the quarterly IFR.

80. **Transaction-based disbursements will be used.** An initial advance representing six months forecast of expenditures will be made into the designated account and subsequent disbursements will be made against submission of Statement of Expenditures or records as specified in the disbursement letter. The other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available to the project if necessary.

81. **A designated account will be opened in a commercial bank on terms and conditions acceptable to the World Bank under the fiduciary responsibility of PCU anchored in the MADR**. The proposed funds flow diagram for the designated account is included in Annex 1. Payment to FAO, WFP, and AGETIP will be made through the designated account based on the contracts that will be signed between the PCU/MADR and these agencies.

82. **The PCU will prepare on a quarterly basis the IFRs.** These reports will be submitted to the World Bank on a quarterly basis within 45 days following the end of each quarter. Financial statements will be prepared for each financial exercise covering in general twelve (12) months.

83. **The financial statements for the proposed project will be audited by a qualified accounting firm which will be selected according to procedures acceptable to the World Bank and other development partners.** Audit reports produced should be submitted to the World Bank six months after the end of each fiscal year before June 30. These reports should include: (i) report on the financial statements; (ii) report on the special accounts and certified statements of expenditure; and (iii) a report on the internal control procedures or letter of recommendation. The terms of reference for the selection of the external auditor should be prepared by the FM team of the PCU and submitted to World Bank for comments.

84. **The FM arrangement will help to ensure that project funds will be used only for intended purposes**. Further details are provided in Annex 1.

(ii) Procurement

85. **Applicable procurement rules and procedures: The "World Bank Procurement Regulations for IPF Borrowers," dated November 2020 will apply to the proposed project**. The project is subject to the World Bank's Anticorruption Guidelines, revised on July 1, 2016. The procuring entity as well as bidders, and service providers, i.e. suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations.

86. **Institutional arrangements for procurement.** The existing PCU under MADR, which is already coordinating the implementation of the ARADSP (P165855), will be reinforced by the recruitment of an experienced Procurement Specialist. The new Procurement Specialist will be trained on the New Procurement Regulations (NPF) with the support of the World Bank. Several specialized service providers will be selected through Direct Selection to support the PCU in implementation of the project activities: (i) FAO will support the implementation of Subcomponents 1.1 and 2.1 and provide technical assistance to facilitate the implementation of Subcomponent 1.3; (ii) WFP will support the implementation of Subcomponent 1.2; and (iii) AGETIP will implement activities under Subcomponent 2.2.

87. **As per the flexibility provided for emergency projects prepared under situations or urgent need, the preparation of the Project Procurement Strategy for Development (PPSD) is deferred to project implementation.** The PPSD will provide the basis and justification for procurement decisions, including the approach to market and selection methods.

88. **A Procurement Plan was prepared and sets out the procurement selection method as well as prior and post review thresholds to be followed for the first 18 months and include the key contracts**. The Procurement Plan as well as all procurement transactions will be recorded into the World Bank Systematic Tracking of Exchanges in Procurement (STEP) system.

89. Based on the above, the overall residual risk for procurement is considered substantial.

C. Legal Operational Policies

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

90. **Operational Policy 7.50 on Projects on International Waterways is applicable to this project as activities under Component 2 will involve the use and potential pollution of the Ubangi, Chari, and Sangha Rivers and their tributaries, which are international waterways**. The exception to the riparian notification requirement under OP7.50 was approved by the Regional Vice President on June 1, 2021. The exception to the riparian notification requirement according to paragraph 7 (a) of the Policy applies because project activities are limited to rehabilitation works that will not change the nature of the existing schemes. Project activities will improve water use efficiency and reduce the risk of pollution and will not adversely affect water flows to the other riparian countries.

D. Environmental and Social

91. **The project will be implemented under the World Bank's Environmental and Social Framework (ESF) and is rated High for Social Risks and Substantial for Environmental Risks**. Therefore, the overall E&S Risk of the project is classified as High. The relevant Environmental and Social Standards (ESS) are: ESS1 (Assessment and Management of Environmental and Social Risks and Impacts; ESS2 (Labor and Working Conditions); ESS3 (Resource Efficiency and Pollution Prevention and Management); ESS4 (Community Health and Safety); ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement); ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources); ESS7: Indigenous Peoples (IPs)/ Sub-Saharan African Historically Underserved Traditional Local Communities; ESS8 (Cultural Heritage); and ESS10 (Stakeholder Engagement and Information Disclosure). The only ESS that is not relevant for this project is ESS9: Financial Intermediaries.

92. **Overall, the project is expected to have positive impacts given that planned activities aim to support increased food crop production and improve livelihoods for vulnerable populations in targeted areas** (Bangui plus six prefectures). However, the project is anticipated to have E&S risks and impacts related to:

93. **Environmental risks**. The project will include a set of activities to increase the resilience of vulnerable households to future food security crises, as well as the overall country's resilience and preparedness for such crises. These activities present potential risks and impacts on the environment that are not expected to be irreversible.

94. **Activities under Component 1 relating to increasing food crop production through improved access to agriculture inputs and provision of requisite advisory services areas could lead to**: (i) agricultural land degradation and declining soil fertility due to inappropriate land use for certain types of agricultural uses, poor quality or use of technologies (types of equipment), poor farming practices (continuous cultivation without amendment, bush fires, export of biomass, lack of organic amendment, cultivation in the direction of the slope, etc.); (ii) deforestation or the destruction of trees during the opening or cultivation of plots; (iii) pollution of surface and underground water through the use of phytosanitary products; and (iv) work accidents and water-borne illnesses. Under Subcomponent 1.2 relating to improving household nutrition, activities could lead to GHG emissions from market gardening activities vegetable production, depending on whether the project chooses to provide a sheep or a goat in the household; furthermore, in the context of feed distribution, the risk of contamination of the feed could arise.

95. **LIPW under Component 2 could lead to**: (i) occupational health and safety (OHS) risks for workers, including in particular beneficiaries from cash-for-work activities, as well as safety risks related to the works for surrounding communities; (ii) encroachment on crops in the vicinity of work sites; (iii) alteration of air quality by the emission of exhaust gases from construction site vehicles; and (iv) noise pollution, construction site waste, etc.

96. **Social risks**. Key social risks that contribute to the risk classification of the project are: (i) complex risks in forced displacement situations of population due to extensive flooding, COVID-19 restrictions affecting agricultural supply chains and food trade, driving up food prices; (ii) risks of SEA and SH specific to the project; (iii) limited capacity and experience of the client for effective stakeholder engagement; (iv) risks for exclusion of marginalized and vulnerable social groups, and other agricultural practicians minorities groups; (v) risk of exclusion of vulnerable groups in the recruitment for LIWPs, especially in the cash for work and construction activities; (vi) security risks for project workers and beneficiaries given the high presence of non-state armed groups across the territory; (vii) IPs who are present in the target prefectures may be subject to particular disadvantage or exclusions; (viii) new wave of COVID-19 and risk of human immunodeficiency virus (HIV)/AIDS transmission; (ix) the Recipient's low capacity to manage project-related E&S risks and impacts in a manner consistent with the ESSs; and (x) limited familiarity of the PCU with the overall ESF.

97. **SEA/SH Risks.** In relation to the screened high SEA/SH risks, the assessment has been based upon the country context and project-specific indicators and specifically, given: (i) the lack of awareness and training programs on SEA/SH prevention, management, and response to the project personnel; (ii) the lack of code of conduct for the project staff that prohibit and sanction SEA/SH; (iii) the lack of protocol for the identification and referral of survivors affected by SEA/SH in the context of the project implementation; (iv) the insufficiency of initiatives in agricultural chains to raise awareness around gender inequalities, GBV, and SEA/SH; (v) lack of services in the country for SEA/SH survivors, including child survivors; (vi) potential SEA/SH risks to women from men carrying out rehabilitation and construction at active sites; and (vii) potential risks of exacerbating intimate partner violence as a result of income-generating and cash-for-work activities (access to income by women may impact on gender dynamics

within households resulting in risks of GBV, particularly intimate partner violence). These risks are exacerbated given the very high prevalence of GBV in CAR, and considering project objectives related to supporting increased food crop production, rehabilitation of critical infrastructures and improve household nutrition for the most vulnerable women, including girls and the disabled, and including adolescent boys and girls, in the rural communities. The SEA/SH risks assessment and a SEA/SH Action plan were developed, cleared, and disclosed on June 2, 2021. This assessment also explores potential approaches and synergies with SEA/SH analyses and mitigation measures adopted by other World Bank-financed projects in CAR.

98. **Risk of inadequate stakeholder engagement.** This project will be managed by an existing PCU (ARADSP) which has already established Grievance Management Committees to systematically record and address the grievances of project-affected persons, workers, and others during project implementation. Experience in other World Bank-financed projects has shown that the necessary staff to manage it is not always available especially with the insurgency of non-state armed groups in the area. In addition, the MADR and/or the project would not have a framework to handle social exclusion issues. The new services providers (FAO, WFP, AGETIP) will establish the GRM in the new targeted areas where these committee do not exist. In addition, these services providers shall be well equipped with adequately qualified staff to operationalize and monitor the GRM in the spirit of ESF.

99. **Risks of exclusion for marginalized and vulnerable social groups**. It is likely that marginalized and vulnerable social groups, some of which are targeted for support under the project, will be unable to access benefits from project (local recruitment of workers for cash-for-work, agri-inputs distribution). To mitigate exclusion risks associated with vulnerable social groups (IDPs, young people, women, persons with disabilities, IPs, etc.), the project will be required to promote equitable access to all project benefits. In this regard, specific attention will be paid to the needs of all vulnerable social groups (in both rural and urban areas) and they will be given opportunities to voice their concerns related to project. The project will continue to ensure inclusion of vulnerable social groups through its all-inclusive Stakeholder Engagement Plan (SEP). In fulfillment of ESS10 objectives and requirements, the project has prepared and disclosed a SEP on June 2, 2021.

100. **Security risks for project workers and other stakeholders**. Given the high presence of non-state armed groups across the territory, there are real security risks to project workers and stakeholders. While the contextual risks associated with the political and security situation of the country needs to be observed very closely, it is imperative that MADR assesses project-related security risks. A Security Risk Assessment and a preliminary Security Management Plan (SMP) were developed prior to appraisal. The results show that the security risk is high. Violence and insecurity increased throughout the country after the recent presidential election in December 2020. Non-state armed groups are present in many parts of the country, causing terror, theft, aggression, killings, and massive internal displacement. The SMP defines measures to avoid, reduce or mitigate the identified risks for workers, beneficiaries, and project assets. When the project retains direct or contracted workers to provide security to safeguard its personnel and property, it will be required to assess risks posed by these security arrangements and by those non-state armed groups in collaboration with the MADR. The SMP will be adopted and disclosed before project effectiveness.

101. Mitigation measures will include the possibility of using existing in-country security arrangements, including the agreement between WFP-FAO and MINUSCA, to ensure that project activities can be implemented securely. Where necessary, other mitigating measures will be taken, including (i) the signing

of a Memorandum of Understanding (MoU) between the MARD and the Ministry of Defense; (ii) the signing of an MoU between the MARD and MINUSCA as FAO and WFP partners are under the security responsibility of MINUSCA for any intervention in CAR; and (iii) the recruitment of a security specialist, no later than two months after project effectiveness, qualified to coordinate the implementation of the SMP, information gathering, liaison with security forces and with the WFP and FAO security structure, etc. This role should ideally be centrally positioned within the PCU at Bangui level, further coordinating the work and reporting of a network of field security focal points with at least one focal point per project prefecture.

102. **COVID-19 risks.** Current risks of COVID-19 transmission and uncertainties regarding new waves in relation to community mobilization activities (during SEP activities and others awareness or group training sessions) will contribute to increased social risks. To mitigate health risks emanating from COVID-19 or other infectious diseases, the MADR shall be required to develop mitigations measures to be included in the Environmental and Social Management Plans (ESMPs) and to be applied during each group mobilization activities. The measures shall aim at ensuring that direct and indirect workers and all stakeholders involved are safe.

103. **Community and workers risk increasing HIV/AIDS transmission.** Labor influx in different project locations (even if moderate) may lead to the spreading of communicable diseases and several other safety and health risks to communities, especially risk of transmission of sexually transmitted infections (STI) and HIV/AIDS cases. The client should incorporate awareness-raising sessions and preventive materials into the workers' health and safety plan and the ESMPs.

104. **Moderate labor influx risks**. Civil work activities related to the construction of warehouses and irrigation schemes under Component 1 and the rehabilitation of drainage canals under Component 2 will likely require technicians or construction workers at each work site in the project zones. If this workforce is likely to come from outside of the project communities, the associated social risks need to be mitigated. The workforce requirement of the envisioned civil works, if not managed properly, is likely to generate minor or manageable labor influx from other areas. The influx is most likely to increase: (a) the prevalence of SEA/SH; (b) the number of commercial sex workers; and (c) the spread of STI.

105. **Low-capacity service providers in the application of ESF standards.** This project will be led by the ESF standards. At this stage, the rapid assessment has found that although the main service providers (FAO, WFP, AGETIP) already have experience in implementing projects with World Bank operational policies and their own policies, they do not have sufficient knowledge of ESF. To mitigate this risk, the project will ensure that the main service providers are equipped with adequately qualified E&S staff who will benefit from various capacity building and training session before implementation of activities.

106. **E&S Risk Management Instruments**. World Bank's due diligence assessment of the project's potential E&S risks and impacts is detailed in the Environmental and Social Review Summary (ESRS) which has been prepared and disclosed on June 4, 2021. To mitigate the E&S risks, the project will develop, disclose, and implement the following instruments:

107. **The Recipient has prepared and disclosed an Environmental and Social Commitment Plan (ESCP) on June 10, 2021.** The ESCP includes material measures and actions to which the Recipient is committed for the preparation and implementation of the other E&S plans or instruments during project implementation, including the timeline for each of these. The implementation of any commitment included in the ESCP will be monitored and reported to the World Bank. The ESCP, which is itself legally binding, is a negotiated document. The key applicable ESS in the project are listed below.

108. **ESS1: Assessment and Management of E&S Risks and Impacts**. The World Bank's review considered the project's capacity to manage its E&S performance as a challenge. It was concluded that the project's E&S capacity will need to be improved to comply with ESS1 requirements. Thus, the project has developed and agreed to implement a set of measures and actions to fill the gaps and shortcomings, as defined in the ESCP, including targeted training and support to the E&S specialists and project stakeholders.

109. **The E&S risks and impacts of the project are mainly associated with the civil works activities using labor intensive approaches under Component 2.** The project has prepared and disclosed a draft Environmental and Social Management Framework (ESMF) on June 4, 2021 (to be finalized within two months after the project effectiveness date and before any request for proposals is issued for any projects that include in part or in full civil works) which describes the typology of subprojects and defines procedures to screen, assess, address, and monitor potential adverse E&S risks and impacts. The ESMF will ensure that the instruments prepared for subprojects include the commitments made relative to the other standards, as detailed in the Labor Management Procedures (LMP), SEA/SH Action Plan, SMP, the Indigenous Peoples Planning Framework (IPPF), and the SEP. In particular, the ESMF will: (i) identify OHS risks and impacts and define measures to protect workers from injury, illness, or impacts associated with exposure to hazards encountered in the workplace or while working; (ii) take into account the WBG's General Environment, Health, and Safety Guidelines (EHSGs), and other relevant EHSGs; and (iii) take into account the need for contractors to implement a code of conduct to prevent SEA/SH risks, as defined in the SEA/SH Action Plan. The ESMF will also be updated once the list of crises that may trigger the CERC has been established to assess the risks and impacts of any new activities other than those already planned under the project.

110. **The management of spoil from the cleaning of drainage infrastructure (canals, gutters, retention basin) in Bangui under Subcomponent 2.2, is a major concern**. Given that the drainage canals also serve, to a certain extent, as a sewer and dumping ground for the neighborhoods through which they pass, the excavated material is expected to be a mixture of sediments, vegetation (including trees), solid waste (including domestic waste), and fecal matter. The volume of this material is estimated at 20,000 cubic meters. The possibility of using the Kolongo landfill for the disposal of this material is being explored. This landfill is being rehabilitated to become a technical landfill site, funded by MINUSCA, and operated by UNOPS. A solution will be incorporated into the definitive version of the ESMF.

111. **The MADR and/or FAO, WFP, and AGETIP will prepare safety training materials prior to commencement of civil works**. The ESMF will develop a section on the capacity of these service providers to efficiently apply the ESF standards; and recommend the necessary measures to be undertaken by these structures in terms of qualified staff and capacity building.

112. **ESS2: Labor and Working Conditions.** The Recipient will prepare within two months after the project effectiveness date and before any request for proposals is issued for any projects that include in part or in full civil works LMP. The LMP will define how project workers will be managed in accordance with the requirements of national law and ESS2. The LMP will include terms and conditions of employment, non-discrimination and equal opportunity, the establishment of worker's organizations, and OHS measures for employees. Labor influx is likely to be moderate as most construction and rehabilitation works are expected to rely on local labor. However, the project has an overall substantial risk of SEA/SH because project workers will be hired to carry out civil works and will enroll young men, adolescents, girls, and women in the framework of labor-intensive works. The LMP will set out grievance arrangements for

project workers as well as codes of conduct that also address SEA/SH. It will incorporate labor requirements into Environmental, Social, Health, and Safety (ESHS) specifications of the procurement documents and contracts with contractors and supervising firms, including provisions that address SEA/SH risks.

113. **ESS3: Resource Efficiency and Pollution Prevention and Management**. This standard is relevant because there are potential sources of pollution from pesticide use and accidental spillage of chemicals and waste from infrastructure construction sites, as well as risk of spillage or improper disposal of excavated material from drainage cleaning. In addition, resource use measures, especially for water, must be integrated in the development of irrigation systems and the rehabilitation of infrastructure (collectors and drains). The ESMF will include generic mitigation measures for the anticipated types of impacts resulting from the construction/rehabilitation of infrastructure and cleaning of drainage, including for the safe disposal of material removed from the drainage canals. Detailed site-specific mitigation measures will be identified and included in site-specific Environmental and Social Impact Assessments (ESIAs) and/or ESMPs that will be developed based upon the scale, location, and detailed technical specifications of the infrastructure to be rehabilitated/constructed when they become available.

114. **Although the project does not envisage the purchase and use of pesticides, the design of agricultural activities funded by the project will have to integrate cultural practices and provisions aimed at reducing the risks of pollution**, by adopting varieties and technical itineraries that reduce the dependency of crops on phytosanitary products, and by reducing the transfer of pesticides through the establishment of grassy areas in the case of sloping fields. To prevent potential risks and impacts related to poor pesticide management, a good practice procedure for pesticide use plan will be prepared and included as an annex in the ESMF before any request for proposals is issued for any projects that include in part or in full civil works and agricultural activities.

115. **ESS4: Community Health and Safety**. The project activities may have negative risks and impacts on the community health and safety surrounding the activities sites (especially agricultural activities, construction of warehouses, and construction of irrigation scheme in rural areas; rehabilitation of drainage canals in urban areas). These risks and impacts will be evaluated in the ESMF, which will include community guidelines that provide for specific prevention and mitigation measures related to design and construction, labor, water sustainability, health, community safety, and general work site-related hazards.

116. **OHS**. To ensure health and safety of (civil and community workers, provider workers, etc.) and any other person that can be affected by project activities (construction of irrigation scheme, warehouse, and rehabilitation of canals) and operational phases, contractors will develop and implement an Environment, Health, and Safety (EHS) plan in line with World Bank EHSG (for construction/rehabilitation activities), and international good practices.

117. **An SEA/SH assessment and action plan was prepared by the Recipient prior to appraisal and disclosed on June 2, 2021**. It includes SEA/SH risk sensitization, prevention, and mitigation measures. Through the SEA/SH Action Plan, the project will put into place a series of prevention, mitigation, and response measures to address identified SEA/SH risks. The mitigation measures to be implemented have been selected in accordance with the high risk rating attributed to the project and include the development of a detailed accountability and response framework, implementation of codes of conduct and related trainings, as well as community consultations and an awareness-raising strategy to sensitize personnel and local communities around SEA/SH risks. The project-specific code of conduct will be

adapted based on existing models prior to the commencement of activities. The framework will also specify how SEA/SH complaints will be treated ethically, safely, and confidentially, and in accordance with guiding principles for survivor-centered care, such as through a GRM and referral protocol in accordance with the mapping of locally available GBV service providers that offer quality services. Any community consultations with adolescents, young girls, and women in targeted communities will be conducted in safe and enabling environments, including in sex-segregated groups and with female facilitators, in order to obtain their inputs on planned activities and understand the risks and vulnerabilities of women, girls, and adolescents to SEA/SH. Oversight will be ensured through an independent Third Party Monitor with experienced GBV staff to monitor the implementation of the SEA/SH Action Plan, and the project will also ensure that funding is available to recruit GBV service providers to facilitate access to timely, safe, and confidential services to survivors. Finally, monitoring SEA/SH risks and impacts will be included as part of the overall project M&E systems, and the project will look for opportunities to collaborate with other projects addressing SEA/SH risk mitigation in CAR where this is feasible.

118. **Security assessment**. In the event that activities are taking place in areas facing insecurity risks for project workers and beneficiaries/stakeholders which would require protection by security personnel, security personnel are expected to follows a strict code of conduct that is in line with community health and safety considerations (under ESS4), specifically addressing SEA/SH, and avoids any escalation of incidents, taking into consideration the needs of project workers and beneficiaries/stakeholders, including provider workers. In this regard, the project has carried out a security assessment to ensure the project develops appropriate measures to mitigate security risks for project workers and beneficiaries/stakeholders. These measures have been developed through an action plan prepared accordingly and to be finalized prior to the project effectiveness date as negotiations are still ongoing between the MADR and main partners on the ground.

119. **ESS5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement**. This project will finance rehabilitation/construction works in rural and urban areas that could require involuntary resettlement and/or land acquisition. To date, only some sites of the expected drainage rehabilitation works in Bangui have been identified, while other site-specific locations in rural and urban areas will only be known with certainty during project implementation. The impacts of the anticipated works in rural areas (warehouses, irrigation schemes, etc.) may include encroachment on agricultural land or require land acquisition that could lead to the involuntary resettlement, loss or disruption of income or livelihood activities for individuals or groups of people. For instance, cropland for cassava, maize, beans, peanuts, sweet potatoes, fruit trees, etc. can be affected by irrigation pipe sections. The loss of agricultural land is likely to have a significant negative impact as most of the population depends on subsistence farming as their main source of income. However, the works in rural areas will adopt a community approach that is well established in CAR and land issues are expected to be addressed through voluntary land donations. In urban areas, drainage rehabilitation works that would require land acquisition or permanent resettlement of residential dwellings will not be eligible under this project. However, the rehabilitation of drainage canals in urban areas may cause temporary economic displacement of people with small commercial activities along the sections. Therefore, a social risks assessment will be conducted and Resettlement Policy Framework (RPF) shall be prepared, disclosed, consulted upon, approved, and adopted within two months after project effectiveness. The RPF will provide screening procedures to assess potential land acquisition and involuntary resettlement impacts of specific construction/rehabilitation works in rural and urban areas whenever their sites and types of investments

are known with precision, determining their eligibility under the project and requirements to prepare Resettlement Action Plans (RAPs). RAPs will need to be prepared before any request for proposals is issued for any projects that include in part or in full civil works and agricultural activities where people are affected.

120. **ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**. This standard is considered relevant. Under Component 1, activities related to increased food crop production are likely to result in significant conversion or degradation of natural habitats through the creation of new cropland. Under Component 2, infrastructure (collectors, drains, small-scale irrigation systems, etc.) will be developed within the framework of the existing rights-of-way and mainly in urbanized and/or degraded areas, however, it is possible that some civil works potentially interfere with remaining areas of native vegetation or areas important for biodiversity.

121. **The ESMF will guide biodiversity screening to ensure that project activities do not alter or cause destruction or degradation of any critical or sensitive natural habitats, especially forests and wetlands outside those legally designated protected areas**. Infrastructure activities that could result in significant adverse impacts on critical habitat and/or protected areas will be screened out through the ESMF, and site-specific ESIAs/ESMPs with adequate mitigation measures must be developed before launching the bidding process for the respective project activities. The ESMF will also include generic biodiversity-related mitigation measures that will serve as a basis for subsequent development of site-specific ESIAs and ESMPs. Potential risks and impacts on natural habitats will be assessed in detail upon the definition of the location, type, and scope of infrastructure works to be financed. For activities under the nutrition component, where natural resource products, including food products, wood products, and fibers, could come from regions where there is a significant risk of conversion or significant degradation of natural or critical habitats, or pressure on fauna, the ESMF will include an assessment of the verification systems and practices used by suppliers

122. **ESS7: IPs/ Sub-Saharan African Historically Underserved Traditional Local Communities**. IP Aka communities are present in CAR and are considered vulnerable and disadvantaged. The project will be implemented in six prefectures plus Bangui. The IPs are present in some of those areas, in particular (Aka/ Bayaka) communities in Ombella-Mpoko, Sangha-Mbaéré, Lobaye, and Mambere-Kadei prefectures. An IPPF will be prepared, disclosed, consulted upon, approved, and adopted within two months after project effectiveness. Once project sites and activities are determined, if needed, the PCU will prepare an IPs Plan depending on locations and timing, acceptable to the World Bank, that sets out measures through which the project will ensure that: (i) IPs affected by the project receive culturally appropriate social and economic benefits; and (ii) if potential adverse effects on IPs are identified, those adverse effects are avoided, minimized, mitigated or compensated. At this stage of project development, only some site-specific locations for civil works have been selected. As the project will not significantly impact social norms/practices aspects of the affected IPs, Free, Prior, and Informed Consent of IPs will not be required.

123. **ESS8: Cultural Heritage.** The project intervention involves civil works, particularly the rehabilitation of infrastructures which may involve soil excavation or damage public buildings with cultural or historic value or even damage grave structures, inter alia. In addition, the creation of new agricultural plots could affect cultural sites. The ESMF will include provisions for site-specific screening and assessment of any known sites of cultural or historic importance which may be impacted locally, as well as identification of any sites of cultural/social importance for local communities. The ESMF will include: (i) a generic Chance Finds Procedure for all construction or works contracts, requiring civil contractors to take

proper protective measures in case cultural heritage sites are discovered, including to stop construction activities if cultural property sites are encountered during construction; and (ii) a Cultural Heritage Management Plan for civil works outlining mitigation measures to be considered avoid or reduce impacts on community cultural heritage sites directly affected by the project.

124. **ESS9: Financial Intermediaries.** No financial intermediary will be financed through the World Bank funds for the implementation of the project's activities.

125. **ESS10: Stakeholder Engagement and Information Disclosure.** In consultation with the World Bank, the Recipient prepared and disclosed prior to appraisal a SEP proportional to the nature and scale of the project and its associated risks and impacts, to be implemented and updated as needed throughout the project lifecycle. The objective of the SEP is to establish a systematic approach for stakeholder engagement, maintain a constructive relationship with them, consider stakeholders' views, promote and provide means for effective and inclusive engagement with stakeholders and beneficiaries throughout the project life cycle, and ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, culturally accessible and appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation. To ensure this, the Recipient would need to engage in meaningful consultations with all stakeholders while paying attention to the inclusion of vulnerable and disadvantaged groups. The SEP will also need to include outreach programs to ensure that vulnerable groups (especially IPs, IDPs, returnees/refugees, young girls, people with disabilities, etc.) are aware of the project activities (recruitment of beneficiaries for LIPW, agri-inputs distributions, etc.). Given the context of the COVID-19 crisis, measures will be put in place to prevent or minimize the spread of the infectious disease/COVID-19 in the community. Community consultations with women and girls that are related to SEA/SH risk mitigation will be conducted in safe and enabling environments, such as in sex-segregated groups and with female facilitators. The project will need to identify and consult with relevant stakeholders who could promote increased recruitment and encourage retention of female workers, and community workers to contribute to ensuring a female-friendly environment for project's beneficiaries.

126. **GRM.** The project will set up a project specific GRM, sensitive to SEA/SH issues, and the ethical treatment and resolution of such complaints that is proportionate of the potential risks and impacts of the project. The GRM will also serve as a platform for continuous feedback from project-affected communities, other interested stakeholders, and implementing partners. The GRM is outlined in the SEP for people to report concerns or complaints. Some Grievance Management Committees have already been set up by ARADSP; the client will ensure that all the targeted areas are covered.

127. **Institutional capacity**. Project implementation will be coordinated by MADR through an existing PCU that currently oversees the implementation of the World Bank-financed project ARADSP with objectives that are similar to those proposed under Component 1 of the proposed project. However, due to the nature and types of activities under Component 2, other ministries, and institutions (MTPER, MUVH, MTAC, Municipality of Bangui, etc.) will be involved in project implementation.

128. **The current E&S team at the PCU includes two E&S Safeguards Specialists**. The project will work with three partners (FAO, WFP, AGETIP) that have acquired some experience in the implementation and monitoring of safeguards instruments. The Government will ensure that the PCU will be equipped with adequate resources. Therefore, in addition to the existing E&S specialists, the PCU shall recruit one GBV/SEA/SH specialist, one security specialist, and two E&S assistants to handle management (prepare, monitor, supervise, etc.) of E&S risk and impacts of the project in a challenging environment. In addition,

throughout project implementation, the PCU team will receive regular capacity building in the form of clinics on specific issues.

129. **Given that ARADSP is implemented under safeguards policies, the implementation capacity of MADR and of other relevant institutions (ministries, municipalities, agencies) involved in the proposed project will need to be strengthened** to ensure the participation, especially given limited knowledge and experience in implementing World Bank ESF requirements. Furthermore, although the existing PCU has experience in implementing World Bank safeguards policies, it will need capacity building as mentioned above due to the size of the current project as well as the need for increased capacity regarding the World Bank ESF.

E. Gender

130. **With a Gender Inequality Index of 0.682, CAR ranked 159 out of 162 countries in 2018**[38]. Even before the pandemic, women and girls faced significant gender inequalities, such as access to education, employment opportunities and resources, and the opportunity to participate in economic and political life. Women have low participation in the labor force (61 percent compared to 80 percent for men), with most women being active in agriculture (96 percent) and the informal sector (only 20 percent of the labor force with wage employment are women). Discriminatory laws, social norms, pervasive domestic violence, and poor access to justice further limit women's economic empowerment, inhibiting their financial inclusion and independence. COVID-19 mitigation measures, such as school and business closures, have increased domestic burdens for women and girls and drastically reduced their income. For those most vulnerable to GBV, confinement in homes they often share with their attackers and limited access to support and health services make matters even worse. Since April 2020, sexual crimes and offenses committed against women have increased by around 10 percent, while cases of assault and battery committed against women and children have increased by 69 percent, rape by 27 percent and other assault by 45 percent, according to a report by the Criminal Analysis Section of MINUSCA from June 2020. Since the first case of COVID-19 was reported in the country, 97 percent of GBV victims are women and 76 percent are minors.

131. **The project will include activities that will contribute to reducing the gender gap in women's access to income opportunities and economic empowerment in CAR.** Women's contribution to agriculture in CAR is substantial. They represent about 70 percent of the agricultural labor force and are responsible for household food crop production. They play a prominent role in activities that shape agricultural production, processing, distribution, and marketing, as well as consumption, yet they have lower access than men to improved agricultural production technology, advisory services, and finance, which render women farms less productive than farms belonging to men. This is also true for household production (kitchen gardens) and smallholder farmers who produce mainly for consumption or trading and make small incomes from selling. The project will work to close the gender gap in agricultural productivity and support their immediate food security needs by creating in Component 1, a specific program with kitchen garden inputs and nutrition training targeted to women. The kitchen garden input and the training will be offered as a package to 50,000 women. This will be offered alongside the farming input distribution targeting the broader community. Also, the project will take measures to facilitate the participation of women, including young women, in the LIPW in Bangui and rural areas. The community mobilization strategies for LIPW will pay particular attention to encourage women to sign up for

[38] Gender Inequality Index 2018. *http://hdr.undp.org/en/content/gender-inequality-index-gii*

participation in cash-for-work. For the lotteries for participation in LIPW in urban areas, separate lists will be kept for women and men and quotas applied for female participants. The project will further support equal representation of women in community consultations and neighborhood committees involved in the selection process for LIPW beneficiaries. Efforts will be made to adapt working conditions to the needs of women, such as flexible working hours to combine work with childcare and safety considerations. The financial remuneration that women will receive for their participation in LIPW could enhance their earnings and help increase their households' ownership in durable goods, productive assets, and livestock. It would also enable women to diversify their income sources and build climate resilience. The project will ensure that at least 30percent of beneficiaries of LIPW are women.

132. **GBV/SEA/SH.** The project will address the specific risks for women and children during implementation of works (see Section IV-E). CAR shows high prevalence rates of sexual and physical violence and a weak legal framework to protect women and girls from violence. Moreover, experience has shown that the influx of workers can increase GBV risks for communities where civil works are carried out, such as increasing the rates of SEA due to the changing power dynamics in communities that may exacerbate already existing harmful gender norms and behaviors. The project will address the increased risk of GBV, specifically SEA; and SH in the workplace; and HIV that may arise from the presence of temporary workers in the intervened area**.**

F. Citizen Engagement

133. **The project will support citizen engagement activities**, including:

(a) LIPW activities to ensure local ownership of constructed and rehabilitated infrastructures;
(b) Developing detailed procedures for redress of grievances, including incidents of GBV and SEA with a survivor-centered approach;
(c) Establishing a mechanism through multiple channels including onsite registries, and community meetings to engage with the beneficiaries; providing feedback to complainants; and monitoring the status of resolution of grievances;
(d) Undertaking campaigns for sensitizing the public on the opportunity for registering grievances;
(e) Developing citizen monitoring committees to assist with receiving complaints from the communities; and
(f) Conducting satisfaction surveys among project beneficiaries.

G. Climate co-benefits

134. **The proposed project has maximized climate change mitigation and adaptation co-benefits through investment selection and design**. A full narrative of estimated mitigation and adaptation co-benefits is included in Annex 4. Investment in the agriculture sector under Component 1 will substantially increase the resilience of food production to the worsening effects of climate change, such as increased and more frequent droughts. In terms of mitigation, investments in seed supply will contribute to improved crop productivity and production with less GHG emissions on a total of 32,500 ha under different crops, resulting in net reduction of GHG. Investment under Component 1 will promote the adoption of CSA practices and technologies. The focus will be on sustainable intensification to increase yields and productivity, and on improving the resilience of farmers and farming practices. Investments will be made in animal and plant health systems, to reduce farmers' exposure and enable them to better manage climate risks. Adoption of CSA practices, such as conservation agriculture, improved livestock

husbandry, and agroforestry, will also bring mitigation co-benefits through reduced GHG emissions and improved soil carbon sequestration, as demonstrated by the GHG accounting analysis in Annex 5. In terms of adaptation, it is expected that targeting of LIPW beneficiaries under Component 2 will prioritize climate-vulnerable populations. The additional temporary income and training received through LIPW can help vulnerable households to improve their resilience to climate change by diversifying livelihoods, encouraging savings, preventing poor coping decisions, and managing transitions to alternative income-generating activities. In addition, investments in drainage to be rehabilitated under Subcomponent 2.2 and EWS under Subcomponent 1.3 will contribute to better flood management in the beneficiary neighborhoods.

V. GRIEVANCE REDRESS SERVICES

135. **Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

136. **The overall residual risk of the project is rated Substantial.** A risk analysis using the Systemic Operations Risk-Rating Tool shows that after implementation of planned mitigation measures, there are high and substantial residual risks for political and governance, macroeconomic, fiduciary, E&S, as well as stakeholder. Residual risks related to sector strategies and policies, technical design, and institutional capacity for implementation and sustainability are rated as moderate.

137. **Political and Governance risk for achieving the PDO is rated High**. Political stability and peace continue to be elusive in the country. The security risk is still high as the overall security situation throughout CAR remains extremely precarious and unstable. Despite the Political Agreement for Peace and Reconciliation, armed clashes, human rights violations, and other public order disturbances continue to be reported. A political settlement following the conflict after the 2020 Presidential Election has not yet emerged. Any escalation in political tension could trigger more conflict, with significant negative impacts on attainment of the PDO. The project would have no effective measures to mitigate against political instability. To mitigate the security risks, the project will follow the successful approach used in other World Bank-financed projects and leverage existing in-country security arrangements, specifically the agreement between WFP-FAO and MINUSCA forces. Although the project is expected to elicit strong support and government commitment needed for successful implementation, there are governance risks,

especially related to cash-for-work activities and entrenched interests of actors who have historically benefitted from the status quo in the agriculture sector. These risks will be mitigated to the extent possible through close involvement of key counterparts at the technical level to create confidence and inform capacity building (also in other WBG projects) along the way, as well as measures to achieve objective and transparent selection for cash-for-work activities working with NGOs and building on best practices from previous projects (e.g. involvement of neighborhood committees, lottery approach with quotas for women, etc.). Some activities are also implemented by UN agencies with experience and reputation to work in conflict affected zones and they will also help to mitigate the potential for elite capture.

138. **Macroeconomic risks are rated as Substantial which can be exacerbated by external shocks and climate induced natural disasters**. The CAR is vulnerable to price shocks, and climate-related disasters, as demonstrated by the frequent floods. The macroeconomic instability is compounded by pressures from the effect of the COVID-19 pandemic, the weak fiscal management, declining growth rate and deteriorating poverty outcomes. Mitigating factors for macroeconomic risks include a debt management and transparency strategy that is pursued under the World Bank Sustainable Development Finance Policy[39], as well as critical structural reforms supported by development partners, including the International Monetary Fund (IMF) and the World Bank, to improve public FM, increase domestic resource mobilization, and improve the business environment. To mitigate against climate-related shocks, the project will support the introduction of a basic early warning system for flooding to facilitate preparedness and response to flood emergencies. The World Bank has also approved a US$7.5 million COVID-19 Emergency Preparedness and Response Project (P173832, financed under the Fast-Track COVID-19 Facility) and restructured existing projects to mitigate the impact of the pandemic. Other donors have also provided financial and technical assistance to control the spread of the disease.

139. **E&S risks are rated High**. Assessment of E&S risk as well as proposed risk mitigation measures are provided in Section E above.

140. **Stakeholder risk is rated Substantial** because the project may inadvertently bypass sections of otherwise equally deserving beneficiaries as dictated by the tension between the high demand for support and the limited project resources. In addition, as more donors come up with support, there will be an increasing likelihood of coordination challenges among different partners. The project will mitigate these risks by adopting transparent beneficiary selection criteria (taking into local norms) to be communicated a priori to communities, and by relying on coordination of all donor projects through the PCU.

141. **Overall fiduciary risk is rated as Substantial.** FM risks relate to the weak legal framework, involvement of several agencies at central level with weak capacities that may lead to delays in implementation and reporting, risks of ineligible expenditures and inadequate reporting from the implementing agency, as well as weaknesses of internal controls. Procurement risks include low levels of compliance with the procurement law, delays in procurement processes and weaknesses in contract management. To mitigate these risks, an existing PCU with proven experience in implementing the full suite of fiduciary measures required for World Bank-financed projects will be used for the new project and further strengthened by recruiting additional, experienced FM and Procurement Specialists who will be trained and receive close hands-on support from the World Bank's fiduciary team in Bangui. In addition, the government will contract UN agencies (FAO, WFP) and AGETIP with proven fiduciary experience to

[39] Sustainable Development Finance Policy - Promoting sustainable borrowing and lending practices in IDA Countries (Effective July 1, 2020).

implement most of the project activities. The residual risk for FM is therefore moderate, while the residual risk for procurement remains substantial.

142. **Risks related to sector strategies and policies are rated as moderate.** The strategies and policies for the agriculture sector have been strengthened by: (i) joining the Scaling Up Nutrition platform in 2017 to help guide nutrition policies at national and regional level; (ii) the creation and operationalization of the National Multisectoral Food Security and Nutrition Committee (NMFSNC) in 2018; and (iii) the adoption of the National Food and Nutrition Security Policy in 2019. However, further work will need to be done to implement the new policy and engagement framework. In addition, CAR has adopted a standardized manual to guide the implementation of LIPW which the project will follow. Given the nature of the proposed project and the need of coordination between several ministries, project implementation could face strategy challenge. This risk is being mitigated by strengthening coordination mechanisms within and between ministries under the umbrella of the NMFSNC.

143. **Risks related to the technical design of the project is rated as moderate.** The technical design of the project requires close coordination between MADR and other line ministries and agencies (MUVH, MTPER, MTAC, etc.) that do not usually work together. In addition, it has a wide geographical scope covering several areas characterized by poor accessibility, which could undermine timely implementation. To mitigate interinstitutional coordination risks for project implementation at both strategic and technical level, a PSC and a technical project committee will be created that bring together high-level representatives and technical focal points from the involved line ministries. In addition, the Government will contract FAO, WFP, and AGETIP for the implementation of most project activities, who have the required technical expertise and capacity as well as long-standing relationships with the relevant sectoral ministries to implement the planned activities.

144. **Risks related to institutional capacity for implementation and sustainability are rated as moderate.** There are persistent implementation capacity gaps both at the central and line ministries in CAR. There is also the risk that the capacity of the existing PCU housed in MARD may not be sufficient to coordinate the implementation of the new project in addition to the ongoing ARADSP and working at the same time with the new ESF and the former Safeguards Operational Policies. Moreover, there are gaps in institutional capacity and funding to ensure the sustainability of project investments. To mitigate these risks, the following measures will be taken: (i) the Government will contract specialized service providers with strong technical capacity and extensive experience in implementing activities in the prevailing fragile context in CAR (FAO, WFP, AGETIP); (ii) the capacity of the existing PCU will be further strengthened by recruiting a deputy director for the new project as well as several technical specialists, as well as providing additional training, in particular on the new ESF; and (iii) linkages between the project activities and other ongoing interventions supported by the World Bank and other development partners will be facilitated and technical assistance activities included in the project (e.g. study on financing drainage maintenance) to contribute to building foundations for sustaining the achievement of this emergency project.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Central African Republic

Central African Republic (CAR) Emergency Food Crisis Response Project

Project Development Objectives(s)

The objectives of the project are to increase food production and to improve resilience of targeted smallholder farmers and food insecure households in affected areas.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Increased food production					
Farmers reached with agricultural assets or services (CRI, Number)		0.00	120,000.00	270,000.00	420,000.00
Farmers reached with agricultural assets or services - Female (CRI, Number)		0.00	60,000.00	135,000.00	210,000.00
Volume of food crops produced (Metric ton)		0.00	66,500.00	133,500.00	200,000.00
Labor-intensive public works for resilience					
Beneficiaries of labor-intensive public works (Number)		0.00	16,500.00	32,500.00	45,000.00
Of which women (Percentage)		0.00	30.00	30.00	30.00
Of which internally displaced persons (Percentage)		0.00	25.00	25.00	25.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Support increased food production					
Inputs distributed (Metric ton)		0.00	698.00	2,182.50	2,800.00
Cassava sterm (Metric ton)		0.00	200.00	600.00	800.00
Maize seed (Metric ton)		0.00	62.00	186.00	248.00
Groundnut (Metric ton)		0.00	150.00	450.00	600.00
Red bean seed (Metric ton)		0.00	15.00	45.00	60.00
Fertilizers (Metric ton)		0.00	160.00	570.00	650.00
Vegetable seed (Metric ton)		0.00	1.00	1.50	2.00
Rice (Metric ton)		0.00	50.00	150.00	200.00
Squash (Metric ton)		0.00	10.00	30.00	40.00
Sorghum (Metric ton)		0.00	50.00	150.00	200.00
Household provided with food baskets (Number)		0.00	20,000.00	0.00	20,000.00
Animals vaccinated or treated for common diseases (Number)		0.00	24,000.00	54,000.00	72,000.00
Households using post-harvest technologies/facilities (Number)		0.00	6,000.00	13,000.00	20,000.00
Quantity of improved seeds (base seed R1) of focus crops produced by seed growers group supported by the project (Metric ton)		0.00	10.00	30.00	50.00

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Of which climate-smart seeds (Percentage)		0.00	10.00	30.00	50.00
Women receiving improved nutrition services and products (Number)		0.00	10,000.00	30,000.00	50,000.00
Target beneficiaries with rating "satisfied" or above with services provided by the project interventions (Percentage)		0.00	70.00	72.00	75.00
Meteorological stations established and/or rehabilitated (Number)		0.00	3.00	12.00	12.00
Professionals trained in forecasting and modeling of hydro-meteorological phenomena (Number)		0.00	50.00	100.00	100.00
Of which women (Percentage)		0.00	30.00	30.00	30.00
Basic flood early-warning system is in place and functional (Yes/No)		No	No	Yes	Yes
Labor-intensive public works for resilience					
Person-days of temporary employment created through labor-intensive public works (Number)		0.00	200,000.00	416,000.00	580,000.00
Person-days for rehabilitation and maintenance of agricultural infrastructures (Number)		0.00	50,000.00	120,000.00	200,000.00
Person-days for drainage rehabilitation and maintenance (Number)		0.00	150,000.00	296,000.00	380,000.00
Person-days of employment created for women through labor-intensive public works (Number)		0.00	60,000.00	129,000.00	174,000.00

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Person-days for women for rehabilitation and maintenance of agricultural infrastructures (Number)		0.00	15,000.00	40,200.00	60,000.00
Person-days for women for drainage rehabilitation and maintenance (Number)		0.00	45,000.00	88,800.00	114,000.00
Area provided with rehabilitated small-scale agriculture infrastructures (Hectare(Ha))		0.00	20.00	48.00	80.00
Drainage canals cleaned, repaired, or rehabilitated (Meter(m))		0.00	13,200.00	18,400.00	19,900.00
Drainage canals cleaned or repaired (Meter(m))		0.00	12,000.00	15,500.00	15,500.00
Drainage canals rehabilitated (Meter(m))		0.00	1,200.00	2,900.00	4,400.00
People living in area benefitting from improved drainage (Number)		0.00	239,000.00	249,000.00	270,000.00
Project management					
Grievances responded and/or resolved within the stipulated service standards for response time (Percentage)		0.00	90.00	100.00	100.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Farmers reached with agricultural assets or services	This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. "Agriculture" or "Agricultural" includes: crops, livestock, capture fisheries, aquaculture, agroforestry, timber, and non-timber forest products. Assets include property, biological assets, and farm and processing equipment. Biological assets may include animal agriculture breeds (e.g., livestock, fisheries) and genetic material of livestock, crops, trees, and shrubs (including fiber and fuel crops). Services include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-related services	Seasonal	Field reports	Surveys	PCU/MADR with FAO and WFP

	(e.g., soil testing, animal health/veterinary services), phyto-sanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance. Farmers are people engaged in agricultural activities or members of an agriculture-related business (disaggregated by men and women) targeted by the project.				
Farmers reached with agricultural assets or services - Female		Seasonal	Field reports	Surveys	PCU/MADR with FAO and WFP
Volume of food crops produced	This indicator will measure aggregate tonnage of all food crops produced through project support.	Seasonal	End of season reports	Survey	PCU/MADR and FAO
Beneficiaries of labor-intensive public works	Cumulative number of individuals benefitting directly from cash-for-work payments under labor intensive public works	Bi-annual	AGETIP and FAO reports	AGETIP monitors the number of beneficiaries from LIPW in Bangui with support from the sub-contracted NGO that will facilitate	PCU/MADR with MUVH, AGETIP, and FAO

				recruitment for LIPW, consolidate and report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports. FAO monitors the number of beneficiaries from LIPW in rural areas with supported from sub-contracted NGOs as appropriate and report the data to the PCU in bi-annual activity reports.	
Of which women	Share of women who benefit directly from cash-for-work payments under labor intensive public work arrangements in rural and urban areas; calculated as the ratio of female beneficiaries to total beneficiaries from LIPW.	Bi-annual	AGETIP and FAO reports	AGETIP monitors the number of female beneficiaries from LIPW in Bangui with support from the sub-contracted NGO that will facilitate recruitment for LIPW, consolidate and report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports.	PCU/MADR with MUVH, AGETIP, and FAO

				FAO monitors the number of female beneficiaries from LIPW in rural areas with supported from sub-contracted NGOs as appropriate and report the data to the PCU in bi-annual activity reports.	
Of which internally displaced persons	Share of internally displaced persons who benefit directly from cash-for-work payments under labor intensive public work arrangements in urban and rural areas; calculated as the ratio of internally displaced beneficiaries to total beneficiaries from LIPW.	Bi-annual	AGETIP and FAO reports	AGETIP monitors the number of internally displaced persons among beneficiaries from LIPW in Bangui with support from the sub-contracted NGO that will facilitate recruitment for LIPW, consolidate and report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports. FAO monitors the number of internally displaced persons among beneficiaries from LIPW in rural	PCU/MADR with MUVH, AGETIP, and FAO

				areas with supported from sub-contracted NGOs as appropriate and report the data to the PCU in bi-annual activity reports.	

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Inputs distributed	This indicator measures the quantities of inputs distributed directly per household. The indicator is disaggregated per seed, fertilizer and animal production inputs.	Seasonal	Progress reports	Field monitoring	PCU/MADR with FAO
Cassava sterm					
Maize seed					
Groundnut					
Red bean seed					
Fertilizers					
Vegetable seed					

Rice					
Squash					
Sorghum					
Household provided with food baskets	This indicator measures the number of household beneficiaries of food items provided by the project as protection for the inputs received.	Seasonal	Progress reports	Field monitoring	PCU/MADR with WFP
Animals vaccinated or treated for common diseases	This will measure the absolute number of animals treated for common diseases. To avoid double counting, cases in which a single animal is vaccinated or treated against more than a one disease, this will count as a single unit.	Seasonal	Progress report	Field monitoring	PCU/MADR with FAO
Households using post-harvest technologies/facilities	This measures the number of farming households using the post-harvest technologies or facilities developed by the project	Seasonal	Progress reports	Field monitoring	PCU/MADR with WFP
Quantity of improved seeds (base seed R1) of focus crops produced by seed growers group supported by the project	This indicator measures the volume (in metric tons) of improved seeds produced by supported entities. Improved is defined as having the quality of	Annual	Progress report	Field monitoring	PCU/MADR with FAO

	improved nutrition, improved production, and/or mitigating or resisting shocks and stresses, including: climatic variability and other environmental stressors, poor agricultural practices, poor soil fertility, insects, and other factors that can cause crop failure and food insecurity.				
Of which climate-smart seeds					
Women receiving improved nutrition services and products	This indicator monitors the absolute number of women accessing any of the inputs that are specific to kitchen gardens.	Seasonal	Field reports	Field monitoring and survey	PCU/MADR with FAO
Target beneficiaries with rating "satisfied" or above with services provided by the project interventions	This indicator is a measure of citizen engagement.	Seasonal	Progress reports	Surveys	PCU/MADR with FAO
Meteorological stations established and/or rehabilitated	This indicator measures the number of stations repaired or installed by the project.	Annual	Project reports	Field Monitoring	PCU/MADR with FAO and Meteorology Directorate
Professionals trained in forecasting and modeling of hydro-meteorological phenomena	This indicator monitors the cumulative number of men and women trained in forecasting and modeling of hydro-meteorological phenomena, including	Quarterly	Project reports	Field monitoring	PCU/MADR with FAO, Meteorology, Hydrology, and Civil Protection Directorates

	floods.				
Of which women					
Basic flood early-warning system is in place and functional	This indicator tracks whether pilot flood early-warning systems is established and issues warnings with sufficient lead-time for efficient response in priority watersheds.	Annual	Projet reports	Field monitoring	PCU/MADR with FAO, Meteorology, Hydrology, and Civil Protection Directorates
Person-days of temporary employment created through labor-intensive public works	Cumulative number of person-days worked under the labor intensive public works arrangements in targeted areas.	Bi-annual	AGETIP and FAO reports	AGETIP monitors the number of worked person days in Bangui with the support from the sub-contracted NGO, consolidates and reports the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports. FAO monitors the number of worked person days in rural areas with the support from the sub-contracted NGO as relevant and report the data to the PCU in bi-annual activity reports.	PCU/MADR with MUVH, AGETIP, and FAO

Person-days for rehabilitation and maintenance of agricultural infrastructures	Cumulative number of person-days worked under the labor-intensive public works in rural areas	Bi-annual	FAO reports	FAO monitors the number of worked person days in rural areas and reports the data to the PCU in bi-annual activity reports.	PCU/MADR with FAO
Person-days for drainage rehabilitation and maintenance	Cumulative number of person-days worked under the labor-intensive public works in Bangui	Bi-annual	AGETIP reports	AGETIP monitors the number of worked person days in Bangui with the support from the subcontracted NGO, consolidates and report the data to the PCU (incl. technical focal point from MUVH) in bi-annual reports.	PCU/MADR with MUVH and AGETIP
Person-days of employment created for women through labor-intensive public works	Cumulative number of person-days worked by women under the labor-intensive public works in rural and urban areas.	Bi-annual	FAO and AGETIP reports	AGETIP monitors the number of person days worked by women in Bangui with the support from the sub-contracted NGO, consolidates and reports the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity	PCU/MADR with MUVH, AGETIP, and FAO

				reports. FAO monitors the number of person days worked by women in rural areas with the support from the sub-contracted NGO as relevant and report the data to the PCU in bi-annual activity reports.	
Person-days for women for rehabilitation and maintenance of agricultural infrastructures	Cumulative number of person-days worked by women under the labor-intensive public works in rural areas.	Bi-annual	FAO activity reports	FAO monitors the number of worked person-days, including gender, with the support from NGOs as required and report the data to the PCU in activity reports.	PCU/MADR with FAO
Person-days for women for drainage rehabilitation and maintenance	Cumulative number of person-days worked by women under the labor-intensive public works in Bangui.	Bi-annual	AGETIP activity reports	AGETIP monitors the number of worked person-days, including gender, with the support from the subcontracted NGO and reports the data to the PCU (incl. technical focal point from MUVH) in bi-annual reports.	PCU/MADR with MUVH and AGETIP

Area provided with rehabilitated small-scale agriculture infrastructures	This indicator measures the total area of land provided with small-scale agriculture infrastructures under the project, expressed in hectare.	Annual	Progress report	Field monitoring, technical expert inspection	PCU/MADR with FAO and WFP
Drainage canals cleaned, repaired, or rehabilitated	This indicator measures the total length, in meters, of drainage canals cleaned, repaired, or rehabilitated.	Bi-annual	AGETIP activity reports	AGETIP monitors the total length of drainage canals cleaned, repaired, or rehabilitated. AGETIP will report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports.	PCU/MADR with MUVH and AGETIP
Drainage canals cleaned or repaired	This indicator measures the total length, in meters, of drainage canals cleaned and/or repaired	Bi-annual	AGETIP activity reports	AGETIP monitors the total length of drainage canals cleaned, repaired, or rehabilitated. AGETIP will report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports.	PCU/MADR with MUVH and AGETIP
Drainage canals rehabilitated	This indicator measures the total length, in meters, of drainage canals	Bi-annual	AGETIP activity reports	AGETIP monitors the total length of drainage canals rehabilitated.	PCU/MADR with MUVH and AGETIP

	rehabilitated.			AGETIP will report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports.	
People living in area benefitting from improved drainage	This indicator measures the number of people living within 1km of an improved drainage (500m on each side); calculated using a buffer area around the rehabilitated drainage and using Worldpop data to aggregate the number of people living in that area	Bi-annual	AGETIP reports	AGETIP will monitor the length of drainage canals that have been cleaned, repaired, or rehabilitated and calculate the number of people benefitting from these improvements using the 1km buffer and Worldpop data. AGETIP will consolidate and report the data to the PCU (incl. technical focal point from MUVH) in bi-annual activity reports.	PCU/MADR with MUVH and AGETIP
Grievances responded and/or resolved within the stipulated service standards for response time	Share of all grievances received by the project's grievance redress mechanism (GRM) that have been responded to and/or resolved within the stipulated timeframe of the GRM.	Bi-annual			PCU/MADR with FAO, WPF, and AGETIP

Annex 1: Implementation Arrangements and Support Plan

Institutional and Implementation Arrangements

Project Coordination

1. Given the national importance and emergency focus of the project on food security, the project will be implemented by the MADR with support of relevant counterparts at the national and county level, including governmental agencies, UN agencies, NGOs, and service providers. The day to day functions of project coordination will rest with the existing PCU under the MADR.

2. The project will use the existing PCU currently responsible for the implementation of the ongoing CAR Agriculture Recovery and Agribusiness Development Project. The key advantage offered by this choice is that staff are already familiar with managing World Bank-funded projects, which would allow for a quick start of the project implementation. The PCU will be responsible (i) for ensuring overall coordination and linkages across the teams directly responsible for implementation of the project activities; (ii) procurement, disbursement, accounts, audit, monitoring, evaluation, and reporting; (iii) interacting regularly with other donors

3. The PCU already has a Project Coordinator, an FM Specialist, a Procurement Specialist Safeguards Specialists, Technical Specialists, an M&E Specialist, and support staff. An additional deputy director, FM specialist, and procurement specialist will be recruited no later than one month after project effectiveness, and a GBV/SEA/HA specialist, a security specialist, and two E&S specialists, will be recruited no later than two months after project effectiveness, to ensure adequate staffing at the PCU. A fiduciary assessment will guide the necessary changes.

4. There will be a PSC, chaired by the Minister of MADR (or his/her representative), to provide overall project oversight and approve the project's annual work plans and budgets. The PSC will include representatives from the Ministries of Public Works, Urban Planning, Transport and Civil Aviation, Territorial Administration, Water Resources, Finance, Social Affairs, sector stakeholders, the Municipality of Bangui, and other entities deemed relevant by the GoCAR and the World Bank. The PSC will be responsible for providing overall implementation and policy guidance. The PSC will meet twice a year and may invite FAO and UNOPS as a technical adviser and non-voting member of the PSC. The PCU will provide secretariat services to the PSC.

5. In addition, a Technical Committee will be set up with designated focal persons and technical experts from ministries and agencies with technical responsibilities related to the implementation of project activities as well as other relevant actors, including MADR, MUVH, MTPER, MTAC (General Directorate of Meteorology), MATDDL (General Directorate of Civil Protection), MDERH (General Directorate of Hydrology), Municipality of Bangui, AGETIP, FAO, WFP, and the Ministry in charge of the Environment. The Technical Committee will be chaired by the PCU. It will ensure overall day-to-day supervision and technical guidance of activities and will meet regularly to review implementation progress and identify solutions to project implementation challenges. The committee will be responsible for technical oversight and contribute to the development of the annual work plans and budgets.

Role of FAO

6. Due to current implementation capacity gaps in MADR, project implementation will be supported by FAO which has extensive experience in responding to emergencies in the agriculture and food security sectors, including crop and food supply monitoring and needs assessment, evaluation of agricultural relief

requirements and mobilization of the assistance and resources needed to restore agricultural activity. FAO already has in-country presence and has historically partnered with MADR in implementation of several agriculture programs.

7. Under this arrangement, it is envisaged that FAO will support implementation of Subcomponents 1.1, 1.3 and Subcomponent 2.1. Regarding Subcomponents 1.1 and 2.1, support provided by FAO will focus on: (i) sourcing and distribution of production inputs- i.e. crop and vegetable seeds, agricultural tools, veterinary drugs and vaccines; (ii) seed system building; (iii) rehabilitation of small scale agriculture infrastructures; (iv) improving household nutrition; as well as (v) the provision of advisory services to beneficiary farmers working through and with the support of MADR staff.

8. Regarding Subcomponent 1.3, FAO will provide technical assistance and support to the General Directorate of Meteorology, the General Directorate of Civil Protection, the General Directorate of Hydrology, the PCU, and other relevant stakeholders to facilitate the implementation of planned activities. In this context, FAO is expected to: (i) carry out a technical needs assessment and gap analysis of key agencies involved in the production and dissemination of EWS information in CAR, including field visits to assess the status of existing hydrometeorological stations; (ii) support the preparation of technical specifications and tender documents for the acquisition of EWS equipment, automated stations, small-scale rehabilitation of hydrometeorological stations, and other goods to be procured by the PCU at MADR under Subcomponent 1.3; (iii) provide technical support to the responsible agencies and the PCU to supervise rehabilitation/installation of EWS stations and verify/validate compliance of EWS equipment with tender documents; (iv) provide specialized technical support and training to key institutions and agencies involved in production and transmission of EWS information, flood forecasting, warning dissemination and communication (incl. in particular the General Directorate of Meteorology, the General Directorate of Civil Protection, and involved line ministries); and (v) facilitate coordination between relevant institutions, agencies, communities, and individuals involved in flood EWS in CAR.

Role of WFP

9. WFP will support implementation of activities under Subcomponent 1.2. This organization has demonstrated logistical capabilities to source and supply food to many vulnerable beneficiaries and which have preferential access to areas that might not be secure. In collaboration with FAO, WFP will provide seed protection rations to vulnerable smallholder farmers households to prevent them from eating their seeds during the planting season. WFP will also support vulnerable communities and work with actors along the food value chain (i.e. smallholders' farmers, cooperatives, common initiative groups, traders, processors, distributors, and retailers) to reduce post-harvest losses. This will be done by supporting producers' access to assets, services, and link smallholder producer to markets opportunities offered by WFP programmes such as: Home-Grown School Feeding, local food procurement, and Smallholders Agricultural Market Support. WFP will leverage their expertise, comparative advantage, deep field presence, and already existing partnerships in CAR to ensure effective use of input package by vulnerable households and increase incomes of smallholder's farmers through market linkages.

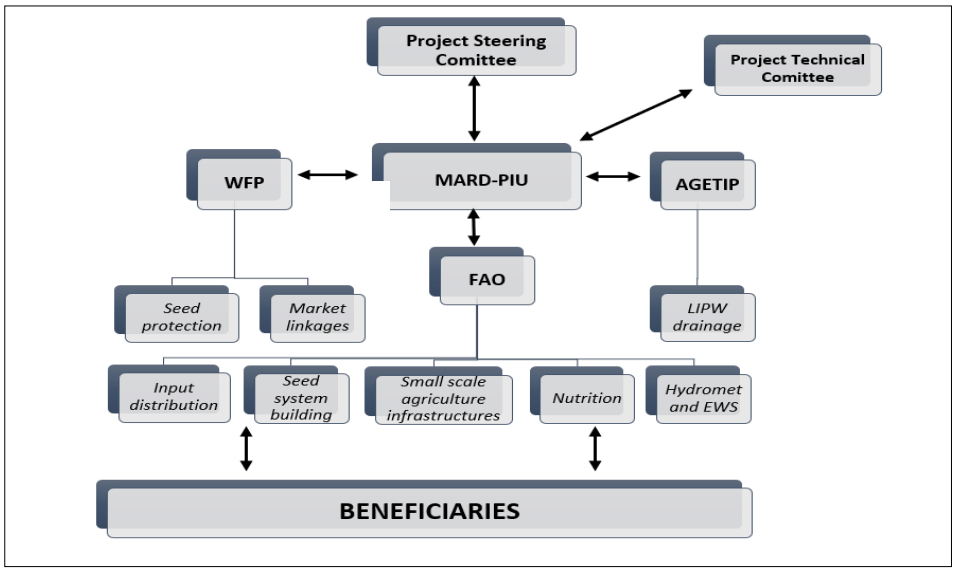
Role of AGETIP

10. For the implementation of Subcomponent 2.2, MADR will sign a Service Agreement with AGETIP, with the MUVH playing a technical oversight role. AGETIP has extensive experience in coordinating, planning, implementing, and technical supervision of LIPW activities across CAR, including drainage rehabilitation in Bangui. AGETIP will mobilize a dedicated team to ensure that the activities in Bangui under Subcomponent 2.2 are carried out with due diligence and efficiency in accordance with sound

technical, E&S management, financial, procurement, managerial and reporting standards. The team will include at least a technical coordinator, a civil engineer, a socioenvironmental specialist, a procurement specialist, and an accountant. AGETIP will ensure close coordination of project implementation with the Municipality of Bangui, accompanied by MUVH and engaging MTPER as adequate. AGETIP will subcontract an NGO to facilitate community mobilization, beneficiary targeting and selection (including creation and maintenance of beneficiary registers, coordination with contractors to hire and rotate beneficiaries, monitoring of payment of beneficiaries, etc.), occasional training for LIPW beneficiaries (e.g. on financial issues such as how to open a bank account or manage savings), awareness raising campaigns around flood resilience (e.g. proper disposal of solid waste), and other social accompanying measures. The NGO will also support the GRM for LIPW beneficiaries and provide training to local construction firms on LIPW.

11. These arrangements are summarized in the project implementation chart below.

Figure A1.1: Project Implementation Chart



B. Fiduciary

Financial Management

12. **Implementation arrangement**. The project will be implemented through the MADR in partnership with other relevant sectoral Ministries (MUVH, MTPER, MTAC, MATDDL, MDERH) through an already existing PCU. The overall FM aspects of the PRUCAC will be handled through the existing PCU that is already implementing the ongoing CAR-ARADSP (P165855). Recent virtual FM supervision missions of ARADSP have concluded that this unit has sound FM arrangement to accommodate the new project. There are no overdue external audit nor IFRs from this PCU.

13. The ARADSP PCU is well familiar with World Bank fiduciary procedures, however fiduciary risks for the implementation of this new project will involve the following: (i) multiple implementing entities at the central level as detailed above with weak capacities which can lead to delay in implementation, reporting as well as disbursement; (ii) risks of ineligible expenditures, inadequate reporting from the implementing entities; and (iii) weaknesses of internal control audit procedures. Based on the above, the overall FM risk is considered moderate.

14. Going forward and in order to better mitigate the above mentioned risks, the following actions will need to be implemented: (i) one senior FM specialist will be recruited in a transparent and competitive manner and will work exclusively on this project; (ii) clear deadline and requirement for budget preparation, frequency of fund transfer should be well established and understood; (iii) simplified reporting template will be designed to be used by implementing entities; and (iv) IFR frequency and format will be well explained to implementing entities. Close hands-on support will be provided by World Bank fiduciary team in Bangui in a timely manner.

15. The ARADSP PCU will be responsible for preparing and consolidating the AWPB in consultation with all implementing entities. The AWPB along with the disbursement forecast will be consolidated into a single document by PCU, which will be submitted to the National Steering Committee for approval, and thereafter to the World Bank for non-objection. Its execution will be monitored using suitable accounting software in accordance with the budgeting procedures specified in the manual of procedures and report on variances along with the quarterly IFR.

Table A1.1: Risk Assessment and Mitigation

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Inherent Risk				
Country level: As a post-conflict country, CAR has substantial risks from the fiduciary perspective. Various public FM weaknesses at all ministry levels, including MADR, in terms of governance and public funds management are noted.	S	The government is committed to a reform program that includes strengthening of the public FM through the ongoing Public Expenditure and Investment Management Reform Project (P161730) as well as the new Digital Governance Project (P174620).	N	S
Entity level: Lack of clarification of role between PCU, the main service providers and line ministries involved in technical aspects of implementation may affect smooth implementation of the project.	S	The fiduciary responsibility of the project will be managed by the existing ARADSP PCU; additional staff will be recruited in a transparent manner. The updated project implementation manual (PIM) should clearly define the roles and responsibilities of the teams.	N	M
Project level: Project design is relatively complex since it involves multiple sectors and stakeholders who are not familiar with World Bank FM procedures. This may pose a serious fiduciary risk to the project.	S	An additional FM Specialist will be recruited, no later than one month after project effectiveness, for the PCU to ensure the effectiveness of the accounting system. PCU will prepare an Accounting, Financial and Administrative Procedures Manual, along with the adoption of a PIM including adequate fiduciary procedures. Training on fiduciary policies and procedures will be conducted for all the FM staff including the new accountant.	N Y	M
Control Risk	**S**			**M**

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Budgeting: The AWPB will be prepared by the PCU, in coordination with the Technical Committee, and approved by the PSC. Lack of capacity and availability of appropriate tools to prepare and monitor the execution of the budget could pose a risk.	S	An accounting software, namely TOM2PRO, no later than three months after project effectiveness, will be set up and generate the IFR and other relevant data to enable monitoring of the budget. An experienced FM Specialist will be recruited no later than one month after project effectiveness to support the PCU to prepare and monitor the budget.	N	M
Accounting: The project accounting function may not be properly discharged due to capacity issues, software related issues, and lack of clear procedures.	S	The accounting procedures will be documented in the FM Procedures Manual. The FM functions will be carried out by an experienced FM specialist in the PCU; a multi-project software will be acquired. Additional training will be provided to the FM specialist for a better use of the accounting software.	N	M
Internal control: Lack of clarification of role of PCU, the main service providers and line ministries involved in technical aspects of implementation may affect the internal control processes.	S	The internal auditor will help to prepare the FM Procedures Manual and training on the use of the manual by the financial expert. The scope of work and control process is defined through the CAR generic manual. The PIM should clearly define the roles and responsibilities of the teams.	N	S
Funds flow: Delays in payment of suppliers and delays in replenishment of the designated account. Security threat in the country may pose a serious risk to payment of beneficiaries across the country.	S	A designated account will be opened where an advance will be deposited for timely payment of suppliers; request for replenishment of the designated account should be sent to the bank at least every month.	N	M
Financial reporting: Inadequacy of the accounting system may result in inaccurate IFR and financial statements, as well as other financial related reports.	S	(a) A computerized accounting system will be used. (b) IFR and financial statements formats were agreed upon during negotiations. The PCU will be responsible for overall reporting. The IFRs will be submitted to the World Bank no later than 45 days after the end of the quarter.	N	S
Auditing: The risks are the following: (a) Audit not carried out in compliance with acceptable audit standards; and (b) Delay in submission of audit	S	The project will recruit acceptable external auditors (independent auditors), no later than six months after project effectiveness.	N	M

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
reports and delays in the implementation of audit report recommendations.		The World Bank will review the audit terms of reference and the short list of proposed audit firms to be consulted.		
Governance and accountability: Possibility of circumventing the internal control system with colluding practices such as bribes, abuse of administrative positions, mis-procurement, etc. is a critical issue.	S	(a) The terms of reference of the external auditor will include a specific chapter on corruption auditing. The review performed by the internal auditor will be an additional mitigation tool. (b) The FM Procedures Manual will be incorporated in the PIM and will be approved before effectiveness. (c) Quarterly IFR including budget execution and monitoring will take place. (d) Measures to improve transparency such as providing information on the project status to the public, and to encourage participation of civil society and other stakeholders is built into the project design.	N Y N N	S
OVERALL FM RISK	**S**			**M**

16. **Internal control system**. The existing ARADSP PCU will ensure that internal control systems and procedures of the project as well as roles and responsibilities will be documented in the FM project manual. The whole project team, including the internal auditor as well the PSC must ensure transparent implementation of the project. Alternative measures such as regular supervision through desk reviews and field visits (that include expenditures and asset reviews) will be carried out by the World Bank to ensure that the implementing agency is maintaining adequate systems of internal controls and key procedures are complied with. The external auditor will also ensure the effectiveness of the internal controls.

17. **Planning and budgeting**. The PCU will be responsible for preparing and consolidating the Annual Work Program in consultation with the Project Technical Committee. The PCU will consolidate the AWPB along with the disbursement forecast into a single document, and this will be submitted to the PSC for approval, and thereafter to the World Bank for non-objection. Its execution will be monitored using suitable accounting software in accordance with the budgeting procedures specified in the manual of procedures and report on variances along with the quarterly IFR.

18. **Information and accounting system**. CAR is a member of the *Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (Organization for the Harmonization of Business Law in Africa), thus adheres to its accounting standards (Syscohada) in line with the international accounting standards. Hence Syscohada accounting standards will apply to this project. An integrated financial and accounting system is in place and will be updated to accommodate this project. The project code and chart of accounts will be developed to meet the specific needs of the project and documented in the Manual of Procedures. The charter of account should be prepared according to the wording used in tables for sources and uses of funds for the accepted eligible expenditures as agreed during negotiations of the

project. These diaries and records should be maintained with the support of FM software that should be operational no later than three months after project effectiveness. FM staff at the PCU should also be trained in the use of the software by the same date.

19. **Interim financial reporting**. The PCU will prepare on a quarterly basis the unaudited IFRs. These reports will be submitted to IDA within 45 days following the end of each quarter. The reports will include: (i) a table with sources and use of funds; (ii) a table with use of funds per activity; (iii) a table regarding use of funds according to procurement methods and threshold; and (iv) a table with M&E or physical advance of activities. Financial statements will be prepared for each financial exercise covering in general twelve months. Interim financial statements will also be prepared considering certified status of expenditures. The format of such reports was agreed upon during project negotiations.

20. **Funds flow arrangement.** Transaction-based disbursements will be used. An initial advance representing a six-month forecast of expenditures will be made into the designated account and subsequent disbursements will be made against submission of Statement of Expenditures or records as specified in the disbursement letter. The other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available to the project if necessary. The project will have the option to sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank's Client Connection website.

21. A designated account will be opened in a commercial bank on terms and conditions acceptable to IDA under the fiduciary responsibility of the PCU could be same as for ARADSP. Replenishment of this account will be done at least once a month by the project upon submission of acceptable expenditures recap along with supporting documents. FAO, WFP and AGETIP will be financed through the designated account and replenishment will be made based on the status of implementation of activities using the quarterly activity report. The proposed funds flow diagram for the designated account is as follows:

Figure A1.2: Fund Flow Diagram

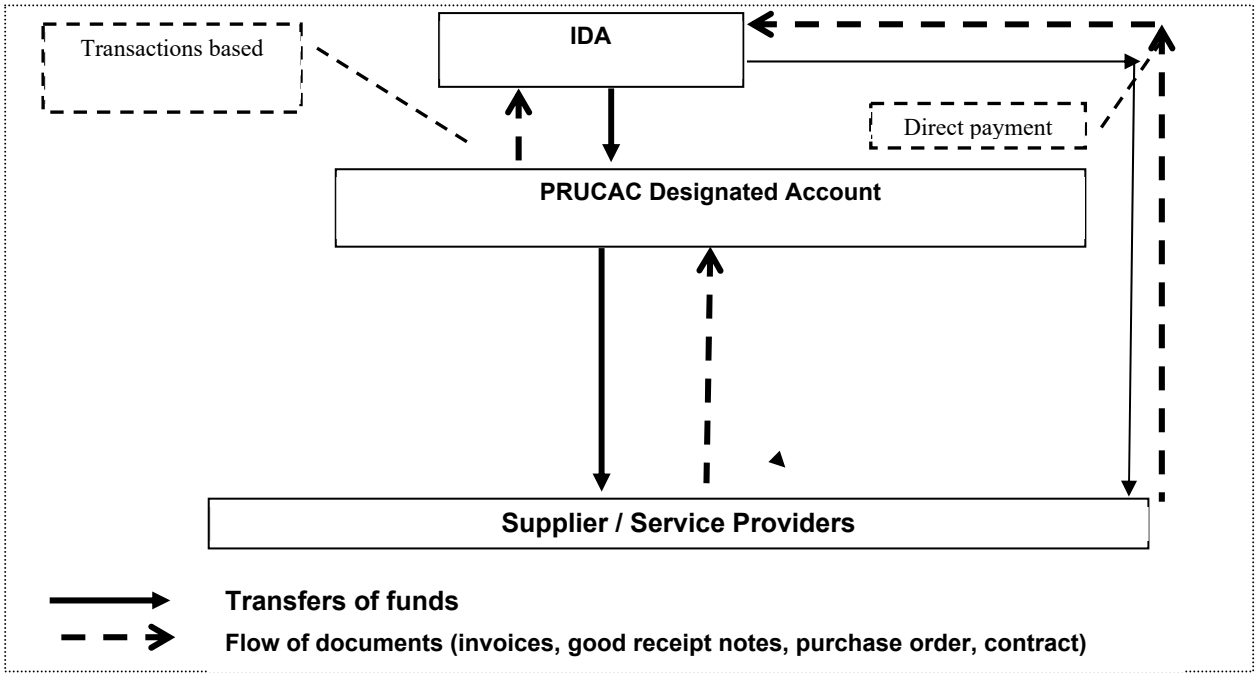


Table A1.2: Eligible Expenditure by Category of the IDA Grant[40]

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Operating Costs, Training for the Project, except CfW Transfers under Part 2.1(A), Parts 1.2(A) and 2.2(E) of the Project.	29,700,000	100%
(2) CfW Transfers under Parts 2.1(A) of the Project.	2,500,000	100% of disbursed CfW Transfers
(3) Food Expenditures under Part 1.2(A) of the Project.	2,400,000	100%
(4) Resettlement Compensation under Part 2.2(E) of the Project.	100,000	100%
(5) Emergency Expenditures under Part 4 of the Project.	0	
TOTAL AMOUNT	34,700,000	

22. The Financial Management implementation support plan is as follows:

Table A1.3: FM Implementation Support Plan

FM Activity	Frequency
Desk reviews	
IFRs review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous as they become available
On-site visits	
Review of overall operation of the FM system (Implementation Support Mission)	At least twice in the year
Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports	As needed
Transaction reviews	As needed
Capacity-building support	
FM training sessions	During implementation and as and when needed

23. **FM Action Plan.** The FM Action Plan described below has been developed to mitigate the overall FM risks.

[40] The use of IDA Grant proceeds to finance (i) food expenditures; and (ii) expenditures related to cash compensation for resettlement were approved by Management on June 1 and June 3, 2021, respectively.

Table A1.4: FM Action Plan

Issue	Remedial action recommended	Responsible entity	Completion date	FM Conditions
Accounting software	Upgrading the accounting software and training the fiduciary staff on the use of that software.	PCU	Three months after effectiveness	No
FM procedures manual	Updating the project manual of procedures which will include FM and accounting aspects	PCU	By project effectiveness	No
Reporting (IFRs)	Agree on the format and content of unaudited IFRs	PCU	Completed during negotiations	No
External auditing	Selection of an external auditor on Terms of Reference (project accounts)	PCU	Six months after project effectiveness	No

Procurement

24. **The CAR Public Procurement Institutional Set Up.** The Government has taken some important actions during the last ten years to improve the quality and efficiency of the public procurement system in CAR. It is within this framework that the new procurement law n.08.017 was adopted and enacted on June 6, 2008. The new law enshrines the principle of separation of contracting, control, and regulation functions. The three functions are devoted to the following entities: The Procuring Entities, the Directorate of General of Public Procurement (DGMP), and the Public Procurement Regulatory Authority (ARMP).

25. The last assessment conducted by the consultant 2AC under the Public Expenditure and Investment Management Reform Project (P161730) showed that the level of compliance with the provisions of the procurement law is very low. About 45 procurement plans out of 64 are received and most of the reasons for using single source are “emergency”. In addition, the assessment found that the DGMP and the ARMP, whose roles and functions were described in two separate decrees, are not performing their roles in accordance with the current legislation and that the procurement law gives the authority to conduct procurement post review to DGMP, while this role should be assigned to ARMP. The World Bank is supporting the Government to clarify the role of the two entities (including through the preparation of a new decree), to enable them to better perform their control functions, and to apply the conditions for use direct selection as provided in section 42 of the procurement law.

26. Publication of contract awards and procurement plans is mandatory in the procurement law, but the implementation is not effective. Publications shall be done as per the section 29 of the procurement law via wide circulation newspapers. About 40 percent of the publications are done as per the law’s provision, the objective is to reach 60 percent. The World Bank will support the country in the reforms of the procurement system and policies.

27. **Applicable procurement rules and procedures**: The “World Bank Procurement Regulations for IPF Borrowers,” dated July 2016, revised in November 2017, August 2018, and November 2020 will be applied to the proposed project. The project is subject to the World Bank’s Anticorruption Guidelines, revised on July 1, 2016.

28. The procuring entity as well as bidders, and service providers, i.e. suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of

contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations.

29. **Institutional Arrangements for Procurement.** The project will be implemented by the existing PCU under the ARADSP. The PCU will be reinforced by the recruitment of an experienced Procurement Specialist. The new Procurement Specialist will be trained on the New Procurement Regulations (NPF) with the support of the World Bank's Procurement Specialist. Several specialized service providers will be selected through Direct Selection to support the PCU in project implementation of the technical activities: (i) FAO will be selected to support the implementation of Subcomponent 1.1 and to provide technical assistance for the implementation of Subcomponent 2.2; (ii) WFP will be selected to support the implementation of Subcomponent 1.2; and (iii) AGETIP CAF will be selected to implement Subcomponent 2.2.

30. **PPSD.** The Recipient will prepare and submit to the World Bank for review the PPSD for the project. The PPSD will provide the basis and justification for procurement decisions, including the approach to market and selection methods. As per the flexibility provided for emergency projects, the preparation of the PPSD is deferred to project implementation.

31. **Procurement Plan**. A procurement plan for the first 18 months was developed that sets out the procurement selection method as well as prior and post review thresholds to be followed and include the key contracts. The Procurement Plan as well as all procurement transactions will be recorded into STEP.

32. **Advertisements.** The Recipient shall prepare and submit to the World Bank the General Procurement Notice and the World Bank will arrange for publication of this notice in United Nations Development Business (UNDB) online and on the World Bank's external website. The Recipient may also publish it in at least one national newspaper.

33. The Recipient shall publish the Specific Procurement Notices (SPN) for all goods, works, non-consulting services, and the Requests for Expressions of Interest on their free-access websites, if available, and in at least one newspaper of national circulation in the Recipient's country, and the official gazette. For open international procurement selection of consultants using an international shortlist, the Recipient shall also publish the SPN in UNDB online and, if possible, in an international newspaper of wide circulation; and the World Bank arranges for the simultaneous publication of the SPN on its external website.

34. **Filing and record-keeping**: The PIM will set out the detailed procedures for maintaining and providing readily available access to project procurement records, in compliance with the Financing Agreement. The Procurement Specialist is responsible for maintaining the records. The logbook of the contracts with a unique numbering system shall be maintained. In addition, all contracts and related procurement documents including post-review contracts will be uploaded into STEP.

35. The signed contracts as in the logbook shall be reflected in the commitment control system of the Recipient's accounting system or books of accounts as commitments whose payments should be updated with reference made to the payment voucher. This will put in place a complete record system whereby the contracts and related payments can be corroborated.

36. The recruitment of civil servants as individual consultants or as part of the team of consulting firms will abide by the provisions of paragraph 3.23 (d) of the Procurement Regulations.

37. **PIM.** The PIM will be updated to reflect the specificity of the new project and be adopted before project effectiveness. The PIM will clarify the relationship between the different key actors of the project.

38. **The risk associated with procurement is rated Substantial.** Details are presented in the following table including mitigation measures.

Table A1.5: Procurement risks and mitigation measures

Risks	Mitigation Measures
Lack of qualified and experienced Procurement Specialist within the country Delays in the update of information in STEP	• An experienced Procurement Specialist will be recruited, no later than one month of project effectiveness. An open/international market approach will be used. The capacity of the Procurement Specialist will be strengthened during project implementation. • A close follow up will be done by the Procurement Specialist of the World Bank for a regular update of procurement transactions in STEP, including post-review activities.
Delays in the implementation of procurement activities due to the involvement of several actors in the project	• Action Plans will be developed on a regular basis with due dates for the production of Terms of References/Technical Specifications and the PIM will be updated considering the specificities of the new project; the role of each actor in the implementation of the Procurement Plan will be defined.
Limited capacity of the private sectors including consultants	• A PPSD will be prepared by the PCU. The PPSD will describe how fit-for-purpose procurement activities will support project operations for the achievement of PDO and deliver Value for Money. • International Open Procurement Approaches will be applied for complex activities.
Managing fraud and corruption and noncompliance	• Ex-ante due diligence of firms being selected will be attempted using databases available in the country and externally. • Procurement Post Reviews will be conducted for post review activities

Implementation Support

39. ***Technical support:*** The World Bank will mobilize and assemble an appropriate technical skills mix needed to support the implementation of the project. This team will include experts from the FAO.

40. ***Safeguards support:*** The E&S specialists will support relevant counterpart staff first in finalizing the preparation of safeguards instruments which have been deferred to implementation, and in applying the agreed safeguard instruments as well as reviewing compliance and will also provide any capacity-building support, where necessary. The envisaged focus of the E&S supervision will be on participation, inclusion, equity, and the implementation of EHSGs, LMPs, ESMPs, and the GBV/SEA/SH action plan.

41. ***FM support***: The team will require that quarterly unaudited IFRs be submitted to the World Bank as well as the annual external audit report for review. Once every 12 months, the World Bank will review other project-related information as well, such as the internal control, oversight, and reporting systems. Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit, and other reports will be done as the need arises. The World Bank will also provide training to project FM specialists to strengthen their capacity.

Table A1.6: Focus of support to project implementation

Time	Focus	Skills Needed	Resource Estimate, US$
First 12 months	• Effectiveness/start of project activities • Finalization of Terms of Reference and procurement of MADR-PCU staff, FAO, WFP, AGETIP, etc. • Finalization of preparation of relevant safeguards documents	• Agriculture Specialist (Task Team Leader) • Urban/Disaster Risk Management Specialist (Co-Task Team Leader) • Procurement Specialist • FM Specialist • Social Safeguards Specialist • Environment Safeguards Specialist	120,000 per annum
12-36 months	• Implementation of planned activities and preparation of Annual work plans and budgets • Results monitoring against set targets • Fiduciary and safeguards compliance • Mid-Term Review • Project implementation completion and results report (ICRR) preparation	• Agriculture Specialist (Task Team Leader) • Urban/Disaster Risk Management Specialist (Co-Task Team Leader) • Procurement Specialist • FM Specialist • Social Safeguards Specialist • Environment Safeguards Specialist	120,000 per annum

Skills Mix Required			
Skills Needed	**No. of Staff Weeks**	**Number of Trips**	**Comments**
• Agriculture Specialist (Task Team Leader) • Urban/Disaster Risk Management Specialist (Co-Task Team Leader) • Procurement • FM • Safeguards	8 8 4 4 4	2 2 2 2 2	

Annex 2: Adjustments to the Country Program in Response to COVID-19 in CAR

Impact of the COVID-19 pandemic on the country

1. **Health impacts of COVID-19 have been relatively contained in CAR.** The first COVID-19 case in CAR was confirmed on March 14, 2020, and infections spread steadily. As of June 11, 2021, there have been 7,101 confirmed cases and 98 deaths. While significant underreporting is likely, given the weak public health system in the country, it is clear from ample anecdotal evidence that the pandemic did not strike as hard in CAR as compared to other countries. When the first wave hit in Q2 of CY20, government's immediate response strategy to save lives included closure of borders with neighboring countries, closing schools, proactive testing, mandatory wearing of masks, and social distancing measures (see more information under Government response). Since September 2020, protective measures as well as testing have been gradually relaxed. For CAR citizens and authorities, public life has returned to normal, while the large number of international partners and peacekeepers continue to observe social distancing and other protective measures. Nevertheless, a second, more deadly wave hit in Q1 of CY21 (mainly the British variant). Thanks to the government's increased response capacity, mainly due to World Bank support during the first wave, the pandemic is subsiding again, and additional deaths have been prevented.

2. **COVID-19 is one of the three shocks experienced by CAR over the past 16 months.** The COVID-19 shock was followed by floods in October/November 2020, and renewed violence broke out around the elections, which took place on December 27, 2020. The shocks magnify existing drivers of fragility and poverty in a country that ranks near the very bottom of the human development index despite its wealth in natural resources. As part of the country's strategy to consolidate longer-term stabilization, an ambitious peace accord was signed in February 2019. Given the renewed violence, the future of that peace accord remains uncertain.

3. **The economic impacts of the pandemic have been significant, although less than initially projected, but post elections crisis led to substantial fiscal pressures during the first half of 2021.** CAR's economy is estimated to have stagnated in 2020 – a better performance than previous growth projections as wood exports have held better than expected. The country's fiscal balance has worsened due to a combination of higher expenses to fight the COVID-19 pandemic and lower customs and income tax revenues. Inflation has remained below the 3 percent regional ceiling despite inflationary pressures generated by trade disruptions in the second quarter of 2020. The current account deficit is projected to widen to 8.6 percent of GDP due primarily to weak external demand and private transfers, and an increase in non-oil imports. The economic outlook is vulnerable to renewed instability amid election disputes. Government revenues declined in the first quarter of 2021, while military expenses will increase. Domestic revenues contracted by 13.6 percent in Q1, 2021 (year-on-year) due to renewed insecurity that disrupted economic activity and the blockade of the Bangui-Douala corridor. Security spending on the other hand more than doubled, leading to a rapid depletion of government deposits despite government restricting other non-wage expenditures. To manage the tight cash flow position, the government has borrowed on the domestic market while expecting a gradual increase in domestic revenues and disbursement of budget support from development partners.

4. **The poverty and social impacts of COVID-19 are significant but expected to be exacerbated by the renewed violence as well as the recent floods.** The poverty rate pre-COVID 19 was estimated at 70.9 percent in 2019. As a result of the pandemic alone, the poverty rate is expected to increase to 72.4 percent, putting an additional 140,000 Central Africans into extreme poverty, beyond the 3.4 million people living below the international poverty line of US$1.90 per day. CAR relies heavily on imports for

food and non-food products. Regular and disruptions to the supply chain, through COVID-19 in mid-March to June 2020 and because of renewed violence early December 2021 to mid-February 2021 and the closure of the critical Bangui-Douala transport corridor[41], led to regular food shortages and steep food price increases, mainly essential food products. As a result, CAR is currently experiencing an acute food insecurity situation. The most recent Food Security IPC analysis estimates that nearly 1.93 million people (41.3 percent of the population) are expected to be in high acute food insecurity (IPC Phase 3+) through April 2021.[42] This represents a 17-percent increase compared with the same period in 2019. The economic impact of the combined shocks also has a significant effect on vulnerable groups – among those most at risk are the 695,000 IDP as well as children, youth, women, people with disabilities, and the elderly, whose vulnerabilities are expected to be exacerbated, especially since CAR does not have a national safety net program.

5. **The latest World Bank-IMF Debt Sustainability Analysis (DSA) of December 2020 concluded that CAR remains at high risk of debt distress.** However, public debt is still expected to decline from 47.2 percent of GDP in 2019 to 44.1 percent in 2020. A disbursement of US$38 million under the IMF's Rapid Credit Facility in April 2020, and an IDA grant of US$50 million from the second Development Policy Financing (DPF) operation in the series in September 2020, have helped bridge the country's financing gap for 2020. CAR participates in the Debt Service Suspension Initiative (DSSI). Two Performance and Policy Actions related to debt transparency and fiscal sustainability have been completed under the World Bank's Sustainable Development Finance Policy. The country has also benefited from IMF's Catastrophe Containment and Relief Trust (CCRT), which was approved on April 20, 2020, in the wake of the COVID-19 outbreak.

Government response to the COVID-19 pandemic

6. **The CAR Government, in collaboration with WHO in March 2020, prepared a COVID-19 preparedness and response plan estimated at FCFA 27 billion (around US$45 million equivalent) and in July 2020, subsequently revised the 2020 budget and started monitoring the use of COVID-19-related funds.** Government's plan was later complemented by additional activities to strengthen social protection, support the private sector and economic recovery, and enhance justice and security. Several containment and mitigation measures adopted by Government included: large-scale community-based surveillance, self-quarantine for travelers arriving from countries with high confirmed COVID cases, mandatory wearing of masks, a ban on gatherings of more than 15 people and restriction of movement of people from Bangui to other regions.[43] The National Assembly adopted a revised 2020 budget law to reflect the COVID situation by redirecting expenses to address health, social and economic impacts of the pandemic. Furthermore, the Government established a multi-sectoral committee overseen by the Minister of Finance and Budget to monitor COVID-19-related expenditures earmarked in the 2020 revised budget.

WBG support for responding to the crisis

7. **The WBG remains committed to providing a fast and flexible response to the COVID-19 pandemic, utilizing WBG operational and policy instruments.** The response to COVID-19 is well-aligned

[41] CAR is dependent on one main road to Douala, the Douala-Bangui trade corridor which is vital to transport imports from Cameroon.
[42] FAO-WFP early warning analysis of acute food insecurity hotspots. October 2020.
[43] On June 12, 2020, the Prime Minister announced the partial easing of the restrictive measures.

with the WBG COVID-19 Crisis Response Approach Paper[44] and the WBG CPF's FY21-25 (Report No. 150618-CF), which was presented to the Board of Executive Directors on September 1, 2020. The WBG engagement is anchored in the four pillars across three stages of relief, restructuring and resilient recovery, and has been reprioritized as outlined below:

- Saving lives. The World Bank prepared a US$7.5 million COVID-19 Emergency Preparedness and Response Project (P173832, financed under the Fast-Track COVID-19 Facility) to prepare for and respond to COVID-19 by supporting testing, preparing care centers, and procuring urgently needed medical supplies. It was approved by the Board on April 22, 2020 and has disbursed 93.72 percent of project resources to date. The Regional Disease Surveillance System Enhancement Project Part IV (REDISSE IV, P167817), with CAR receiving financing of US$15 million, aims to build a robust, integrated pandemic-preparedness and disease-surveillance system with neighboring countries (the Democratic Republic of Congo, Republic of Congo, and Chad).
- Protecting the poor and vulnerable. The US$95 million LONDO Project (P152512) was restructured to support the local production of more than 10 million fabric facial masks, through the creation of temporary employment, and to drill boreholes to increase access to potable water. The Service Delivery and Support to Communities Affected by Displacement Project (PACAD - P174547) received Additional Financing for US$16 million to provide cash transfers to an additional 134,000 individuals bringing the total coverage of the project to 324,000 people (approved by the Board on December 4, 2020). In response to the food-security crisis, CAR's application to the IDA19 CRW/ERF was approved in March 2021 and the team is preparing a US$50-million operation to be approved in Q4, FY21 to support an accelerated food supply response, livelihood support programs through labor-intensive works, development of an information and early warning system and nutrition improvement program. The US$50 million Human Capital and Women and Girls' Empowerment Project (Maïngo) (P171158) to be approved in Q4, FY21 aims to enhance access to essential health services, education and employment opportunities that empower women and adolescent girls.
- Ensure sustainable business growth and job creation. The US$25 million agribusiness project ARADSP (P165855) and the US$10-million Integrated National Resources Management project (P171723 – with Additional Financing for US$7.61 million approved in May 2021) aim to foster sustainable job and business creation in key economic sectors such as agriculture, forestry and mining. PRADAC is complemented by an International Finance Corporation (IFC) Advisory Service, which supports the development of financial products by the financial sector. The World Bank/IFC Country Private Sector Diagnostic (IFC-604525 - CPSD) lays out the options for strengthening the very weak, small, and largely informal private sector. A first private sector development project for the country is foreseen for FY22, security circumstances permitting. The US$75 million Emergency Infrastructure and Connectivity Recovery Project (P176450) with Board presentation at the end of June 2021 will provide income generating opportunities to men and women in the project areas who will be recruited to perform labor intensive public works for the improvement and maintenance of rural roads.
- Strengthening policies, institutions, and investments for rebuilding better. A supplemental DPF, Consolidation and Social Inclusion Development Program (P173900) for US$25 million (approved on June 11, 2020) was prepared as part of the emergency response. This was followed by the second DPO series, the Second Consolidation and Social Inclusion Development Program (P168474) for US$50 million, approved on September 1, 2020, supporting structural reforms that will help strengthen CAR's

[44] World Bank. 2020. *COVID-19 Crisis Response Approach Paper Saving Lives Scaling up Impact and Getting Back on Track.*

economic position to navigate the COVID-19 crisis and its aftermath. CAR's program has a strong focus on strengthening institutions for service delivery, including through a PPA, which will conduct audits of three of the key state-owned enterprises; two Energy/Water projects (Water and Electricity Upgrading Project – P162245; Emergency Electricity Supply and Access Project – P164885); and various analytical and advisory services (Energy Sector in CAR – P175275; state-owned enterprise assessment – P174693).

Selectivity, Complementarity and Partnerships

8. **Partner support in response to COVID-19 has also been strong**. Under the national COVID-19 governance mechanisms, partner coordination and partner-country coordination has been strong. The United Nations Children's Fund has provided US$20.3 million for risk communications, infection prevention and control, health and nutrition, education, child protection, and cash transfers. The UN Central Emergency Response Fund allocated US$5 million to NGOs, the International Rescue Committee, the International Medical Corps, the Alliance for International Medical Action, and *Médecins d'Afrique* (doctors from Africa) to scale-up the COVID-19 response in the central, eastern and northern regions of the country. The European Commission granted Euro 54 million to help the government shore up those public expenditures negatively impacted by the fight against the virus. Rwanda also donated US$200,000 worth of COVID-19 screening supplies. The peace-keeping force MINUSCA has provided substantial logistical support throughout the COVID-19 response.

Annex 3: Economic and Financial Analysis

1. **This annex presents the economic and financial analysis for the project.** The evaluation is built on the cost-benefit analysis approach applied to the core project interventions: the support to food production focused on preserving/restoring food productivity and production in the short-term and the cash-for-work program supporting the maintenance and rehabilitation of critical public infrastructure in the greater Bangui area.

2. **Given the fast-track nature of this operation, strong assumptions have been used throughout the analysis.** In particular, the timely and sufficient availability of the agricultural inputs during the current emergency might lead to changes in project implementation. Hence, the results of the economic and financial analysis should be considered indicative: the analysis demonstrates the financial and economic justification of the proposed investments, but without the usual precision.

3. **Overall, the proposed project is economically justified, generating a NPV (using a social discount rate of 6 percent) of US$8.3 million and an EIRR of 15.4 percent (over a 10-year period and on a budget of US$50 million).** These economic results are satisfying, given that several other project benefits (such as improved nutrition, better living conditions in flooding affected areas, property value appreciation, etc.) could not be quantified at this stage, due to limited data availability. In addition, these economic results have been tested under several risk scenarios: the sensitivity analysis indicates that results are robust for small to moderate delays, cost overruns, and reduction in benefits. Yet, larger changes in these parameters can significantly affect the project's economic justification. When incorporating the social value of carbon mitigation generated by the project (see Annex 5- GHG accounting), the economic indicators improve, depending on carbon pricing scenario: assuming the low estimate range of carbon social price, the EIRR is 17.8 percent and the NPV is US$1.8 million higher; assuming the high estimate range, the EIRR becomes 20.2 percent and the NPV is US$3.5 million higher.

Identification of benefits

4. **The project's main quantifiable benefits will be derived from the increased food crop production and from the reduction in flood-induced damages.** The realization of the first benefit will in turn ensure increased household level availability of food and increased incomes for the sales of surpluses. These impacts will be the direct effects of the rapid distribution of improved seed and planting materials, coupled with access to complementary inputs (farm equipment and labor) and extension services. On the other hand, the reduction in flooding due to the restoration and rehabilitation of critical public infrastructure will increase the resilience to future events (i.e., avoiding the damage to property). The project will also support other income generating activities, by supporting the livestock sector with animal restocking, vaccination, and feed, and by supporting improved seed multiplication at community level. In addition, the cash transfers will ensure continued food availability and recovery of livelihoods for vulnerable households, thus safeguarding existing assets and maintain recent developmental gains. A part of the cash transfers will also serve households to procure the necessary inputs to continue their productive activities.

5. **The project will also have other positive impacts, non-quantifiable at this stage due to data availability.** These include improved nutrition (as a result of diversification, in particular towards vegetable production in home gardens), improved climate change resilience (procurement and distribution of seeds and planting material will prioritize climate smart/resilient varieties, if available), demonstration effects (the large number of project beneficiaries could result in a significant outreach and

the project would promote community seed multiplication), strengthening of extension services, property value appreciation and better living conditions in areas repeatedly affected by floods, etc**.**

Methodology and assumptions

6. **This cost-benefit analysis follows the standard methodology recommended by the World Bank, as described in Gittinger (1982), Belli et al. (2001) and is aligned to the recent guidelines for economic and financial analysis.** The financial analysis was conducted to assess the profitability of the proposed project activities (*with-project situation)*, modelled from the perspective of the target beneficiaries, and compared with the *without-project* situation. Yet, given the specificity of this emergency operation, it has been assumed that the *without-project* situation is null, i.e., without the project intervention the targeted agricultural activities would not occur because of the difficulties of financing the inputs. It is also assumed that without the project intervention, the frequency and magnitude of flooding would remain unchanged. Where data availability allowed, crop and livestock rearing models have been prepared for several indicative crops, with computed costs and benefits experienced by the beneficiaries, using market prices (full description below and models in the Excel file).

7. **The economic analysis followed a similar approach, aggregating the results at the level of the project and from the society viewpoint.** The economic analysis uses the incremental benefits, assumes 100 percent outreach (given the emergency context) and is based on the expected total number of beneficiaries, derived from the quantities of inputs to be procured and distributed. As some of the project costs (the inputs and some investments) are integrated in the individual models, the total project economic costs have been adjusted to avoid double-counting and are subsequently subtracted from the additional benefits to determine the overall economic viability of the project. The discount rate used for the economic and financial analysis, that is 6 percent, is in line with the World Bank guidelines and the practice of recent projects. Given the emergency nature and the different types of investments included in the project, the duration of the analysis has been considered 5 years for Component 1 and to 10 years for Component 2. The phasing for Component 1 has been developed considering that almost all activities will be implemented in the first two years of the project for Component 1 (i.e., 50 percent in year 1 and 50 percent in year 2). On the other hand, the activities under Component 2 will be implemented over the three project years, while they will be more concentrated in the first two years. At this stage, economic prices could not be generated.

Financial analysis for the support to increased food production interventions

8. **The choice of models included in the analysis has been based on the preliminary proposal of the project activities to support the increase in food production to be financed in Subcomponent 1.1 (Support food production and household nutrition), Subcomponent 1.2 (Support to seed protection and linkages to market opportunities), and in Subcomponent 2.1 (Rehabilitation and maintenance of small-scale agricultural infrastructures), based on the discussions between the World Bank and the implementation partners.** The budget for these interventions has been estimated to include US$16.3 million for Subcomponent 1.1, US$7.6 million for Subcomponent 1.2, and US$2.2 million for Subcomponent 2.1, for a total of US$26,1 million. The first subcomponent mainly focuses on direct provision of improved seed, planting materials, fertilizer, livestock restocking products, farm equipment, technical assistance. However, it also provides for institutional capacity building to rebuild the country's seed multiplication and delivery mechanisms, and for the promotion of household nutrition through increased access to healthy and diversified food and through the promotion of good practices. Subcomponent 1.2 has been dedicated to support vulnerable communities with seed protection rations

and work with smallholder farmer cooperatives to reduce post-harvest losses and increase market connectivity. On the other hand, Subcomponent 2.1 provides for the rehabilitation and maintenance of small-scale agricultural infrastructures using labor-intensive methods through a cash-for-work scheme.

9. **The impact of the interventions under Subcomponent 1.1, of those under Subcomponent 1.2, and under Subcomponent 2.1 has been assumed to be reflected in the modeling of crop and livestock production, for mainly two reasons.** First, these activities will support farmers' productive capacity as they will enhance input supply support, irrigation, reduction in post-harvest loss, and market connectivity. Second, the-cash-for-work program will provide financial resources to vulnerable households to recover from recent shocks and to sustainably re-engage in crop and livestock production with the needed inputs. Thus, the following activities have been identified and modeled based on the current budget proposal for the three abovementioned subcomponents.

10. **Key staple food production**. An estimated 60,000 farming households (420,000 beneficiaries) are expected to be provided with groundnut, cassava, rice, sorghum, maize, red bean, and pumpkin seeds, as well as fertilizer, pesticides, and tool kits. Based on the foreseen seed quantities, a total of about 32,700 hectares could be planted (10,000 ha for sorghum, 6,700 ha for groundnut, 5000 ha for rice, 5000 ha for maize, 4,000 ha for cassava, 1,000 ha for red bean, and 1,000 ha for pumpkin). This project support has been foreseen distributed over the first two of implementation. Full groundnut, cassava, rice, sorghum, maize and, red bean[1] crop_models have been developed for both production systems using available information from the IFAD-financed PREPAS and other comparable projects in Central Africa (in particular, in Chad). The yield projections used in the analysis vary depending on the crop considered assuming different percent growth rate (*with-project*: 1 t/ha for groundnut, 9 t/ha for cassava, 1.6 t/ha for rice, 0.96 t/ha for sorghum, 1.5 t/ha for maize and, 0.9 t/ha for red bean) over current average levels (*without-project*: 0.85/ha for groundnut, 8.4 t/ha for cassava, 1.5 t/ha for rice, 0.8 t/ha for sorghum, 0.85 t/ha for maize, and 0.86 t/ha for red bean), due to the use of improved seed and fertilizer application. Financial returns and cash flow estimates for each crop have been estimated from the EFAs of the PREPAS project and other comparable projects in Central Africa, assuming very conservative returns given the lower productivity in CAR.

11. **Horticulture activities.** The project will support vegetable production aimed at contributing to household food and nutrition security and at generating marketable surpluses. The project will procure and distribute improved vegetable[2] seeds, fertilizer, and small tools to stimulate small-scale horticulture production. A model for this activity has been developed for the present analysis, assuming an area of 300 m^2 cropped with a representative mix of vegetables (amaranth, cucumber, and onion) destined for both domestic consumption and commercialization (adapted using the information available from the IFAD-financed PREPAS project design report). Based on seed quantities foreseen to be procured, it is estimated that 20,000 beneficiaries could engage in this productive activity.

12. **Livestock production.** The project will promote poultry and other small livestock (goats and pigs) rearing to increase food security and nutrition. An estimated number of 3,000 groups of 20 households (for a total of 60,000 households) are expected to be provided with about 6 goats, 6 pigs, and 60 chickens each, as well as vaccines, feed, and tools. For each livestock activity, a model has been developed using the information available from the IFAD-financed PREPAS project design report. Compared to the current situation characterized by the absence of adequate vaccination practices and feed, the yield projections show a considerable reduction in mortality rates (from 70 to 30 percent for poultry, from 50 to 30 percent for goats, for 50 to 30 percent for pigs) and thus, an increase in production.

13. **Learning curves and duration of benefits.** Most models have assumed a relatively quick realization of benefits, to reflect the effects of the improved varieties and more inputs. As such, the full realization of benefits is expected from the first year of the project or after 1 or 2 years (i.e., in year 2 or 3 of the activity). In addition, given the current emergency, it has been realistically assumed that – without any additional support – the additional benefits generated by the project will last only five years. This methodological choice is justified by the seed replacement rate, the availability of inputs, animal mortality rates, but most importantly by the insufficient capital to procure sufficient good quality inputs, even with the additional income generated with project support. Some beneficiary households will succeed in building the sustainability of improved production, as promoted by the project, but the rate of permanent adoption of good practices cannot be determined at this stage. As such, the present analysis opts for more conservative estimates. In addition, family labor has been included and valued in the present analysis, in line with the guidelines for economic and financial analysis. When data was available, self-consumption has been separated from marketable surplus, but both have been valued as benefits, using market prices. Similarly, when possible, post-harvest losses have been accounted for.

14. **Based on the methodology and parameters described above, all models included in the analysis demonstrate financial profitability.** As presented in Table A3.1, alongside the main parameters, all agricultural activities supported by the project will generate positive additional benefits, in the range of US$48-252 per hectare for staple crops, and about US$58 for a 300 m2 vegetable garden. In terms of additional production, the project could generate more than 36,000 t of cassava and almost 33,500 t of other staple crops, per year. Moreover, Table A3.2 shows that livestock activities will generate positive additional benefits in the range of US$405-884 per unit of livestock product per year.

Table A3.1: Summary of crop models, parameters, and financial returns

Agricultural activity	Estimated area (ha)	Projected yield* (t/ha)	Estimated additional production* (t/year)	Additional benefits* (US$/ha/year)
Groundnut	6,500	1	6,500	211
Cassava	4,000	9	36,000	163
Rice	5,000	1.6	8,000	188
Maize	5,000	1.5	7,500	48
Sorghum	10,000	1	9,600	66
Red Beans	2,000	0.9	1,800	252
Horticulture	600			1,929

*at full realization of benefits

Table A3.2: Summary of livestock models, parameters, and financial returns

Livestock activity	Total number of distributed animals	Size per unit	Estimated number of beneficiary groups**	Additional benefits* (US$/unit/year)
Poultry	60,000	60	1,000	884
Pigs	6,000	6	1,000	405
Goats	6,000	6	1,000	777

*at full realization of benefits **groups of 20 households

Economic analysis for the support to increased resilience to flooding and disaster preparedness

15. **In terms of costs, the budget to restore and rehabilitate critical public infrastructure for enhanced resilience and strengthening disaster preparedness for extreme hydrometeorological events has been estimated to total US$18.4 million.** It includes US$3.6 million for Subcomponent 1.3 (Strengthening hydro-meteorological information for early warning) and US$14.8 million for Subcomponent 2.2 (Rehabilitation and maintenance of drainage infrastructure in Bangui). The first subcomponent will finance the establishment of timely and reliable basic public weather and warning services, and related capacity building activities to enhance disaster preparedness, response, and policy choices, to safeguard the gains realized with the project support. On the other hand, the second subcomponent will finance short-term financial relief to vulnerable population through cash-for-work as well as maintenance and rehabilitation of critical drainage infrastructure in Bangui using LIPW. The present analysis has assumed that Subcomponent 1.3 will generate cross-cutting, enabling environment impact on both Subcomponent 2.2 and the rest of the project (i.e., better hydro-meteorological information and EWS will build the resilience necessary to maintain the gains in resilience supported by the other activities).

16. **Five core assumptions have been considered to model the impact of the above-mentioned activities.** First, the reduction in flooding will result in two main benefits: avoided flood damages to houses and goods, and property value appreciation. However, the analysis only considers the first benefit using available information from the 2009 *CAR Joint Needs Assessment Report* by the Global Facility for Disaster Reduction and Recovery (GFDRR). Indeed, the second benefit could not be modeled due to the absence of needed details on the number of households in the targeted areas. Second, a conservative estimate of US$7 million in average annual damages has been assumed, based on the findings of the GFDRR report. As for the estimated reduction in average annual damages, while the GFDRR assumes a 70 percent decrease, the World Bank's 2017 ICRR for the Emergency Urban Infrastructure Rehabilitation and Maintenance Project in CAR assumes a 50 percent reduction. Thus, this analysis takes a midway approach by assuming a 60 percent reduction to be realized gradually to reach full realization in the third year of the project. Fourth, annual operation and maintenance costs have been estimated at 5 percent per year and they are considered after the first two project years (when most investments happen). Finally, it has been assumed that the impact generated by the project will last for ten years given the nature of the investment.

17. **Based on the above approach and assumptions, the investments under Subcomponents 1.3 and 2.2 are economically justified.** Indeed, the project will generate a positive additional benefit of at least US$3.5 million per year once the proposed infrastructures and systems will be restored and functioning.

Overall economic results

18. **Overall, the economic results of the proposed project are positive, generating a NPV (at 6 percent social discount rate) of the net additional benefits of US$8.3 million and an EIRR of 15.4 percent (over a 10-year period and on a budget of US$50 million).** These economic results are satisfying, given that several other project benefits (such as improved nutrition, living conditions in flooding affected areas, property value appreciation, etc.) could not be quantified at this stage, due to limited data availability. In addition, the analysis period could be extended to increase the benefit streams, if the project design and implementation would include more measures to build resilience and ensure longer developmental impact.

19. **As described in Annex 5 (GHG Accounting), the project will also generate some positive environmental externalities (a total mitigation of 47,120 tCO2eq over 5 years, or about 9,424 tCO2eq**

per year). Using the World Bank's *Guidance note on shadow price of carbon in economic analysis* (September 2017), the social value of these environmental benefits has been also included in the overall economic results, using the low and high estimate range for the social price of carbon. As a result, the economic indicators improve, depending on carbon pricing scenario: assuming the low estimate range of carbon social price, the EIRR is 17.8 percent and the NPV is US$1.8 million higher; assuming the high estimate range, the EIRR becomes 20.2 percent and the NPV is US$3.5 million higher.

20. **These economic results have been tested against several risk scenarios, including reduced adoption rates, delays in implementation, cost overruns, etc., as presented in Table A3.3.** The sensitivity analysis indicates that results are robust for small to moderate delays, cost overruns, and reduction in benefits. Yet, larger changes in these parameters can significantly affect the project's economic justification.

Table A3.3: Sensitivity analysis

Scenarios		EIRR	NPV (6%)
			USD million
Base scenario		15.4%	8.3
Costs +	10%	9.5%	3.5
Costs +	20%	4.8%	-1.3
Costs +	50%	-5.2%	-15.9
Benefits -	10%	8.9%	2.7
Benefits -	20%	2.8%	-3.0
Benefits -	30%	-7.0%	-13.5
Benefits delayed by 1 year		8.3%	2.9
Benefits delayed by 2 year		4.6%	-2.2
Benefits delayed by 3 year		2.2%	-7.0
Benefits delayed by 4 year		0.4%	-11.6
C1 outreach rate -	10%	12.4%	5.8
C1 outreach rate -	20%	9.7%	3.5
C1 outreach rate -	30%	7.2%	1.2

[1] In the interest of time, given the absence of relevant information at hand, the crop model for red bean includes the quantities considered for pumpkin because of their similarities.

[2] Indicative vegetables include okra, amaranth, spinach, tomato, onion, cucumber, watermelon, etc.

Agricultural activity	Estimated area (ha)	Projected yield* (t/ha)	Estimated additional production* (t/year)	Additional benefits* (US$/ha/year)
Groundnut	6,500	1	6,500	211
Cassava	4,000	9	36,000	163
Rice	5,000	1.6	8,000	188
Maize	5,000	1.5	7,500	48
Sorghum	10,000	1	9,600	66
Red Beans	2,000	0.9	1,800	252
Horticulture	600			1,929

1 *at full realization of benefits

Livestock activity	Total number of distributed animals	Size per unit	Estimated number of beneficiary groups**	Additional benefits* (US$/unit/year)
Poultry	60,000	60	1,000	884
Pigs	6,000	6	1,000	405
Goats	6,000	6	1,000	777

*at full realization of benefits **groups of 20 households

Scenarios		EIRR	NPV (6%) USD million
Base scenario		15.1%	8.0
Costs +	10%	9.2%	3.2
Costs +	20%	4.5%	-1.7
Costs +	50%	-5.6%	-16.3
Benefits -	10%	8.6%	2.4
Benefits -	20%	2.4%	-3.3
Benefits -	30%	-7.4%	-13.8
Benefits delayed by 1 year		8.1%	2.6
Benefits delayed by 2 year		4.4%	-2.5
Benefits delayed by 3 year		2.0%	-7.3
Benefits delayed by 4 year		0.3%	-11.9
C1 outreach rate -	10%	12.4%	5.8
C1 outreach rate -	20%	9.7%	3.5
C1 outreach rate -	30%	7.2%	1.2

2

Annex 4: Climate Change Mitigation and Adaptation Co-Benefits

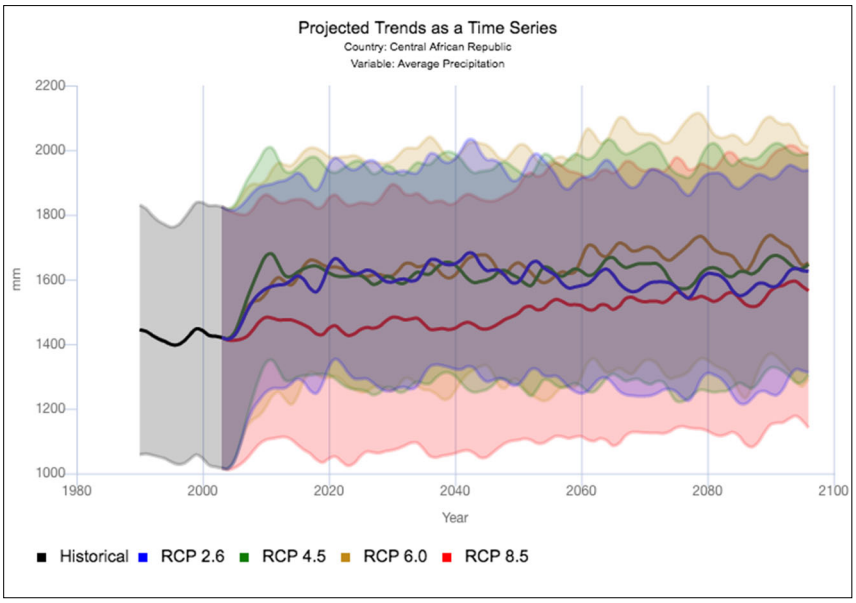
A. Vulnerability Context

1. **CAR is extremely vulnerable to the effects of climate change, with the greater Bangui particularly exposed to recurrent flooding.** Since the 1970s, mean annual temperature has significantly increased at a rate of 0.35°C per decade. In the south-western areas of the country, significant increase in maximum temperature has been observed since the 1950s.[45] Between 1955 and 2006, warming trends were observed across the central regions. Very hot days were observed to have increased by 0.25°C per decade with very hot nights increasing by 0.21°C per decade.[46] CAR's precipitation regime is variable. While there has been no substantial observed increase in precipitation trends over the last century, over the last 30 years precipitation has been observed to have increased approximately 8 percent.[47] Reduction in the number of consecutive days with 1 mm of precipitation has decreased and the number of days with precipitation of 10 mm has increased. This indicates not only an increase in precipitation received, but an increase of rainfall received through intense and extreme rainfall events.[48] Multiple significant flood events have occurred in CAR over the past decade and while many go unreported, the most commonly reported flood events occur in and around the capital city of Bangui.

2. **Droughts and floods are the two most important hazards likely to aggravate with climate change.** Temperatures across CAR are expected to increase and projections show a change in annual mean temperature from 3.1°C to 5.7°C by end of the century. An increase in the number of hot days, extreme temperatures and a strong increase in the duration of heat waves are projected; a significant decrease in cold spell length is also projected.[49] The projected change in the duration of long-lasting heat waves is expected to be an additional 7 to 81 days by 2085, with cold spells likely to decrease by 1 to as much as 13 days.[50] Across all emission scenarios, temperature increase for CAR are projected throughout the end of the century. Looking at precipitation, more rainfall amounts are expected to be received through these intense and more frequent rainfall events. According to analysis from the German Climate Service Center of 32 Global Climate Models, rainfall is expected to increase by 12 percent to as much as 19 percent by the end of the century. Heavy precipitation events are expected to coincide with an additional occurrence of extreme rainfall and extreme events with flooding are expected to impact rivers and surface water runoff during the summer rainy seasons. Disasters due to the increase in the frequency and intensity of floods and droughts are also expected to become more frequent. The Figure A.4.1 shows the projected average precipitation in CAR across all emission scenarios through the end of the century.

[45] German Climate Service Center (2015). Climate-Fact-Sheet, Central African Republic.
[46] Sonwa, D. et al. (2014). Climate Change and Adaptation in Central Africa: Past, Scenarios and Options for the Future. URL: *https://www.researchgate.net/publication/268871188_Climate_change_and_Adaptation_in_Central_Africa_Past_Scenarios_and_Options_for_the_Future*
[47] German Climate Service Center (2015). Climate-Fact-Sheet, Central African Republic.
[48] Sonwa, D. et al. (2014). Climate Change and Adaptation in Central Africa: Past, Scenarios and Options for the Future. URL: *https://www.researchgate.net/publication/268871188_Climate_change_and_Adaptation_in_Central_Africa_Past_Scenarios_and_Options_for_the_Future*
[49] Dosio, A. (2016). Projection of temperature and heat waves for Africa with an ensemble of CORDEX Regional Climate Models. *Climate Dynamics*. 49. P.493-519. URL: *https://link.springer.com/article/10.1007/s00382-016-3355-5*
[50] German Climate Service Center (2015). Climate-Fact-Sheet, Central African Republic.

Figure A.4.1: Annual Average Precipitation in CAR for 1986 to 2099[51]



Source: WBG Climate Change Knowledge Portal (CCKP, 2019). CAR Water Dashboard. URL: *https://climateknowledgeportal.worldbank.org/country/central-african-republic/climate-sector-water*

3. **The agricultural sector is critical to CAR's economy and food security situation and is considered to be one of the most vulnerable sectors to projected climate change trends.** Projected climate change trends for the region are expected to impact crop selection and productivity, alter farming practices and put increased pressure on farmers to expand their cropland into forests.[52] Rising temperatures may also alter pest and pathogen existence, with particular concern for the cassava mosaic virus. Additionally, increasing temperatures and humidity may negatively impact the ability to effectively process agricultural products and safely store seeds, grains and other perishable products.[53] Damage to the region's already severely limited ground transportation infrastructure from floods and heavy rains (as well as political instability and conflict) is likely to lead to increased erosion, raising transport costs and/or prevent products from reaching market before spoilage, negatively impacting farmers. Increased and/or prolonged dry spells are also likely to alter planting timelines. These higher temperatures have implications for impacts to soil moisture and crop growth. Precipitation is also expected to increase, but marginally, in the southern and southeast areas.

B. Intent to Address Vulnerability

4. **The proposed project is closely aligned with the World Bank's climate change and resilience agenda.** Climate change—as manifested by rising temperatures, increasing climate variability, and a growing frequency and intensity of climate-related disasters such as floods—heavily affects vulnerable populations. The poor suffer disproportionately from climate change and climate-related disasters; they are often more affected, lose more when hit, and generally receive less support to cope and recover.[39] In

[51] WBG Climate Change Knowledge Portal (CCKP, 2019). CAR Water Dashboard. URL: https://climateknowledgeportal.worldbank.org/country/central-african-republic/climate-sector-water
[52] Baoto, S., Song, S. and Fagariba, C. (2018). Climate Change Adaptation and Agricultural Development in Central Africa Republic-Evidence of North-West. *J. of Food Processing and Technology.* 9(11). DOI: 10.4172/2157-7110.1000761
[53] USAID (2018). Climate Risks in the Central African Regional Program for the Environment (CARPE) and Congo Basin. URL: *https://www.climatelinks.org/sites/default/files/asset/document/20180604_USAID-ATLAS_ClimateRiskProfile_CARPE.pdf*

the Action Plan on Climate Change Adaptation and Resilience, the World Bank acknowledges the urgency of the development impacts of climate change and commits to scaling up adaptation efforts to build resilience against climate and disaster impacts with a focus on interventions that directly target and engage with vulnerable population groups.[40] The World Bank's Next Generation Africa Climate Business Plan includes strategic directions to ensure food security and build resilient green cities in the face of climate risks. It also proposes measures to increase resilience to climate shocks and foster efficient risk governance. The proposed project supports better understanding of natural hazards in CAR and improve the local communities' capacity to cope with climate-related stresses. It is therefore closely aligned with the two action plans cited above.

C. Link to Project Activities – Climate Mitigation and Adaptation Co-benefits by Subcomponent

5. The following links to the proposed project are noted:

Subcomponent 1.1: Support food production and household nutrition (US$16.3 million)

6. This subcomponent has climate adaptation and mitigation co-benefits as it focuses on reducing the impacts of the worsening effects of climate change on farmers. This subcomponent has 3 types of activities as follows.

(a) *Access to agriculture input* (US$9 million): this activity has adaptation co-benefits because it aims to increase the supply of drought-resistant seeds, which will support beneficiaries' resilience to climate change. In addition, this subcomponent has climate mitigation benefits as detailed in Annex 5.

(b) *Institutional capacity building benefiting the National Seed Office (Office National des Semences, ONASEM)* (US$4.3 million): this activity has adaptation co-benefits because it is supporting the activities listed above in (a) and (b). In addition, adaptation co-benefits can be assigned to drought-resistant seed research, CSA technology research and the climate training (offered through the human resource development), incorporation of climate considerations in the varieties research activities, procurement of laboratory equipment for R&D facilities, through which climate research will be conducted. Mitigation co-benefits can be assigned to the training on climate mitigation approaches, in the establishment and/or strengthening of demonstration plots.

(c) *Improvement of household nutrition* (US$3 million): this set of activities has adaptation co-benefits because it will promote and upgrade existing kitchen and village gardens and ensure availability of animal proteins for household consumption through backyard poultry. In addition, the adoption CSA practices that consume less area, generate higher yields, and use diversified vegetable seeds that is resilient to climate change will be promoted. The CSA will help to increase the productivity and resilience (adaptation) of vegetable crops in a sustainable way, promoting the reduction of GHG emissions, and improving household nutrition.

7. **Subcomponent 1.2: Support to seed protection and linkages to market opportunities (US$7.6 million)**. This subcomponent has climate adaptation co-benefits as it focuses on storage facilities to reduce exposure and susceptibility of commodities to extreme weather conditions and extension services and awareness-raising to promote climate adaptation approaches to reduce post-harvest losses. This subcomponent also has some mitigation co-benefits, as the intervention will integrate energy efficiency in-built infrastructure.

8. **Subcomponent 1.3: Strengthening hydro-meteorological information and early warning (US$3.6 million)**. This subcomponent has climate adaptation co-benefits.

9. **Subcomponent 2.1: Rehabilitation and maintenance of small-scale agricultural infrastructures (US$2.2 million).** This activity has adaptation co-benefits because all investments in infrastructure (for example, storage facilities, irrigation schemes, and water controls technologies) will be designed to climate-resilient standards, in that they are planned, designed, built and operated in a way that anticipates, prepares for and adapts to changing climate conditions, for example, predicted rainfall and flood events and protection of infrastructure against flooding. In addition, investments also include small scale infrastructure specifically designed to adapt to the worsening effects of climate change, notably water bypass to accommodate for flooding and irrigation system targeting drought hotspot areas.

10. **Subcomponent 2.2: Rehabilitation and maintenance of drainage infrastructure in Bangui (US$14.8 million).** This subcomponent will support investment in drainage works that are planned, designed, rehabilitated, and maintained in a way that anticipates, prepares for, and adapts to changing climate conditions. Drainage infrastructure (estimated at US$11.3 million) will be cleaned, repaired, and rehabilitated in areas exposed to recurrent flooding due to climate change. In addition, the selection of beneficiaries for LIPW will be based on a geographical targeting focusing on a population highly exposed to flood worsened by climate change. In so doing, the cash-for-work (estimated at US$2.3 million) is intended to reduce the vulnerability of climate-exposed populations. The subcomponent will also fund a study for the long-term sustainable financing of the drainage operations and maintenance, thus ensuring that drainage infrastructures fulfill their role (and provide adaptation co-benefits) for the long term and against the backdrop of climate change.

Annex 5: Greenhouse Gas Accounting

1. **This annex presents the GHG accounting for the proposed project.** In line with the World Bank's corporate guidelines, the present analysis is using the Ex-Ante Carbon-balance Tool (EX-ACT) developed and updated by FAO since 2010[54] to assess a project's net carbon-balance. The carbon-balance is defined as the net balance from all GHGs expressed in CO_2 equivalents (CO_2e) that are to be emitted or sequestered due to project implementation (with project) as compared to a business-as-usual scenario (without project). EX-ACT is a land-based accounting system, estimating CO_2e stock changes (i.e. emissions or sinks of CO_2) expressed in equivalent tons of CO_2 per hectare and year. The tool is built using mostly data from the Intergovernmental Panel on Climate Change Guidelines for National GHG Inventories from 2006 that furnishes EX-ACT with recognized default values for emission factors and carbon values in soils and biomass (the so-called "Tier 1 level" of precision).

2. **For the present project, the calculations were based on agro-ecological characteristics of the project area in the CAR (moist tropical climatic conditions with low-activity clay soils) and on the parameters of land use and crop management practices aligned to the economic and financial analysis.** As summarized in Table A5.1 below, the changes brought about by the project were included in the tool's different modules and include: (i) improved crop productivity and production with less GHG emissions on a total of 32,500 ha[55] under different crops (groundnut, cassava, rice, maize, sorghum, beans); and (ii) livestock restocking (60,000 chickens, 6,000 goats and 6,000); and (iii) the increased input use (fertilizer and pesticides distributed by the project). No land-use changes were assumed at this stage, and the emissions of flooded rice systems (inland valley bottom rice) are assumed to remain constant, as no major changes are foreseen with project support.

Table A5.3: Assumptions used in the EX-ACT Tool

Module	System/crop category	Changes
Land Use Change	None	
Crop Production	*Annual Systems* Groundnut: 6,500 ha Cassava: 4,000 ha Maize: 5,000 ha Sorghum: 10,000 ha Beans: 2,000 ha	Improved agronomical practices
	Flooded Rice Systems Inland valley bottom rice: 5,000 ha	No changes
Livestock Production	*Restocking (introduction of new animals)* Chickens: 60,000 Goats: 6,000 Pigs: 6,000	
Inputs	Increased use of fertilizer and pesticides (through direct distribution by the project)	1,400 t NPK 20 L pesticides

3. **The carbon balance results indicate that the project activities will lead to a total of -47,120 tons of CO2e to be mitigated over a period of 5 years[56] starting from project implementation.** Per year, the

[54] http://www.fao.org/tc/exact/ex-act-home/en/
[55] As for the economic and financial analysis, the cropped area has been estimated using the proposed quantities of inputs to be procured and distributed under Subcomponent 1.1
[56] Aligned to the economic and financial analysis period and assuming 3 years of implementation and 2 years of capitalization.

mitigation potential is roughly -9,424 tons of CO2e, or -0.3 tons of CO2e per hectare (see Table A5.2 below). Overall, the additional emissions generated by the increased input use are off-set and surpassed by the reductions in emissions due to crop production, ensuring the project's carbon neutrality.

Table A5.2: GHG Accounting Results from the EX-ACT Tool

Project Name	P176754 CAR Emergency F		**Climate**	Tropical (Moist)				**Duration of the Project (Years)**		5	
Continent	Africa		**Dominant Regional Soil Type**	LAC Soils				**Total area (ha)**		27500	
Components of the project	**Gross fluxes**			**Share per GHG of the Balance**				**Result per year**			
	Without	**With**	**Balance**	**All GHG in tCO2eq**				**Without**	**With**	**Balance**	
	All GHG in tCO2eq			CO_2			N_2O	CH_4			
Land use changes	**Positive = source / negative = sink**			**Biomass**	**Soil**	**Other**					
Deforestation	0	0	0	0	0		0	0	0	0	0
Afforestation	0	0	0	0	0		0	0	0	0	0
Other LUC	0	0	0	0	0		0	0	0	0	0
Agriculture											
Annual	-6,930	-72,100	-65,170	0	-65,170		0	0	-1,386	-14,420	-13,034
Perennial	0	0	0	0	0		0	0	0	0	0
Rice	37,128	37,128	0	0	0		0	0	7,426	7,426	0
Grassland & Livestocks											
Grassland	0	0	0	0	0		0	0	0	0	0
Livestocks	0	11,104	11,104				5,841	5,263	0	2,221	2,221
Degradation & Management											
Forest degradation	0	0	0	0	0		0	0	0	0	0
Peat extraction	0	0	0		0		0	0	0	0	0
Drainage organic soil	0	0	0		0		0	0	0	0	0
Rewetting organic soil	0	0	0		0		0	0	0	0	0
Fire organic soil	0	0	0	0				0	0	0	0
Coastal wetlands	0	0	0	0	0		0	0	0	0	0
Inputs & Investments	0	6,946	6,946			3,504	3,442	0	0	1,389	1,389
Fishery & Aquaculture	0	0	0			0	0	0	0	0	0
Total	30,198	-16,922	-47,120	0	-65,170	3,504	9,283	5,263	6,040	-3,384	-9,424
Per hectare	1.1	-0.6	-1.7	0.1	-2.4	0.1	0.3	0.2			
Per hectare per year	0.2	-0.1	-0.3	0.0	-0.5	0.0	0.1	0.0	0.2	-0.1	-0.3

Annex 6: Cost Estimate of 2021 Humanitarian Response Plan in CAR

<table>
<tr><td rowspan="2">TOTAL NEEDS
➢ Needs: 2,8 million households
➢ Target: 1,84 million households
➢ Financing required: US$444,7 million</td><td colspan="3">Cost estimate per sectors (US$ million)</td></tr>
<tr><td>Food security (168)
Protection (40.4)
Health (38.8)
Refugees (32.2)</td><td>Nutrition (35)
Water, Sanitation (38)
Logistic (22.2)
Housing (20,8)</td><td>Coordination (124.4)
Emergency communication (0.87)</td></tr>
<tr><td colspan="4">EMERGING FOOD CRISIS NEEDS ESTIMATION: US$241M</td></tr>
<tr><td colspan="2">FOOD SECURITY NEEDS
➢ Needs: 2.3 million households
➢ Target: 1.8 million households
➢ Financing required: US$168 million</td><td colspan="2">- Food distribution
- Increase productivity
- Early warning system</td></tr>
<tr><td colspan="2">NUTRITION NEEDS
➢ Needs: 1.1M households
➢ Target: 0.87 M households
➢ Financing required: US$35 million</td><td colspan="2">- Equitable access to nutritional care for children and pregnant women
- Prevention malnutrition of children under 5 years old and pregnant women
- Monitoring of nutrition status</td></tr>
<tr><td colspan="2">LOGISTIC
➢ Financing required: US$22.2 million</td><td colspan="2">- Rehabilitation of physical access infrastructures
- Increased storage capacities
- Logistic training</td></tr>
<tr><td colspan="2">WATER, SANITATION
➢ Financing required: US$38 million</td><td colspan="2">-</td></tr>
<tr><td colspan="2">HEALTH
➢ Financing required: US$38 million</td><td colspan="2">-</td></tr>
</table>

Source: Based on information from OCHA December 2020 (Humanitarian response plan 2021)

Annex 7: Country Map