Environmental and Social Review Summary
Concept Stage
(ESRS Concept Stage)

Date Prepared/Updated: 05/21/2019 | Report No: ESRSC00559
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
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<tr>
<td>Angola</td>
<td>AFRICA</td>
<td>P169779</td>
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<tr>
<th>Project Name</th>
<th>Angola Social Safety Nets</th>
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<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
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<tr>
<td>Ministerio das Financas</td>
<td>Ministerio da Accao Social, Familia e Promocao da Mulher, Fundo de Apoio Social</td>
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Proposed Development Objective(s)
The objectives of the proposed Project are to provide temporary income support to poor and vulnerable households in selected areas while strengthening the delivery mechanisms for the development of a basic social safety net system.

Financing (in USD Million)

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<th>Amount</th>
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<td>Total Project Cost</td>
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B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Angola is developing a new model of growth as the current one, based on oil wealth has reached its limits in delivering poverty reduction and shared prosperity. One of the main challenges facing the country in developing this more inclusive growth model is to protect the poor and vulnerable while supporting economic diversification. The government has started to reform the social contract by shifting away from universal subsidies towards a poverty-targeted safety net system, that would support poor and vulnerable households in managing shocks and in strengthening their investments in productive and human capital. The objectives of the proposed project are to
provide temporary income support to poor and vulnerable households in selected areas while strengthening the delivery mechanisms for the development of a basic social safety net system. To achieve this objective, the project would support three components: Component 1: Cash transfers program to mitigate the impacts of the subsidy reform on poor households (US$ 255 million). This component would support the provision of cash transfers to households in the bottom 40% to mitigate the impacts of the subsidy reform. The program would seek to reach one million households in 40 municipalities which concentrate the urban poor. The transfers would last for twelve months. Component 2: Development of a basic social safety net (SSN) system (US$ 65 million). This component would support: 2.A. The development of the key permanent building blocks of a poverty-targeted SSN system: registry, beneficiary targeting, payment system, management information system, monitoring and evaluation, and grievance redress mechanisms. 2.B. Communication strategy about the subsidy reform and the safety net programs. 2.C. The development of an effective safety net system supporting investments in productive and human capital. Component 3: Project management (US$ 10 millions). The project will be implemented by the Ministry of Social Action, Family and Promotion of Women and the Social Action Fund.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

Given the context of the subsidy reform, the project will focus on poor and vulnerable households among the bottom 40 percent, in the municipalities that concentrate the largest number of urban poor households. Forty municipalities, with the highest number of urban poor, house approximately one million households in the two lowest quintiles. Overall, these one million cash transfer beneficiary households would be roughly equally distributed among rural and urban areas of these municipalities, which are geographically dispersed across the country. The focus on this group can be justified given the nature of products targeted by the subsidy reform: water, transport, electricity and fuel. The selection of this group also aligns with the Government’s National Development Plan 2018-22 axis about “Human Development and Social Welfare”. This group is also the target of the newly launched Unified Social Registry, which the project would strengthen. Following registration in the Unified Social registry and targeting, project beneficiaries will benefit from a temporary cash transfer. The cash transfers seek to reach the 40 percent poorest in the selected municipalities, that would be the most affected by the subsidy reform. Targeting is based on poverty maps at the municipality-level and proxy-means test at the household level. Documented gender inequality in the country suggests that the marginal impact of the transfers would be higher if they reached women. It is estimated that a significant proportion of beneficiary households will be households with a single female adult earner (approximately 40 percent of households self-report as female-headed). The project complements existing and planned interventions, including the DPO series, the support to the decentralization and support to the water sector and health and education systems. The project will also aim for gender parity amongst beneficiaries (50% male and 50% female) and ensure the participation of female-headed households.

D. 2. Borrower’s Institutional Capacity

The project will be jointly implemented by the Ministry of Social Action, Family and Promotion of Women (MASFAMU) and the Social Action Fund (FAS), a semi-autonomous agency under the jurisdiction of the Ministry of Territorial Administration (MAT). MASFAMU’s mandate is to design, coordinate and implement social policies and programs for the most vulnerable population groups, to fight poverty, defend and strengthen family welfare, the promotion of women, community development and guarantee women’s rights in terms of gender equality and equity while FAS supports and contributes to the promotion of sustainable participative development among the poorest or vulnerable populations, through poverty alleviation and economic stabilization programs. FAS and MASFAMU already collaborate on the implementation of safety net programs. It is expected that FAS manages Components 1 and 2 A while
MASFAMU would focus on Component 2B. The precise institutional arrangements for project coordination and implementation will be defined once the detailed scope of the project is defined and a capacity assessment conducted. Given the expanded scope of the Environmental and Social Framework (ESF) and the client’s unfamiliarity with the ESF, overall the Borrower’s institutional capacity to implement the project under the ESF may be considered weak even though FAS is implementing a Bank-financed project. During preparation, due diligence of the institutional arrangements for environmental and social management of the project will be carried out to assess any gaps in capacity. The Institutional Capacity Assessment, prepared under the guidance of the World Bank, will be conducted prior to appraisal. Any capacity gaps/ strengthening measures linked to the implementation of the Environmental and Social Standards will be captured in an Institutional Capacity Strengthening Plan and reflected in the Environmental and Social Commitment Plan (ESCP). Despite the lack of the Institutional Capacity Assessment, the PIU will ensure that a full time Social Development Specialist is hired during the early implementation period of the project to lead the implementation of the ESSs relevant for the project. The Social Specialist will be responsible for monitoring the preparation and implementation of GBV risk mitigation measures and the operation of an effective GRM.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

The environment risk rating is classified as Low at this stage of project preparation. The core project activities are providing cash transfers and strengthening delivery systems. Adverse environmental risks and impacts related to these activities are likely to be minimal or negligible. Based on the scope and the economic areas defined during further project preparation, this risk rating will be reviewed and revised if needed. Potential risks and impacts related to occupational health and safety and pollution prevention and management.

Social Risk Rating

The social risk rating is classified as low at this stage of the project preparation. The main project activities will include household registration in the unified social registry, cash transfers, communication activities, each of which should be well defined, socially inclusive, and include beneficiaries’ consultations. On-demand registration in selected areas will be accompanied with a strong operational communication (Component 2B) and the implementation of an effective grievance redress mechanism at the community-level to address potential issues as close to the source as possible. Cash transfers have proven effective in mitigating the potential poverty impacts of subsidy reforms on the poor, especially in urban areas.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Project activities include unconditional cash transfers, and referral of a subset of households to complementary interventions including providing skills and grants to poorer household members, to promote self-employment and entrepreneurship, increase local productivity and enhance linkages with other existing Government initiatives. Based on the outcome of project identification meetings with the Implementing Agency and Bank review of the
performance of the on-going implementation similar activities by FAS, the potential for indirect environmental impacts to cash transfers beneficiaries have been identified. In addition, while the overall social benefits are expected to be positive, identified social risks and impacts are related to gender inequality, social inclusion, sexual exploitation and abuse (SEA), gender-based violence (GBV), use of security personnel, Indigenous Peoples, and legacy issues relating to heightened vulnerability status of beneficiaries who may have previously been subject to forcible relocation. The project will prepare an Environmental and Social Management Framework (ESMF) that will provide general baseline information; describe the typology of subprojects and assess anticipated E&S risks and impacts based on the typologies; describe how subprojects will be reviewed and screened, including the type and timing of subproject E&S assessment instruments; and detail the institutional arrangements for E&S assessment, management, supervision and reporting. The ESMF will be expected to address potential for indirect environmental impacts, as well as social risks and impacts such as social inclusion, resource competition/inter and intra-household conflict, and any relevant legacy issues. SEA and GBV risks will be managed through an action plan (see ESS 4 below). An Indigenous Peoples Policy Framework (IPPF) will be prepared to address engagement with indigenous peoples (see ESS 7 below). Social risks expected to be avoided or mitigated through project design include support for specific outreach activities to ensure female-headed households can access registration points and will encourage the issuance of beneficiary ATM cards to one woman or the main couple in households. Encouraging the issuance of ATM cards will also avoid potential risks related to use of security personnel for distribution of cash benefits.

Areas where reliance on the Borrower’s E&S Framework may be considered:
The project does not propose to rely on the Borrower’s E&S Framework in whole or in part.

ESS10 Stakeholder Engagement and Information Disclosure
The project will ensure early, continuous and inclusive (including vulnerable/disadvantaged groups) stakeholder engagement which will be documented in a SEP (see ESS10 below). The project will support external and internal communication campaigns to explain program processes and rules and will support the implementation of a grievance redress mechanism to address questions from beneficiaries and non-beneficiaries and resolve any potential conflicts linked to the exclusion of some households from transfers. The beneficiaries of the project will be households which are among the 40 percent poorest. It is expected that 40% of them will be female-headed households and they will be split roughly equally between urban and rural areas of the targeted municipalities. This category of households may be difficult to reach, as they live in informal settlements which poses identification problems. The neighborhood commissions (Comissões de Bairro) will provide key relays to enhance outreach. In addition, the government has recently emphasized the importance of enhancing transparency in beneficiary selection. The strengthening of the Social Registry can greatly enhance the targeting of social safety nets. This registry will provide a cross-cutting tool, with key data on vulnerable households and individuals (age, level of education, occupation etc.) and will be used assist the government in optimizing targeting and enhancing transparency for beneficiary selection in social programs. Application of ESS10 stakeholder engagement and disclosure of information is a central part of the Angola Social Safety Nets that will be closely monitored through a Stakeholder Engagement Plan (SEP). It will also be complementing ESS7 through continuous culturally-sensitive and inclusive consultations. The SEP will outline the characteristics and interests of the relevant stakeholder groups and timing and methods of engagement throughout the life of the project. A project level Grievance Redress Mechanisms will also be established.
B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The PIU will include civil servants, with support from consultants to provide technical assistance on specific tasks. As part of the institutional Capacity Assessment, the client’s capacity to manage labor, working conditions and health and safety will be assessed and training needs reflected in the ESCP. Productive inclusion activities will just support activities which are currently under implementation by the beneficiaries. Selected beneficiaries will just receive small grants to improve these activities. Notwithstanding, practical guidelines will be prepared to ensure that specific provisions to address workers’ health and safety related issues are considered. The practical guidelines will include procedures for the use of adequate protection materials (gloves, boots, masks, etc.) and to facilitate the participation of women (provision of daycare services, etc.). Workers will be able to bring their grievances to a labor GRM established by the project or per national labor law regulations.

ESS3 Resource Efficiency and Pollution Prevention and Management

This ESS is relevant to the Project, however risks and impacts related to resource efficiency and pollution prevention and management as a result of productive inclusion activities are expected to be negligible. The potential for direct and indirect environmental risks or impacts to beneficiaries will be assessed during preparation as part of the ESMF. The productive inclusion activities may include small scale farming, artisanal work and such, which may generate minimal quantities of waste and which should be manageable via proportionate measures. The project is not expected to include significant use of water or impacts on water quality. In addition, the project is not expected to produce significant greenhouse gas emissions.

ESS4 Community Health and Safety

The main risks identified at this stage include increases in GBV around the receipt of cash transfers by a woman (within households or at payment points), and SEA risks linked to sexual favors for registration. The action plan will include measures for minimizing gender-based violence, intra-household violence and sexual abuse and exploitation, including outreach to local communities and codes of conduct, where necessary.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

The project is not expected to involve land acquisition leading to economic or physical displacement. No productive inclusion activity will be approved if they would require involuntary displacement or resettlement or if a grievance is currently being filed or is unresolved. In potential cases where an individual has the right to use or benefit from the land where the activity could take place (whether officially recognized or not), it will be agreed that the affected person would cede the land in return for replacement land being provided by the community or local administration. An RPF may be necessary as well as RAPs/ARAPs for a very limited set of specific activities.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
This ESS is not expected to be relevant as the Project will not finance any activities that involve direct, indirect or cumulative risks and impacts related to habitats biodiversity conservation, and sustainable management of living natural resources. The relevance of this ESS will be further assessed during preparation.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

The project will be implemented throughout Angola and with the objective to reach the poorest 40 percent households. Indigenous Peoples, such as the San, a minority indigenous group with a population scattered in the provinces of Huila, Cunene, Namibe, and Kuando Kubango, may be registered and eligible for the cash transfers and productive inclusion activities. Special arrangements will be developed and integrated into the Operational Manual and IPPF for the project to engage with and assist such indigenous populations through culturally appropriate methods and experienced organizations. It is presumed that the cash transfers targeted to indigenous households would have positive impacts given their greater poverty levels. The IPPF to be developed will include socio-cultural assessment sections, to better understand underserved traditional local communities and how they will be included. A grievance redress mechanism will be included that is culturally appropriate and accessible to these groups.

ESS8 Cultural Heritage

This ESS is not expected to be relevant as the project is not expected to finance cash transfer which may have direct or indirect environmental and social risks or impacts on tangible or intangible cultural heritage. The relevance of this ESS will be further assessed during preparation.

ESS9 Financial Intermediaries

This ESS is not relevant since the project activities will not involve any financial intermediaries.

B.3 Other Relevant Project Risks

In the context of the subsidy reform, the project will support key interventions such as communication to garner support for the reform and cash transfers to mitigate the potential negative impacts of price increases on the poor. However, the reform is expected to mostly affect richer households and key economic sectors such as energy and transport. In a context where the government has little fiscal space to maneuver, political instability and civil unrest may follow the actual removal of subsidies, which management goes beyond this ESF.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

OP 7.60 Projects in Disputed Areas

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE
A. Is a common approach being considered?  

No

Financing Partners

N/A

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- Preparation, consultation and disclosure of a stakeholder engagement plan (SEP) will include sections to address stakeholder engagement, vulnerable groups, and gender-based violence.
- Preparation, consultation and disclosure of an ESCP.
- Institutional Capacity Assessment,
- Labor Management Procedure (if necessary).
- Preparation of ESMF

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- The Environmental and Social Commitment Plan is expected to contain (ii) a Stakeholder Engagement Plan (SEP) and (ii) a Good practice guide for the Productive inclusion activities.
- Institutional arrangements for the implementation of SEP;
- Institutional Capacity Strengthening Plans;
- Development and Implementation of RAPs/Abbreviated RAPs (if necessary);
- GBV mitigation plan.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 17-May-2019

IV. CONTACT POINTS

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May 22, 2019
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<td>5333+2330</td>
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**Borrower/Client/Recipient**

Borrower:  Ministerio das Financas

**Implementing Agency(ies)**

Implementing Agency:  Ministerio da Accao Social, Familia e Promocao da Mulher

Implementing Agency:  Fundo de Apoio Social

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):  Benedicte Leroy De La Briere

Safeguards Advisor ESSA  Hanneke Van Tilburg (SAESSA) Cleared on 21-May-2019 at 20:48:40